



## 1st Quarter Report

for the Fiscal Year Ending January 31, 2011

### Dear Fellow Shareholder:

Met-Pro is growing. Net sales, earnings and new order bookings were all up in the first quarter relative to the first quarter last year. Net sales for the three months ended April 30, 2010 were \$22.3 million, up 13% from a year ago. Despite the measured pace of the global economic recovery, this was the second highest level of net sales for a first quarter in the Company's history. Earnings performance was even better. Net income in the first quarter was \$1.4 million, or \$0.10 per diluted share, increases of 48% and 43%, respectively when compared with the first quarter of last year. New order bookings in the first quarter were \$22.2 million, up 17% from the first quarter a year ago. This continues the trend of rebounding orders that began last year, when orders for the second half exceeded first half orders for the first time in three years.

We continue to leverage our organizational improvements to enhance operating efficiencies and generate solid cash flows. Gross margins for the first quarter came in at approximately 36%, which is up slightly from last year's first quarter. Cash flows from operating activities totaled \$2.3 million, which increased our cash position at April 30, 2010 to \$32.5 million, or \$2.21 per diluted share, further solidifying our already strong balance sheet. This will allow us to support investments to further enhance efficiency initiatives, develop exciting new products, and pursue acquisition opportunities.

I am also pleased to announce that the Board of Directors, at their meeting on March 29, 2010, declared a quarterly dividend of \$0.06 per share payable June 11, 2010 to shareholders of record at the close of business on May 28, 2010. This is the thirty-fifth consecutive year that Met-Pro Corporation has paid either a cash or stock dividend.

Our investments in "Lean" enterprise and a new enterprise resource planning system continue to make excellent progress. During the first quarter we continued to expand the implementation of "Lean" enterprise to additional Met-Pro organizations, rolling it out at our Indianapolis, Indiana and Owosso, Michigan facilities.

The consolidation of our Duall, Flex-Kleen and Met-Pro Systems business units into a single business unit, Met-Pro Environmental Air Solutions, is enabling us to better leverage our extensive engineering, project management and sales resources across these three product brands. Though much of the heavy lifting to get the new organizational structure established has been completed, improvements to its sales and marketing efforts and operations continue to be implemented.

Demand for Met-Pro's products continues to improve as evidenced by the 17% increase in first quarter new order bookings, which follows a 13% increase in new order bookings during the second half of last fiscal year when compared with the first half. Though it remains difficult to say our markets have returned to normal, we are encouraged by the improvement in new order bookings during the last nine months. We are also encouraged that the increase in new order bookings during the first quarter was achieved without the benefit of any material contribution from large projects. Large project quotation activity remains solid and our pipeline of opportunities continues to grow. Though we remain optimistic, there are no assurances that any of these opportunities will result in orders.

To succeed in today's more competitive markets, companies need outstanding brands, built on superior solutions and products that address growing global concerns. The momentum in new order bookings, in combination with our steady quotation activity, gives us continued optimism that we have developed a winning formula that addresses the large opportunity for a cleaner, more efficient environment.

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.

A handwritten signature in cursive script, reading 'Raymond J. De Hont'.

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

June 4, 2010

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

	<b>Three Months Ended</b>	
	<b>April 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>Net sales</b>	\$22,277,077	\$19,641,008
Cost of goods sold	14,295,538	12,628,040
Gross profit	7,981,539	7,012,968
 <b>Operating expenses</b>		
Selling	2,932,897	2,528,532
General and administrative	2,945,602	3,012,327
Income from operations	5,878,499	5,540,859
Interest expense	(82,510)	(53,823)
Other income, net	117,468	13,965
Income before taxes	2,137,998	1,432,251
Provision for taxes	726,920	479,802
<b>Net income</b>	<b>\$1,411,078</b>	<b>\$952,449</b>
Basic earnings per share	\$.10	\$.07
Diluted earnings per share	\$.10	\$.07
 <b>Average common shares outstanding:</b>		
Basic shares	14,619,000	14,600,109
Diluted shares	14,693,035	14,645,792

