



## 2nd Quarter Report

for the Fiscal Year Ending January 31, 2009

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### Dear Fellow Shareholder:

We are very pleased to report excellent results for the second quarter and first six months of fiscal 2009 ended July 31, 2008. For the second quarter, Met-Pro reported record second quarter net sales, net income and earnings per share. This performance demonstrates the ability of your Company to deliver solid results despite a soft economy in many countries around the world and in a period of rapidly rising commodity prices. Our strategy to leverage our business model through a variety of efficiency initiatives is working. The resultant productivity improvements are enabling us to drive better earnings growth as evidenced by our performance.

Net sales for the second quarter ended July 31, 2008 were \$28.1 million, the highest second quarter net sales in the Company's history, and up 8% from net sales of \$26.1 million for the same quarter last year. Net income in the second quarter totaled \$2.7 million, the highest second quarter net income in the Company's history, and up 40% compared with net income of \$1.9 million for the same quarter last year. For the second quarter, the Company reported earnings of \$0.18 per fully diluted share, the highest second quarter earnings in the Company's history, and up 38% compared with \$0.13 per fully diluted share for the second quarter of last year.

Net sales for the six months ended July 31, 2008 were a record \$50.8 million compared with \$47.5 million for the same period last year, an increase of 7%. Net income for the first half ended July 31, 2008 totaled \$4.6 million compared with \$5.6 million for the same period last year, which included a \$2.2 million gain from a property sale. Excluding the gain from the prior year's property sale, net income for the first half of this year was up 35% from a year ago and was the highest first half net income in the Company's history. For the first half ended July 31, 2008, earnings were \$0.30 per fully diluted share compared with earnings of \$0.37 per fully diluted share for last year's first half, which included the gain from the property sale. Excluding the gain from the prior year's property sale, earnings for the first half were up 36% from the comparable period last year, and were the highest first half earnings in the Company's history.

On June 12, 2008, the Company paid a quarterly dividend of \$0.055 per share to shareholders of record at the close of business on May 29, 2008. In addition, the Board of Directors, at their meeting on June 4, 2008, declared a quarterly dividend of \$0.055 per share payable September 10, 2008 to shareholders of record at the close of business on August 27, 2008. The current quarterly dividend represents a 9% increase over the same period last year. This is the thirty-third consecutive year the Company has paid a cash or stock dividend.

On June 30 of this year, Met-Pro was added to the broad-market Russell® 3000 index. The Company's inclusion in this index is recognition of the hard work of the many dedicated Met-Pro employees that stand behind our commitment to provide value to our customers and shareholders.

Our International business remains vibrant and continues to be a growth driver for Met-Pro as we evolve into a global company. In the second quarter, International net sales increased 66% to a quarterly record \$9.6 million compared with \$5.8 million in the second quarter of last year. For the quarter, International net sales represented 34% percent of the total Company net sales. We continue to accelerate our development of emerging global markets through a concerted sales and marketing effort, including expanding our resources in those markets where there is a strong demand for our leading brands. As an example, during the quarter our Fyroc business unit announced their second large order this year, greater than \$500,000, from the European market. This order is to supply corrosion resistant fiberglass centrifugal pumps for the new Florya Aquarium in Istanbul, Turkey, which is the first aquarium ever built in Turkey. It will utilize Fyroc's 1500 Series horizontal pumps for seawater circulation, intake, and filtration, all of which are critical to proper management of the aquarium's sea life support systems. This order is representative of the widening recognition of the various Met-Pro brands around the world.

Met-Pro's large installed base of original equipment, together with new original equipment sales, continue to provide a tremendous source of opportunities for aftermarket sales to customers who trust the Met-Pro brand and value their Met-Pro relationship. During the quarter, we announced that the Company's Flex-Kleen business unit had received a better than \$600,000 aftermarket parts order from one of the largest electric utilities in the United States. Together with a steady stream of customer interest, it allows us to remain optimistic regarding the future growth of our aftermarket business at Flex-Kleen and throughout the Company.

Our second quarter performance together with our strong inquiry levels and quotation activity, allow us to remain optimistic regarding our prospects not only for the second half of our fiscal year, but for the long term as well. With solutions that help solve the challenges of protecting our environment while serving business and industry around the world, Met-Pro is well positioned to take advantage of opportunities presented by the global trend toward more responsible development.

