



## 3rd Quarter Report

for the Fiscal Year Ending January 31, 2006

### Dear Fellow Shareholder:

We are very pleased with our results for the third quarter and the year to date. Our talented and dedicated employees continue to work harder than ever to improve our performance and deliver consistent earnings growth. Our record high third quarter bookings, large backlog and steady quotation activity give us not only continued optimism, but confidence about our prospects for the fourth quarter.

The Company paid a four-for-three stock split on November 15, 2005. All references in this letter and in the financial statements to per share amounts and shares outstanding give effect to the stock split. In addition, as recently announced, Met-Pro Corporation will pay a quarterly cash dividend on December 8, 2005 to shareholders of record at the close of business on November 25, 2005 that represents a 7.5% increase over the prior quarter's dividend.

Net sales for the third quarter ended October 31, 2005 were the highest of any third quarter in the Company's history, totaling \$21.9 million compared with \$17.4 million for the same quarter last year, an increase of 26%. Sales in the Product Recovery/Pollution Control Equipment segment totaled \$14.4 million or 46% higher than the same quarter last year. Sales in the Fluid Handling Equipment segment totaled \$7.5 million or slightly lower compared with the same quarter last year. Sales for the nine months ended October 31, 2005 were the highest of any first three quarters in the Company's history, totaling \$62.5 million compared with \$53.4 million for the same period last year, an increase of 17%. Sales in the Product Recovery/Pollution Control Equipment segment totaled \$39.2 million or 24% higher than the same period last year. Sales in the Fluid Handling Equipment segment totaled \$23.2 million or 6.5% higher than the same period last year.

Net income for the third quarter ended October 31, 2005 totaled \$1.9 million compared with \$1.0 million for the same quarter last year, an increase of 92%. For the nine months ended October 31, 2005, net income totaled \$5.2 million compared with \$3.4 million during the same period last year, an increase of 51%. This increase in earnings for the nine month period was due to higher sales in both operating segments.

Basic and diluted earnings per share for the third quarter were \$0.17 per share, an increase of 89% over the \$0.09 earned during last year's third quarter. For the nine months ended October 31, 2005, basic earnings per share were \$0.46 compared with \$0.31 for the same period last year, an increase of 48%. Diluted earnings per share for the nine month period were \$0.46 versus \$0.30, an increase of 53%.

Met-Pro's bookings of new orders for the third quarter were the highest of any third quarter in the Company's history, totaling \$23.5 million compared with \$20.3 million for the same quarter last year, an increase of 16%. For the nine months ended October 31, 2005, bookings were the highest of any first three quarters in the Company's history, totaling \$69.2 million compared with \$57.9 million during the same period last year, an increase of 20%.

As a result of this increase in bookings, the backlog of orders now totals \$16.5 million compared with \$11.7 million for the third quarter ended October 31, 2004, an increase of 41%. This is the highest backlog total at the end of a third quarter in the Company's history and provides a solid base for achieving record full year sales.

In August, we centralized the management of our procurement and logistics operations under our new Director of Procurement and Logistics, Glenn Price, to allow us to take better advantage of the synergies that exist in these areas of our business. This move will make our procurement and logistics operation more efficient and allow us to reduce our raw material and inbound freight costs, improve our competitive positioning, and increase our profitability.

In November, we announced that we will relocate our Sethco Division from Hauppauge, New York to our Fybroc facility located in Telford, Pennsylvania, which is currently undergoing a 48,000 square foot, \$3.5 million expansion under a state sponsored low interest loan. Construction is expected to be completed in the first quarter of 2006. As part of this relocation, we expect in due course to sell the Sethco facility, which consists of a 30,000 square foot building located on four acres. Upon completion of this move, James G. Board, currently Vice President/General Manager of our Fybroc and Dean Pump Divisions, will assume the additional responsibilities for the management of the Sethco operations. This move, which is the end product of months

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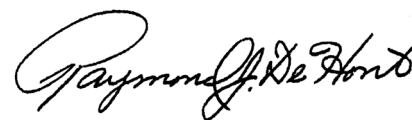
of planning, will allow us to improve our capacity utilization, reduce our cost structure, and improve our competitive positioning and profitability. We will be better able to take advantage of the many synergies that exist between these two businesses, allowing us to gain market share and service our customers in a more effective manner. During the transition of the Sethco operations to our Telford facility, we will continue to operate the Sethco facility to meet customer demand and make certain there is no disruption in service and deliveries. The costs associated with this relocation will not materially impact the financial results of the Company for the current fiscal year. We expect to realize significant improvement in profitability from this action commencing in our next fiscal year that begins in February 2006 and being more fully achieved in the following fiscal years.

