



The Pump  
People™

# THE GORMAN-RUPP COMPANY Investor Information Report AMEX - GRC Second Quarter 2005

## Corporate Profile

The Gorman-Rupp Company manufactures pumps and related equipment (pump and motor controls) for water, wastewater, construction, industrial, petroleum, original equipment, agricultural, fire protection, heating, ventilating and air conditioning (HVAC), and military applications at seven locations (Mansfield and Bellville, Ohio; Toccoa and Buford, Georgia; Royersford, Pennsylvania; St. Thomas, Ontario, Canada; and County Westmeath, Ireland) and markets those products through its wholly owned subsidiaries and a network of independent distributors and manufacturers' representatives in the United States, Canada and the world.

Gorman-Rupp, founded in 1933, is headquartered in Mansfield, Ohio and has nearly 1,000 employees. Record sales during 2004 reflected positive signs in the general economic environment and capital goods markets. In addition, the strength of the Company's distribution network and global presence helped pave the way for the increase. The Company increased the cash dividend in 2004, sustaining a record of dividend increases for 32 consecutive years.

## Corporate Purpose

Over seventy years ago, The Gorman-Rupp Company was established upon a philosophy of, and a commitment to, product quality and technological leadership in the pump industry. Gorman-Rupp's philosophy of growth and service is reflected in the mission statement made by co-founders J.C. Gorman and H.E. Rupp, which reads:

"To provide a quality product, competitively priced, delivered on time, backed by reliable service, at a profit that provides an equitable return to our shareholders, as well as providing our employees with competitive wages and benefits."

The fulfillment of this commitment has provided the foundation for The Gorman-Rupp Company to become a world pump leader.

## The Gorman-Rupp Company and Subsidiaries Comparative Income Statement Analysis (unaudited)

(in thousands of dollars, except per share data)

Financial Position:	Six Months Ended	Year ended December 31,				
	June 30, 2005	2004	2003	2002	2001	2000
Net sales	\$108,146	\$203,554	\$195,826	\$195,081	\$203,169	\$190,384
Cost of products sold	85,955	161,129	153,975	153,630	155,061	141,954
Gross profit	22,191	42,425	41,851	41,451	48,108	48,430
Sell, gen. admin. expense	14,705	28,999	27,988	27,921	25,640	25,807
Non-recurring expense <sup>(1)</sup>	—	—	—	—	—	1,143
Operating income	7,486	13,426	13,863	13,530	22,468	21,480
Other income (expense)	436	926	537	673	567	716
Income before income taxes	7,922	14,352	14,400	14,203	23,035	22,196
Income taxes	2,931	5,075	4,613	5,267	8,450	8,400
Net income	\$4,991	\$9,277	\$9,787	\$8,936	\$14,585	\$13,796
Basic and diluted EPS <sup>(2)</sup>	\$0.47	\$0.87	\$0.92	\$0.84	\$1.36	\$1.29

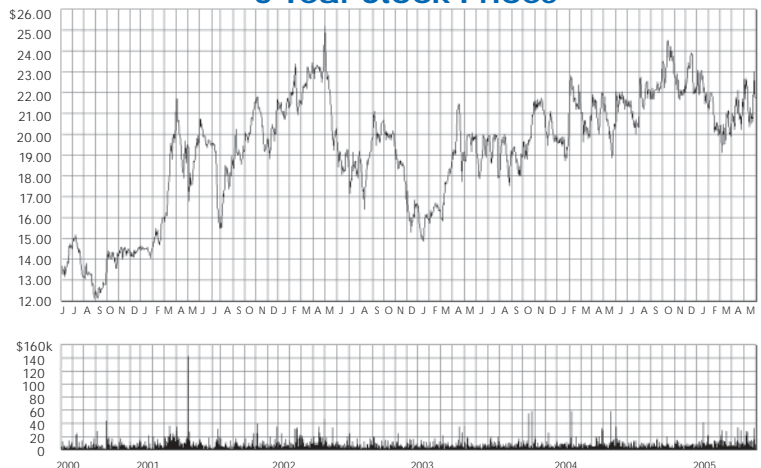
### Quarter Ended 2005

	Mar. 31	Jun. 30
Net sales	\$52,037	\$56,109
Gross profit	9,785	12,406
Net income	1,654	3,337
Basic & diluted EPS <sup>(2)</sup>	\$0.15	\$0.32

### Quarter Ended 2004

	Mar. 31	Jun. 30	Sep. 30	Dec. 31
Net sales	\$49,431	\$50,804	\$52,392	\$50,927
Gross profit	10,094	10,820	10,860	10,649
Net income	2,207	2,449	2,056	2,565
Basic & diluted EPS <sup>(2)</sup>	\$0.21	\$0.23	\$0.19	\$0.24

### 5 Year Stock Prices



The Gorman-Rupp Company  
AMEX: GRC

Recent Price	\$23.00
52-Week Range	\$18.88-\$24.59
12-Month Diluted EPS <sup>(2)</sup>	\$0.90*
Book Value/Diluted Share	\$11.55
Market Capital (millions)	\$245.70
Dividend	\$0.560*
Shares Outstanding	10,682,697
Estimated Float	55.1%
*Trailing 12 months	

<sup>(1)</sup> A Non-recurring expense associated with moving machines and materials into a newly completed manufacturing facility reduced after tax income by \$711,000 equal to earnings per share of \$0.08

<sup>(2)</sup> Per share data reflects the 5-for-4 stock split effective September 10, 2004.

