



## 3rd Quarter Report

for the Fiscal Year Ending January 31, 2008

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### Dear Fellow Shareholder:

We are very pleased with the Company's record high results for the third quarter and the nine months ended October 31, 2007. Sales were the highest for any third quarter and first nine months in the Company's history. Net income for the third quarter and the first nine months were also record highs, even after an adjustment for a large net gain in the first quarter ended April 30, 2007 resulting from the sale of property previously associated with the Company's Sethco business unit. Earnings per share increased significantly when compared with the same periods last year. In addition, quotation activity remained high and October bookings were the highest monthly bookings year-to-date.

Sales for the third quarter ended October 31, 2007 were the highest of any quarter in the Company's history, totaling \$28.1 million compared with \$25.3 million for the same quarter last year, an increase of 11%. Sales for the nine months ended October 31, 2007 were the highest of any first three quarters in the Company's history, totaling \$77.6 million compared with \$68.9 million for the same period last year, an increase of 13%.

Net income for the third quarter ended October 31, 2007 was the highest of any quarter in the Company's history, excluding the first quarter of this fiscal year, which included a net gain of approximately \$2.2 million on the sale of property previously associated with the Company's Sethco business unit in Hauppauge, New York. Net income in the third quarter totaled \$2.8 million compared with \$2.2 million for the same quarter last year, an increase of 28%. For the nine months ended October 31, 2007, net income was the highest of any first three quarters in the Company's history, totaling \$9.2 million compared with \$5.2 million during the same period last year. Excluding the first quarter net gain on the sale of the Sethco property, Met-Pro's adjusted net income was the highest of any first three quarters in the Company's history, totaling \$7.0 million compared with \$5.2 million for the same period last year, an increase of 34%.

Basic earnings per share for the third quarter ended October 31, 2007 were \$0.19 per share compared with \$0.15 per share for the third quarter of last year, an increase of 27%. Diluted earnings per share for the third quarter were \$0.18 per share compared with \$0.14 per share for the third quarter of last year, an increase of 29%.

For the nine months ended October 31, 2007, basic and diluted earnings per share were \$0.61 per share and \$0.60 per share, respectively, compared with \$0.35 per share and \$0.34 per share, respectively, earned during last year's first three quarters. Excluding the first quarter net gain on the sale of the Sethco property, Met-Pro's adjusted basic and diluted earnings per share for the nine months ended October 31, 2007 were \$0.47 per share and \$0.46 per share, respectively, compared with \$0.35 per share and \$0.34 per share, respectively, for the same period last year, an increase of 34% and 35%.

The Company's backlog of orders as of October 31, 2007 totaled \$20.6 million compared with \$24.7 million for the period ended October 31, 2006. Substantially the entire backlog that existed as of October 31, 2007 is expected to be shipped during the next six months.

A four-for-three stock split was paid by the Company on November 14, 2007. All references in this release and in the financial statements to per share amounts and shares outstanding give effect to the stock split, except for the shares outstanding and shares held in treasury as of January 31, 2007 in the Shareholders' Equity section of the Consolidated Balance Sheet. In addition, as recently announced, Met-Pro Corporation will pay a quarterly cash dividend on December 10, 2007 to shareholders of record at the close of business on November 26, 2007 that represents a 9% increase over the prior quarter's dividend. This is the thirty-third consecutive year the Company has paid a cash or stock dividend.

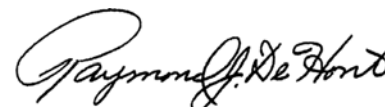
Our Strobic Air subsidiary received a number of large domestic orders during the third quarter. These included orders to supply laboratory fume hood exhaust systems, utilizing a total of thirty-four (34) Tri-Stack™ fans, to a prestigious hospital medical research facility in the Northeastern United States, to a leading research facility along the South Atlantic seaboard and to a premier cancer research hospital facility in the south central United States. The total combined value of these orders is approximately \$1.7 million. Six of the fans are expected to ship in the fourth quarter of the Company's current fiscal year. The balance will ship next fiscal year.

The Company's International Division, in cooperation with Strobic Air, received an order to supply a total of forty (40) Strobic Air Tri-Stack™ fans to be used to exhaust fumes from multiple laboratories within a new research facility located in the Middle East. This order, which comes as a direct result of Met-Pro opening a regional sales office in Verniolle, France in May of this year to promote the sale of the Company's product recovery and pollution control technology equipment in Europe and the Middle East, is one of the largest projects of its kind ever awarded in the Middle East. The total value of this order is approximately \$1.2 million. The equipment is expected to ship in the first quarter of the Company's next fiscal year ending January 31, 2009.