On behalf of all our loyal, dedicated and hardworking employees worldwide who have contributed to your Company's success, thank you very much for your continued interest and support of Met-Pro Corporation.



**Raymond J. De Hont**  
Chairman, President and  
Chief Executive Officer

September 2, 2008

This shareholder letter contains non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. Included at the end of this shareholder letter is a reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated in accordance with generally accepted accounting principles as well as certain Regulation G disclosures.

**Met-Pro Corporation**  
**Consolidated Statement of Operations**  
**(unaudited)**

	Three Months Ended July 31,		Six Months Ended July 31,	
	2008	2007	2008	2007
<b>Net sales</b>	\$28,145,718	\$26,102,277	\$50,802,192	\$47,475,840
Cost of goods sold <sup>(1)</sup>	18,512,670	17,167,227	33,576,920	31,382,285
Gross profit	9,633,048	8,935,050	17,225,272	16,093,555
<b>Operating expenses (income)</b>				
Selling <sup>(1)</sup>	2,720,519	3,322,035	4,972,595	5,866,216
General and administrative	2,907,338	2,923,408	5,551,257	5,407,261
Gain on sale of building	-	-	-	(3,513,940)
Income from operations	4,005,191	2,689,607	6,701,420	8,334,018
Interest expense	(63,705)	(90,546)	(128,766)	(170,698)
Other income, net	123,115	299,087	298,930	516,393
Income before taxes	4,064,601	2,898,148	6,871,584	8,679,713
Provision for taxes	1,361,640	970,880	2,242,978	3,030,694
<b>Net income</b>	<b>\$2,702,961</b>	<b>\$1,927,268</b>	<b>\$4,628,606</b>	<b>\$5,649,019</b>
Basic earnings per share	\$.18	\$.13	\$.31	\$.38
Diluted earnings per share	\$.18	\$.13	\$.30	\$.37
<b>Average common shares outstanding:</b>				
Basic shares	15,040,659	14,963,544	15,044,176	14,969,096
Diluted shares	15,375,261	15,294,323	15,402,394	15,297,908

(1) The Company has reclassified freight out, and representative and distributor commissions from a deduction of gross sales to the cost of goods sold and selling expense categories, respectively, for the three and six-month periods ended July 31, 2007. For the three-month periods ended July 31, 2008 and 2007, freight out was \$469,328 and \$151,712, respectively, and representative and distributor commissions was \$507,820 and \$802,134, respectively. For the six-month periods ended July 31, 2008 and 2007, freight out was \$708,495 and \$234,858, respectively, and representative and distributor commissions was \$705,871 and \$1,276,438, respectively.

**Met-Pro Corporation**  
**Consolidated Balance Sheet**  
(unaudited)

	July 31, 2008	January 31, 2008
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$22,664,400	\$21,906,877
Marketable securities	18,776	20,369
Accounts receivable, net of allowance for doubtful accounts of approximately \$171,000 and \$152,000, respectively	22,672,710	23,013,988
Inventories	21,208,720	21,258,227
Prepaid expenses, deposits and other current assets	1,163,900	1,895,679
Total current assets	67,728,506	68,095,140
Property, plant and equipment, net	20,442,890	20,233,827
Costs in excess of net assets of business acquired, net	20,798,913	20,798,913
Other assets	467,205	283,023
<b>Total assets</b>	<b>\$109,437,514</b>	<b>\$109,410,903</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Current portion of long-term debt	\$1,457,802	\$2,028,482
Accounts payable	5,811,208	7,512,874
Accrued salaries, wages and expenses	5,015,392	6,023,857
Dividend payable	827,140	827,147
Customers' advances	801,868	260,698
Deferred income taxes	200,517	197,743
Total current liabilities	14,113,927	16,850,801
Long-term debt	3,846,646	4,075,682
Other non-current liabilities	1,651,123	2,109,250
Deferred income taxes	3,165,193	3,132,002
Total liabilities	22,776,889	26,167,735
Shareholders' equity		
Common shares, \$.10 par value; 36,000,000 shares authorized, 15,928,679 and 15,928,810 shares issued, respectively, of which 858,126 and 889,779 shares were reacquired and held in treasury at the respective dates	1,592,868	1,592,881
Additional paid-in capital	2,205,575	1,897,655
Retained earnings	86,249,401	83,267,096
Accumulated other comprehensive income	1,643,296	1,340,427
Treasury shares, at cost	(5,030,515)	(4,854,891)
Total shareholders' equity	86,660,625	83,243,168
<b>Total liabilities and shareholders' equity</b>	<b>\$109,437,514</b>	<b>\$109,410,903</b>