## Condensed Balance Sheets (unaudited)

(in thousands of dollars, except per share data)

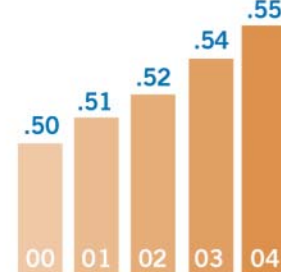
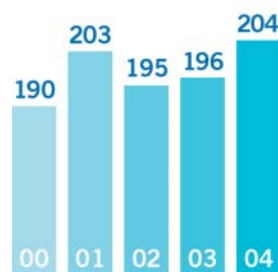
	June 30, 2005	December 31, 2004		June 30, 2005	December 31, 2004
Cash & cash equivalents	\$15,589	\$18,898	Accounts payable	\$6,720	\$6,615
Accounts receivable	34,331	32,988	Accrued liabilities & expenses	16,673	14,497
Inventories	46,667	38,234	<b>Total Current Liabilities</b>	<b>23,393</b>	<b>21,112</b>
Other current assets & deferred income taxes	<u>5,504</u>	<u>6,525</u>			
<b>Total Current Assets</b>	<b>102,091</b>	<b>96,645</b>	Postretirement benefits	22,946	22,334
Property, plant & equipment - net	52,294	54,812	Shareholders' equity	<u>123,412</u>	<u>121,898</u>
Other assets	<u>15,366</u>	<u>13,887</u>	<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$169,751</b>	<b>\$165,344</b>
<b>Total Assets</b>	<b><u>\$169,751</u></b>	<b><u>\$165,344</u></b>	<i>Shares Outstanding</i>	<i>10,682,697</i>	<i>10,682,697</i>

## Summary of Selected Financial Data (unaudited)

(in thousands of dollars, except per share)

	Six Months Ended		Year Ended December 31,			
	<u>June 30, 2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<b>Financial Position:</b>						
Current assets	\$102,091	\$96,645	\$95,718	\$85,315	\$90,575	\$83,745
Current liabilities	23,393	21,112	21,908	19,282	18,103	19,079
Working capital	78,698	75,533	73,810	66,033	72,472	64,666
Current ratio	4.4	4.6	4.4	4.4	5.0	4.4
Property, plant & equipment - net	52,294	54,812	54,338	57,757	53,895	57,885
Capital additions - net	726	7,500	3,698	5,765	3,139	11,439
Depreciation & amortization	3,441	7,179	7,274	7,035	7,128	6,863
Total assets	169,751	165,344	162,395	154,302	149,569	147,337
Long-term debt to banks	-	-	-	-	-	3,413
Shareholders' equity	123,412	121,898	117,918	112,912	109,366	101,455
Dividends paid	2,991	5,907	5,809	5,550	5,475	5,322
Average number of employees	974	963	997	1,054	1,041	1,021
<b>Shareholder Information:</b>						
Basic & diluted EPS	\$0.90*	\$0.87	\$0.92	\$0.84	\$1.36	\$1.29
Cash dividends per share	0.560*	0.552	0.544	0.520	0.512	0.496
EBITDA per share	2.06*	2.02	2.04	2.00	2.83	2.73
Free cash flow	10,651*	10,549	11,252	10,421	16,238	15,337
Average shares outstanding	10,682,697	10,680,832	10,677,087	10,673,337	10,694,292	10,728,482
<b>Price:</b>						
High	\$24.59*	\$24.59	\$21.78	\$25.20	\$23.00	\$15.20
Low	18.88*	15.99	14.56	16.32	13.90	11.50
Average Price/Earnings	24.15x*	23.4x	19.8x	24.8x	13.5x	10.4x

\*Trailing 12 months



**Net Sales**  
(millions of dollars)

**Net Income**  
(millions of dollars)

**Basic & Diluted Earnings per Share**

**Dividends Paid per Share**

Shares outstanding and per share data reflect the 5-for-4 stock split effective September 10, 2004.

<b>Investor Contact:</b>  Robert E. Kirkendall Senior Vice President & CFO 419-755-1294  The Gorman-Rupp Company P.O. Box 1217 Mansfield, Ohio 44901-1217	<b>For Additional Information:</b>  James C. Gorman Chairman 419-755-1223  Judith L. Sovine Treasurer 419-755-1399	<b>Open Enrollment Dividend Reinvestment and Stock Purchase Plan</b>  A plan for investment in shares of common stock of The Gorman-Rupp Company is available through National City Bank. Whether purchasing shares for the first time or adding to existing holdings, investors can now buy and sell common shares of The Gorman-Rupp Company directly through National City's Open Enrollment Dividend Reinvestment and Stock Purchase Plan. For additional information, write to the Company, Attention: Corporate Secretary, for a copy of the plan brochure.	
Jeffrey S. Gorman President & CEO 419-755-1353  David P. Emmens Corporate Counsel & Secretary 419-755-1477			