The Company's Fybroc Division, the leading manufacturer of non-metallic fiberglass reinforced plastic ("FRP") centrifugal pump technology, has entered into an agreement with the leading supplier of centrifugal pumps to the industrial process markets, Goulds Pumps, Inc., an ITT Industries subsidiary. Under the terms of this agreement, Goulds Pumps will act as a key distributor of Fybroc's line of FRP horizontal and vertical centrifugal pump products. The agreement is global in geography and valid across all markets, with the exception of some specifically stated exclusions. It augments Fybroc's existing global distribution network and does not present any significant competitive barriers to Fybroc's existing sales force. Fybroc will benefit significantly from this agreement as the Goulds Pumps sales network will provide opportunities to Fybroc in markets where Fybroc's participation was previously limited. Goulds Pumps will also substantially benefit from this agreement. The more extensive and competitive non-metallic FRP Fybroc product line will provide Goulds Pumps with advantages against its key competitors that do not exist today with the current Goulds FRP product line. As part of this agreement, Goulds Pumps will discontinue the manufacture of its FRP horizontal and vertical centrifugal pumps, but will maintain its commitment to supply spare parts and service to its existing product population. The combination of Fybroc, the leading manufacturer of non-metallic fiberglass reinforced plastic centrifugal pump technology, and Goulds Pumps, the leading supplier of centrifugal pumps to the industrial process markets, is a formidable alliance that will undoubtedly strengthen both companies' positions in the non-metallic centrifugal pump market.

Flex-Kleen Division continues to show encouraging signs of improvement as evidenced by its domestic, Canadian and international orders being on track for a second consecutive year of significant increases.

Met-Pro also continues to make great strides internationally, successfully uncovering new international sales opportunities in Asia, Europe and South America. Mefiag (Guangzhou) Filter Systems Ltd. in Guangzhou, People's Republic of China, is fully operational, improving our ability to compete in the very large plating and finishing markets in the People's Republic of China.

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



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

November 28, 2005

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

	<b>October 31, 2005</b>	<b>January 31, 2005</b>
<b>Assets</b>		
Current assets	\$52,830,128	\$50,270,495
Property, plant and equipment, net	12,141,265	11,287,253
Costs in excess of net assets of businesses acquired, net	20,798,913	20,798,913
Other assets	551,079	567,405
<b>Total assets</b>	<b>\$86,321,385</b>	<b>\$82,924,066</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities	\$15,388,645	\$13,867,892
Long-term debt	2,729,854	4,039,068
Other liabilities	1,889,931	1,851,915
<b>Total liabilities</b>	<b>20,008,430</b>	<b>19,758,875</b>
<b>Shareholders' equity</b>	<b>66,312,955</b>	<b>63,165,191</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$86,321,385</b>	<b>\$82,924,066</b>

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2005	2004	2005	2004
<b>Net sales</b>	\$21,918,792	\$17,406,160	\$62,492,924	\$53,390,830
Cost of goods sold	15,205,528	12,065,367	42,762,662	36,586,442
Gross profit	6,713,264	5,340,793	19,730,262	16,804,388
<b>Operating expenses</b>				
Selling	1,972,308	1,862,739	5,899,709	5,759,178
General and administrative	2,256,959	1,976,615	6,608,923	5,725,878
Income from operations	2,483,997	1,501,439	7,221,630	5,319,332
Interest expense	(60,954)	(86,156)	(196,868)	(273,098)
Other income, net	162,854	69,061	448,847	111,850
Income before taxes	2,585,897	1,484,344	7,473,609	5,158,084
Provision for taxes	703,875	504,673	2,316,820	1,753,747
<b>Net income</b>	<b>\$1,882,022</b>	<b>\$979,671</b>	<b>\$5,156,789</b>	<b>\$3,404,337</b>
Basic earnings per share <sup>(1)</sup>	\$.17	\$.09	\$.46	\$.31
Diluted earnings per share <sup>(1)</sup>	\$.17	\$.09	\$.46	\$.30
<b>Average common shares outstanding:</b>				
Basic shares <sup>(1)</sup>	11,184,295	11,140,839	11,185,838	11,142,537
Diluted shares <sup>(1)</sup>	11,317,027	11,293,111	11,320,875	11,290,240

(1) On October 10, 2005, the Board of Directors declared a four-for-three stock split which was paid on November 15, 2005 to shareholders of record on November 1, 2005. All references in the financial statements to per share amounts and number of shares outstanding give effect to the split.

**Consolidated Business Segment Data**  
(unaudited)

	Nine Months Ended October 31,	
	2005	2004
<b>Net sales</b>		
Product recovery/pollution control equipment	\$39,244,030	\$31,556,277
Fluid handling equipment	23,248,894	21,834,553
	<b>\$62,492,924</b>	<b>\$53,390,830</b>
<b>Income from operations</b>		
Product recovery/pollution control equipment	\$3,938,788	\$2,522,779
Fluid handling equipment	3,282,842	2,796,553
	<b>\$7,221,630</b>	<b>\$5,319,332</b>
	<b>October 31,</b>	<b>January 31,</b>
	<b>2005</b>	<b>2005</b>
<b>Identifiable assets</b>		
Product recovery/pollution control equipment	\$43,665,377	\$41,554,730
Fluid handling equipment	21,995,856	19,784,083
	65,661,233	61,338,813
Corporate	20,660,152	21,585,253
	<b>\$86,321,385</b>	<b>\$82,924,066</b>

