



1st Quarter Report

for the Fiscal Year Ending January 31, 2007

Dear Fellow Shareholder:

We are pleased with the results for the first quarter as we build for the future. Our quotation activity remains high and we continue to achieve solid bookings resulting in a record high backlog of \$21.5 million.

Total sales for the first quarter ended April 30, 2006 were \$19.8 million, which was 10% above last year's first quarter sales of \$17.9 million. Sales in the Product Recovery/Pollution Control Equipment segment totaled \$10.7 million or 21% higher than the three-month period ended April 30, 2005. Sales in the Fluid Handling Equipment segment totaled \$9.1 million or slightly higher than the three-month period ended April 30, 2005.

Net income for the first quarter ended April 30, 2006 totaled \$1.2 million compared with \$1.3 million for the same period last year. The decline in net income was primarily due to \$0.3 million of non-recurring and non-capitalized expenses resulting from the relocation of the Company's Sethco and Mefiag Divisions and the expansion of our Netherlands and Telford, Pennsylvania facilities. Excluding non-recurring relocation and expansion charges, Met-Pro's pro forma net income was \$1.5 million, an increase of 10% over the first quarter ending April 30, 2005.

The gross margin percentage for the first quarter ended April 30, 2006 was 29.6% versus 33.2% for the same period in the prior year. This decrease in gross margin was due to product mix and higher material costs in the Product Recovery/Pollution Control Equipment segment. The Company has taken certain measures, including selected price increases and improved purchasing practices, which are expected to favorably impact gross margins over the course of the current year.

Additionally, as required by a new accounting standard, a non-cash charge for stock options was expensed for the first time this quarter, resulting in \$0.1 million of additional expenses without a comparable charge in the same quarter in 2005.

Basic and diluted earnings per share were \$0.11 compared with the \$0.12 earned during last year's first quarter. Excluding non-recurring charges, Met-Pro's pro forma basic and diluted earnings per share were \$0.13, an increase of 8% over last year's first quarter.

The Company's backlog of orders is a record high at \$21.5 million compared with \$18.3 million for the first quarter ended April 30, 2005, an increase of 18%. Substantially all of the backlog that existed as of April 30, 2006 is expected to be shipped during the current fiscal year.

Met-Pro's bookings of new orders for the first quarter, which were the second highest of any quarter in the Company's history, totaling \$23.8 million, decreased 4% when compared with \$24.7 million for the same period last year, which was the highest quarter in the Company's history.

On March 9, 2006, the Company paid a quarterly dividend of \$0.0625 per share to shareholders of record at the close of business on February 24, 2006. In addition, the Board of Directors, at their meeting on April 5, 2006, declared a quarterly dividend of \$0.0625 per share payable June 7, 2006 to shareholders of record at the close of business on May 26, 2006. This represents a 7.5% increase over the same period last year and follows a four-for-three stock split, which was paid on November 15, 2005. This is the thirty-first consecutive year the Company has paid a cash or stock dividend.

During the first quarter, we completed the relocation of our Sethco Division from Hauppauge, New York to our Fybroc facility located in Telford, Pennsylvania, which recently completed a 47,000 square foot, \$3.5 million expansion. We also completed the relocation of our Mefiag Division from Harleysville, Pennsylvania to our Duall facility located in Owosso, Michigan. These relocations will allow us to improve our capacity utilization, reduce our cost structure, and better our competitive positioning. We will also be able to take advantage of the many synergies that exist between these businesses, allowing us the opportunity to gain market share and service our customers in a more effective manner.

Late last year our Fybroc Division entered into an agreement with Goulds Pumps, Inc., an ITT Industries subsidiary whereby Goulds Pumps became a key distributor of Fybroc's line of FRP horizontal and vertical pump products. Fybroc's sales activity with Goulds Pumps is growing steadily with a number of orders having been received during the first quarter.

The Company's International Division continues to make strides in uncovering new international sales opportunities for our product recovery and pollution control products. In cooperation with our Flex-Kleen Division, they recently received an order to supply a total of seven Flex-Kleen high pressure dust collectors for use in petrochemical facilities located in Saudi Arabia. The total value of this order is approximately \$650,000. The equipment, expected to ship in the third quarter of this fiscal year, will be used to recover valuable polyethylene and polypropylene product within two petrochemical plants. This order is from a new customer who is a multi-national European based engineering company.

Our Duall Division received two orders with a total value in excess of \$2.0 million to supply aeration systems, complete with Duall scrubbers and fans, to municipal water treatment facilities in the Southeast United States. The aeration systems are designed to remove hydrogen sulfide (H₂S) and carbon dioxide (CO₂) dissolved gases from contaminated groundwater as part of the process designed to make the groundwater suitable for public use. These orders demonstrate Duall's strong presence in the groundwater remediation market and reinforce their reputation as a leader in this field. Both orders are expected to ship during the current fiscal year.

The non-recurring relocation and expansion expenses incurred during the first quarter were an investment for a long-term gain in efficiency. Excluding these non-recurring expenses, earnings grew nicely over the comparable quarter last year. The significant orders in the first quarter, combined with steady quotation activity, give us continued optimism about our future prospects.