**Met-Pro Corporation**  
**Consolidated Statement of Cash Flows**  
(unaudited)

	<b>Six Months Ended July 31,</b>	
	<b>2008</b>	<b>2007</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash flows from operating activities</b>		
Net income	\$4,628,606	\$5,649,019
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	956,311	843,274
Deferred income taxes	4,075	899,167
(Gain) on sale of property and equipment, net	(7,389)	(3,516,683)
Stock-based compensation	216,102	255,054
Allowance for doubtful accounts	18,454	17,211
(Increase) decrease in operating assets:		
Accounts receivable	479,529	3,409,747
Inventories	190,093	(4,562,546)
Prepaid expenses, deposits and other current assets	750,287	(481,406)
Other assets	(197,483)	(4,841)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(2,887,814)	1,651,487
Customers' advances	539,328	1,351,575
Other non-current liabilities	(458,128)	28,770
<b>Net cash provided by operating activities</b>	<b>4,231,971</b>	<b>5,539,828</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property and equipment	10,000	4,345,282
Acquisitions of property and equipment	(962,458)	(864,953)
<b>Net cash provided by (used in) investing activities</b>	<b>(952,458)</b>	<b>3,480,329</b>
<b>Cash flows from financing activities</b>		
Reduction of debt	(764,991)	(758,148)
Exercise of stock options	468,436	390,484
Payment of dividends	(1,654,277)	(1,514,780)
Acquisition of treasury stock	(552,255)	-
<b>Net cash used in financing activities</b>	<b>(2,503,087)</b>	<b>(1,882,444)</b>
Effect of exchange rate changes on cash	(18,903)	(33,091)
<b>Net increase in cash and cash equivalents</b>	<b>757,523</b>	<b>7,104,622</b>
Cash and cash equivalents at February 1	21,906,877	17,322,194
<b>Cash and cash equivalents at July 31</b>	<b>\$22,664,400</b>	<b>\$24,426,816</b>

**Met-Pro Corporation**  
**Consolidated Business Segment Data**  
**(unaudited)**

	Three Months Ended		Six Months Ended	
	July 31,		July 31,	
	2008	2007	2008	2007
<b>Net sales</b>				
Product Recovery/Pollution Control Technologies <sup>(1)</sup>	\$14,186,154	\$12,946,748	\$23,690,946	\$22,821,736
Fluid Handling Technologies <sup>(1)</sup>	7,868,337	7,417,523	14,856,920	13,511,192
Mefiag Filtration Technologies <sup>(1) (2)</sup>	3,050,017	2,788,129	6,305,172	5,667,785
Filtration/Purification Technologies <sup>(1) (2)</sup>	3,041,210	2,949,877	5,949,154	5,475,127
	<b>\$28,145,718</b>	<b>\$26,102,277</b>	<b>\$50,802,192</b>	<b>\$47,475,840</b>
<b>Income from operations</b>				
Product Recovery/Pollution Control Technologies	\$1,699,022	\$778,418	\$2,591,273	\$1,456,152
Fluid Handling Technologies	1,857,018	1,569,300	3,236,972	2,732,614
Mefiag Filtration Technologies <sup>(2)</sup>	178,774	134,990	337,902	314,423
Filtration/Purification Technologies <sup>(2)</sup>	270,377	206,899	535,273	316,889
	4,005,191	2,689,607	6,701,420	4,820,078
Gain on sale of building	-	-	-	3,513,940
	<b>\$4,005,191</b>	<b>\$2,689,607</b>	<b>\$6,701,420</b>	<b>\$8,334,018</b>
			<b>July 31,</b>	<b>January 31,</b>
			<b>2008</b>	<b>2008</b>
<b>Identifiable Assets</b>				
Product Recovery/Pollution Control Technologies			\$42,797,566	\$40,509,227
Fluid Handling Technologies			21,839,723	22,401,768
Mefiag Filtration Technologies <sup>(2)</sup>			13,243,005	12,810,694
Filtration/Purification Technologies <sup>(2)</sup>			9,127,546	8,877,725
			87,007,840	84,599,414
Corporate			22,429,674	24,811,489
			<b>\$109,437,514</b>	<b>\$109,410,903</b>

(1) The Company has reclassified freight out, and representative and distributor commissions from a deduction of gross sales to the cost of goods sold and selling expense categories for the three and six-month periods ended July 31, 2007.