**Met-Pro Corporation**  
**Consolidated Balance Sheet**

	April 30, 2010	January 31, 2010
<b>Assets</b>	<b>(unaudited)</b>	
<b>Current assets</b>		
Cash and cash equivalents	\$32,456,543	\$31,387,108
Accounts receivable, net of allowance for doubtful accounts of approximately \$185,000 and \$204,000, respectively	15,592,477	14,011,950
Inventories	15,680,708	16,136,521
Prepaid expenses, deposits and other current assets	1,418,008	1,709,664
<b>Total current assets</b>	<b>65,147,736</b>	<b>63,245,243</b>
Property, plant and equipment, net	19,500,572	19,860,751
Goodwill	20,798,913	20,798,913
Other assets	730,367	703,452
<b>Total assets</b>	<b>\$106,177,588</b>	<b>\$104,608,359</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Current portion of long-term debt	\$528,761	\$534,251
Accounts payable	5,263,975	4,297,936
Accrued salaries, wages and expenses	4,064,286	3,425,691
Dividend payable	877,200	876,279
Customers' advances	371,787	882,637
Deferred income taxes	181,253	181,253
<b>Total current liabilities</b>	<b>11,287,262</b>	<b>10,198,047</b>
Long-term debt	3,375,093	3,536,755
Other non-current liabilities	8,292,854	8,179,410
Deferred income taxes	1,712,508	1,716,563
<b>Total liabilities</b>	<b>24,667,717</b>	<b>23,630,775</b>
<b>Shareholders' equity</b>		
Common shares, \$.10 par value; 36,000,000 shares authorized, 15,928,679 shares issued, of which 1,308,687 and 1,311,664 shares were reacquired and held in treasury at the respective dates	1,592,868	1,592,868
Additional paid-in capital	3,154,348	2,988,950
Retained earnings	91,195,957	90,662,820
Accumulated other comprehensive loss	(3,828,041)	(3,679,641)
Treasury shares, at cost	(10,605,261)	(10,587,413)
<b>Total shareholders' equity</b>	<b>81,509,871</b>	<b>80,977,584</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$106,177,588</b>	<b>\$104,608,359</b>

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

	Three Months Ended April 30, 2010	2009
<b>Cash flows from operating activities</b>		
Net income	\$1,411,078	\$952,449
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	445,252	480,672
Deferred income taxes	(597)	(597)
(Gain) on sales of property and equipment, net	-	(12,195)
Stock-based compensation	161,472	164,876
Allowance for doubtful accounts	(18,557)	42,941
Changes in operating assets and liabilities:		
Accounts receivable	(1,556,207)	5,695,089
Inventories	395,944	(381,726)
Prepaid expenses, deposits and other assets	250,155	274,636
Accounts payable and accrued expenses	1,608,371	(1,378,851)
Customers' advances	(511,077)	27,013
Other non-current liabilities	113,443	84,276
<b>Net cash provided by operating activities</b>	<b>2,299,277</b>	<b>5,948,583</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of property and equipment	-	18,882
Acquisitions of property and equipment	(210,475)	(797,497)
<b>Net cash used in investing activities</b>	<b>(210,475)</b>	<b>(778,615)</b>
<b>Cash flows from financing activities</b>		
Proceeds from new borrowings	-	485,336
Reduction of debt	(132,845)	(104,440)
Exercise of stock options	212,744	-
Payment of dividends	(877,021)	(876,007)
Purchase of treasury shares	(226,666)	-
<b>Net cash used in financing activities</b>	<b>(1,023,788)</b>	<b>(495,111)</b>
Effect of exchange rate changes on cash	4,421	22,207
<b>Net increase in cash and cash equivalents</b>	<b>1,069,435</b>	<b>4,697,064</b>
Cash and cash equivalents at February 1	31,387,108	21,749,653
<b>Cash and cash equivalents at April 30</b>	<b>\$32,456,543</b>	<b>\$26,446,717</b>

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

	<b>Three Months Ended April 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>Net sales</b>		
Product Recovery/Pollution Control Technologies	\$11,013,225	\$7,569,982
Fluid Handling Technologies	6,530,571	6,978,462
Mefiag Filtration Technologies	2,434,249	2,487,250
Filtration/Purification Technologies	2,299,032	2,605,314
	<b>\$22,277,077</b>	<b>\$19,641,008</b>
<b>Income (loss) from operations</b>		
Product Recovery/Pollution Control Technologies	\$516,161	\$145,203
Fluid Handling Technologies	1,288,796	1,306,005
Mefiag Filtration Technologies	206,519	(15,403)
Filtration/Purification Technologies	91,564	36,304
	<b>\$2,103,040</b>	<b>\$1,472,109</b>
	<b>April 30,</b>	<b>January 31,</b>
	<b>2010</b>	<b>2010</b>
<b>Identifiable assets</b>		
Product Recovery/Pollution Control Technologies	\$35,322,331	\$34,466,168
Fluid Handling Technologies	17,555,792	18,068,428
Mefiag Filtration Technologies	12,531,954	12,257,281
Filtration/Purification Technologies	8,211,089	8,257,837
	<b>73,621,166</b>	<b>73,049,714</b>
Corporate	32,556,422	31,558,645
	<b>\$106,177,588</b>	<b>\$104,608,359</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, goodwill impairment, 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, 2010. 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).