On behalf of all our dedicated and hardworking 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

May 25, 2006

This letter to shareholders contains non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. Included at the end of this press release 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
Condensed Consolidated Balance Sheet
(unaudited)

	April 30, 2006	January 31, 2006
Assets		
Current assets	\$55,473,036	\$54,004,947
Property, plant and equipment, net	15,803,718	13,838,221
Costs in excess of net assets of businesses acquired, net	20,798,913	20,798,913
Other assets	1,015,440	1,020,844
Total assets	\$93,091,107	\$89,662,925
Liabilities and shareholders' equity		
Current liabilities	\$16,623,909	\$17,142,747
Long-term debt	5,723,812	2,723,586
Other liabilities	2,301,464	2,258,354
Total liabilities	24,649,185	22,124,687
Shareholders' equity	68,441,922	67,538,238
Total liabilities and shareholders' equity	\$93,091,107	\$89,662,925

Met-Pro Corporation
Consolidated Statement of Operations
(unaudited)

	Three Months Ended April 30,	
	2006	2005
Net sales	\$19,779,041	\$17,927,612
Cost of goods sold	13,923,682	11,973,337
Gross profit	5,855,359	5,954,275
Operating expenses		
Selling	1,896,179	1,954,263
General and administrative	2,362,923	2,093,458
Income from operations	1,596,257	1,906,554
Interest expense	(59,805)	(66,052)
Other income, net	239,208	126,989
Income before taxes	1,775,660	1,967,491
Provision for taxes	568,212	649,273
Net income	\$1,207,448	\$1,318,218
Basic earnings per share ⁽¹⁾	\$.11	\$.12
Diluted earnings per share ⁽¹⁾	\$.11	\$.12
Average common shares outstanding:		
Basic shares ⁽¹⁾	11,199,599	11,175,641
Diluted shares ⁽¹⁾	11,439,813	11,286,592

(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)

	Three Months Ended April 30,	
	2006	2005
Net sales		
Product recovery/pollution control equipment ⁽²⁾	\$10,659,665	\$8,824,534
Fluid handling equipment ⁽²⁾	9,119,376	9,103,078
	\$19,779,041	\$17,927,612
Income from operations		
Product recovery/pollution control equipment ⁽²⁾	\$722,097	\$722,328
Fluid handling equipment ⁽²⁾	874,160	1,184,226
	\$1,596,257	\$1,906,554
	April 30, 2006	January 31, 2006
Identifiable assets		
Product recovery/pollution control equipment ⁽²⁾	\$39,872,106	\$40,526,378
Fluid handling equipment ⁽²⁾	29,017,825	28,308,734
	68,889,931	68,835,112
Corporate	24,201,176	20,827,813
	\$93,091,107	\$89,662,925

(2) Effective February 1, 2006, Sethco Division was transferred from the Product Recovery/Pollution Control Equipment Segment to the Fluid Handling Equipment Segment. The business segment information above for the three month period ended April 30, 2005 and the period ended January 31, 2006 was restated to reflect this change.

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

	Three Months Ended April 30,	2006	2005
Increase (Decrease) in Cash and Cash Equivalents			
Cash flows from operating activities			
Net income	\$1,207,448		\$1,318,218
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	370,964		374,519
Deferred income taxes	(553)		(589)
(Gain) loss on sale of property and equipment, net	(4,410)		12,198
Stock-based compensation	81,800		–
Allowance for doubtful accounts	(79,003)		23,066
(Increase) decrease in operating assets:			
Accounts receivable	1,740,117		206,313
Inventories	(1,147,983)		(2,402,889)
Prepaid expenses, deposits and other current assets	86,777		57,228
Other assets	(2,250)		(1,950)
Increase (decrease) in operating liabilities:			
Accounts payable and accrued expenses	(1,072,742)		(264,409)
Customers' advances	262,518		623,810
Other non-current liabilities	549		549
Net cash provided by (used in) operating activities	1,443,232		(53,936)
Cash flows from investing activities			
Proceeds from sale of property and equipment	4,410		12,330
Acquisitions of property and equipment	(2,227,748)		(261,596)
Net cash (used in) investing activities	(2,223,338)		(249,266)
Cash flows from financing activities			
Proceeds from new borrowing	3,602,921		–
Reduction of debt	(330,508)		(300,910)
Exercise of stock options	55,232		184,146
Payment of dividends	(699,820)		(648,524)
Net cash provided by (used in) financing activities	2,627,825		(765,288)
Effect of exchange rate changes on cash	29,778		(13,122)
Net increase (decrease) in cash and cash equivalents	1,877,497		(1,081,612)
Cash and cash equivalents at February 1	17,683,305		20,889,476
Cash and cash equivalents at April 30	\$19,560,802		\$19,807,864

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this press release, 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 conditions 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, 2006. 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**.

Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosure

This letter to shareholders 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 letter to shareholders 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.

The following table reconciles net income, and basic and diluted earnings per share, excluding non-recurring and non-capitalized expenses resulting from the relocation of the Company's Sethco and Mefiag Divisions and the expansion of the Company's Netherlands and Telford, Pennsylvania facilities, as well as net income, and basic and diluted earnings per share calculated in accordance with generally accepted accounting principles for the first quarter ended April 30, 2006 and 2005:

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

	Three Months Ended April 30,	
	2006	2005
Income before tax as reported	\$1,775,660	\$1,967,491
Add: Non-recurring charges	357,267	—
Adjusted income before tax	\$2,132,927	\$1,967,491
Net income as reported	\$1,207,448	\$1,318,218
Add: Non-recurring charges	242,942	—
Adjusted net income	\$1,450,390	\$1,318,218
Basic earnings per share as reported	\$.11	\$.12
Adjusted basic earnings per share	\$.13	\$.12
Diluted earnings per share as reported	\$.11	\$.12
Adjusted diluted earnings per share	\$.13	\$.12
Average common shares outstanding:		
Basic shares	11,199,599	11,175,641
Diluted shares	11,439,813	11,286,592
Adjusted for four-for-three stock split.		