(2) On a quarterly basis, the Company analyzes the segmentation aggregation criteria as outlined in SFAS No. 131. As of the first and second quarters of the fiscal year ending January 31, 2009, the Mefiag operating segment previously included in the aggregated Filtration/Purification Technologies segment met the quantitative threshold of reported revenue of 10% or more of the totaled consolidated revenue of the Company. As a result, SFAS No. 131 requires the Mefiag operating segment to be listed as a reportable segment and therefore separately disclosed. This change in segment reporting results in the Company identifying three reportable segments, Product Recovery/Pollution Control Technologies, Fluid Handling Technologies and Mefiag Filtration Technologies, and one other segment, Filtration/Purification Technologies, as presented above.

## Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosure

This shareholder letter contains non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. A reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated in accordance with generally accepted accounting principles in the United States ("GAAP") follows. Although Met-Pro Corporation believes that these non-GAAP financial measures provide useful information to investors about its financial condition and results of operations, this information should be considered supplemental in nature and not as a substitute for financial information prepared in accordance with GAAP. Management's statements regarding the reasons why it believes the presentation of the non-GAAP financial information in this shareholder letter provides useful information to its investors, and any other material purposes for which management uses this non-GAAP financial information, are set forth in Met-Pro's Current Report on Form 8-K to which this shareholder letter is attached as an exhibit.

The following table reconciles income before tax, net income, and basic and diluted earnings per share, excluding the gain on the sale of property previously associated with the Company's Sethco business unit in Hauppauge, New York, as well as income before tax, net income, and basic and diluted earnings per share calculated in accordance with generally accepted accounting principles, for the three and six-month periods ended July 31, 2008 and 2007:

<b>Met-Pro Corporation</b>				
<b>Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosure</b>				
<b>(unaudited)</b>				
	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>July 31,</b>		<b>July 31,</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Income before tax as reported	\$4,064,601	\$2,898,148	\$6,871,584	\$8,679,713
Less: Gain on sale of building	-	-	-	(3,513,940)
Adjusted income before tax	\$4,064,601	\$2,898,148	\$6,871,584	\$5,165,773
Net income as reported	\$2,702,961	\$1,927,268	\$4,628,606	\$5,649,019
Less: Gain on sale of building	-	-	-	(2,213,782)
Adjusted net income	\$2,702,961	\$1,927,268	\$4,628,606	\$3,435,237
Basic earnings per share as reported	\$.18	\$.13	\$.31	\$.38
Adjusted basic earnings per share	\$.18	\$.13	\$.31	\$.23
Diluted earnings per share as reported	\$.18	\$.13	\$.30	\$.37
Adjusted diluted earnings per share	\$.18	\$.13	\$.30	\$.22
Average common shares outstanding:				
Basic shares	15,040,659	14,963,544	15,044,176	14,969,096
Diluted shares	15,375,261	15,294,323	15,402,394	15,297,908

*The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this shareholder letter, and other materials filed or to be filed with the Securities and Exchange Commission (as well as information included in oral or other written statements made or to be made by the Company) contain statements that are forward-looking. Such statements may relate to plans for future expansion, business development activities, capital spending, financing, the effects of regulation and competition, or anticipated sales or earnings results. Such information involves risks and uncertainties that could significantly affect results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by or on behalf of the Company. These risks and uncertainties include, but are not limited to, those relating to, the cancellation or delay of purchase orders and shipments, product development activities, computer systems implementation, dependence on existing management, the continuation of effective cost and quality control measures, retention of customers, global economic and market conditions, and changes in federal or state laws.*

Met-Pro common shares are traded on the New York Stock Exchange, symbol **MPR**.

Financial information should be considered in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report and the Securities and Exchange Commission's Form 10-K for the fiscal year ended January 31, 2008. To obtain an Annual Report, Form 10-K or additional information on the Company, please call 215-723-6751 and ask for the Investor Relations Department, or visit the Company's website at [www.met-pro.com](http://www.met-pro.com).