For the second consecutive year, the Company has been recognized as one of America's "200 Best Small Companies" by *Forbes* magazine. This is a significant honor, especially since Met-Pro is one of only eighty-nine companies to repeat on the Top 200 list this year. According to *Forbes*, the "200 Best Small Companies in America must pass through a gauntlet to qualify for the list." The candidates, all with sales between \$5 million and \$750 million and share prices above \$5 as of October 1, were judged according to return on equity, as well as sustained sales and net profit growth over both the last five years and last 12 months. This achievement is a source of great pride for our dedicated employees, without whom this special recognition would not be possible.

In closing, we are very pleased with the record high results for the third quarter and the nine months ended October 31, 2007. They clearly demonstrate that the strategic measures we have taken to improve our sales and marketing organization and increase our profitability are working. Our solid backlog together with our steady quotation activity and strong October bookings allow us to remain optimistic regarding our prospects for the fourth quarter and the new fiscal year. We continue to execute our strategic plan and remain committed to creating long-term sustainable value and growth for our shareholders.

On behalf of all our dedicated and hardworking employees worldwide, thank you for your continued interest and support of Met-Pro Corporation.



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

November 27, 2007

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 October 31,		Nine Months Ended October 31,	
	2007	2006	2007	2006
<b>Net sales</b>	\$28,059,516	\$25,323,927	\$77,572,214	\$68,881,850
Cost of goods sold	18,936,861	17,005,918	52,494,210	47,973,992
Gross profit	9,122,655	8,318,009	25,078,004	20,907,858
<b>Operating expenses (income)</b>				
Selling	2,125,554	2,297,478	6,715,332	6,269,844
General and administrative	2,966,465	2,856,574	8,373,726	7,396,505
Gain on sale of building	-	-	(3,513,940)	-
Income from operations	4,030,636	3,163,957	13,502,886	7,241,509
Interest expense	(69,696)	(109,205)	(240,394)	(256,519)
Other income, net	228,738	254,461	745,131	759,712
Income before taxes	4,189,678	3,309,213	14,007,623	7,744,702
Provision for taxes	1,403,539	1,136,395	4,815,540	2,555,751
<b>Net income</b>	<b>\$2,786,139</b>	<b>\$2,172,818</b>	<b>\$9,192,083</b>	<b>\$5,188,951</b>
Basic earnings per share <sup>(1)</sup>	\$.19	\$.15	\$.61	\$.35
Diluted earnings per share <sup>(1)</sup>	\$.18	\$.14	\$.60	\$.34
<b>Average common shares outstanding:</b>				
Basic shares <sup>(1)</sup>	14,983,501	14,938,068	14,989,673	14,939,680
Diluted shares <sup>(1)</sup>	15,312,924	15,176,329	15,324,527	15,179,735

(1) On October 17, 2007, the Board of Directors declared a four-for-three stock split which was paid on November 14, 2007 to shareholders of record on November 1, 2007. All references in the financial statements to per share amounts and number of shares outstanding give effect to the split, except for the shares outstanding and shares held in treasury as of January 31, 2007 in the Shareholders' Equity section of the Consolidated Balance Sheet.

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

	October 31, 2007	January 31, 2007
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$20,770,697	\$17,322,194
Marketable securities	22,761	24,090
Accounts receivable, net of allowance for doubtful accounts of approximately \$171,000 and \$133,000, respectively	22,639,155	20,837,589
Inventories	20,797,505	19,296,279
Prepaid expenses, deposits and other current assets	1,549,829	1,748,130
Total current assets	65,779,947	59,228,282
Property, plant and equipment, net	19,322,717	16,832,988
Costs in excess of net assets of business acquired, net	20,798,913	20,798,913
Other assets	288,228	306,403
<b>Total assets</b>	\$106,189,805	\$97,166,586
 <b>Liabilities and shareholders' equity</b>		
Current liabilities		
Current portion of long-term debt	\$2,013,282	\$1,955,202
Accounts payable	5,884,016	6,450,813
Accrued salaries, wages and expenses	5,968,128	4,135,342
Dividend payable	826,771	757,029
Customers' advances	591,896	981,680
Deferred income taxes	242,457	245,231
Total current liabilities	15,526,550	14,525,297
Long-term debt	4,273,807	5,417,990
Other non-current liabilities	3,293,511	3,276,551
Deferred income taxes	2,301,030	1,369,591
Total liabilities	25,394,898	24,589,429
 Shareholders' equity		
Common shares, \$.10 par value; 18,000,000 shares authorized, 15,928,810 and 12,846,608 shares issued, of which 889,780 and 1,631,364 shares were reacquired and held in treasury at the respective dates	1,194,661	1,284,661
Additional paid-in capital	2,182,846	7,910,708
Retained earnings	81,644,555	74,921,913
Accumulated other comprehensive income (loss)	627,736	(33,471)
Treasury shares, at cost	(4,854,891)	(11,506,654)
Total shareholders' equity	80,794,907	72,577,157
<b>Total liabilities and shareholders' equity</b>	\$106,189,805	\$97,166,586

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

**Nine Months Ended October 31,**  
**2007**                      **2006**

<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash flows from operating activities</b>		
Net income	\$9,192,083	\$5,188,951
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,284,648	1,183,326
Deferred income taxes	904,000	(1,659)
(Gain) on sale of property and equipment, net	(3,540,578)	11,754
Stock-based compensation	382,581	245,402
Allowance for doubtful accounts	37,874	(67,424)
(Increase) decrease in operating assets:		
Accounts receivable	(1,505,335)	(1,842,257)
Inventories	(1,231,232)	(2,414,105)
Prepaid expenses, deposits and other current assets	243,937	202
Other assets	(6,776)	25,421
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	902,945	2,064,990
Customers' advances	(391,030)	(621,249)
Other non-current liabilities	16,960	1,648
Net cash provided by operating activities	6,290,077	3,775,000
<b>Cash flows from investing activities</b>		
Proceeds from sale of property and equipment	4,377,115	14,310
Acquisitions of property and equipment	(4,200,072)	(4,192,649)
Securities available for sale	-	(21,820)
Net cash provided by (used in) investing activities	177,043	(4,200,159)
<b>Cash flows from financing activities</b>		
Proceeds from new borrowings	-	4,306,406
Reduction of debt	(1,119,526)	(1,103,380)
Exercise of stock options	1,081,835	147,173
Payment of dividends	(2,274,699)	(2,100,393)
Purchase of treasury shares	(630,516)	-
Net cash provided by (used in) financing activities	(2,942,906)	1,249,806
Effect of exchange rate changes on cash	(75,711)	29,722
<b>Net increase in cash and cash equivalents</b>	<b>3,448,503</b>	<b>854,369</b>
Cash and cash equivalents at February 1	17,322,194	17,683,305
<b>Cash and cash equivalents at October 31</b>	<b>\$20,770,697</b>	<b>\$18,537,674</b>

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2007	2006	2007	2006
<b>Net sales</b>				
Product recovery/pollution control technologies	\$15,496,497	\$12,991,946	\$40,596,227	\$35,083,198
Fluid handling technologies	7,204,658	7,416,844	20,616,228	19,440,477
Filtration/purification technologies	5,358,361	4,915,137	16,359,759	14,358,175
	<b>\$28,059,516</b>	<b>\$25,323,927</b>	<b>\$77,572,214</b>	<b>\$68,881,850</b>
<b>Income from operations</b>				
Product recovery/pollution control technologies	\$2,012,537	\$1,734,161	\$4,606,921	\$3,140,233
Fluid handling technologies	1,592,550	1,320,796	4,325,164	3,054,544
Filtration/purification technologies	425,549	109,000	1,056,861	1,046,732
Gain on sale of building	-	-	3,513,940	-
	<b>\$4,030,636</b>	<b>\$3,163,957</b>	<b>\$13,502,886</b>	<b>\$7,241,509</b>
			October 31, 2007	January 31, 2007
<b>Identifiable Assets</b>				
Product recovery/pollution control technologies			\$37,407,259	\$35,332,252
Fluid handling technologies			22,206,857	21,667,719
Filtration/purification technologies			20,806,083	20,514,339
			80,420,199	77,514,310
Corporate			25,769,606	19,652,276
			<b>\$106,189,805</b>	<b>\$97,166,586</b>

*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, 2007. 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 Web site at [www.met-pro.com](http://www.met-pro.com).

## 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 with 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 nine month periods ended October 31, 2007 and 2006:

### Met-Pro Corporation Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosure (unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2007	2006	2007	2006
Income before tax as reported	\$4,189,678	\$3,309,213	\$14,007,623	\$7,744,702
Less: Gain on sale of building	–	–	(3,513,940)	–
Adjusted income before tax	\$4,189,678	\$3,309,213	\$10,493,683	\$7,744,702
Net income as reported	\$2,786,139	\$2,172,818	\$9,192,083	\$5,188,951
Less: Gain on sale of building	–	–	(2,213,782)	–
Adjusted net income	\$2,786,139	\$2,172,818	\$6,978,301	\$5,188,951
Basic earnings per share as reported <sup>(1)</sup>	\$.19	\$.15	\$.61	\$.35
Adjusted basic earnings per share <sup>(1)</sup>	\$.19	\$.15	\$.47	\$.35
Diluted earnings per share as reported <sup>(1)</sup>	\$.18	\$.14	\$.60	\$.34
Adjusted diluted earnings per share <sup>(1)</sup>	\$.18	\$.14	\$.46	\$.34
Average common shares outstanding:				
Basic shares <sup>(1)</sup>	14,983,501	14,938,068	14,989,673	14,939,680
Diluted shares <sup>(1)</sup>	15,312,924	15,176,329	15,324,527	15,179,735

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