



The Pump
People™

THE GORMAN-RUPP COMPANY Investor Information Report AMEX - GRC Fourth 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 in 2005 reflect double-digit percentage increases in commercial, municipal, and international sales and improvement in most other markets. Positive cash flow from operations, profitability of all the company's subsidiaries and divisions, and no back debt positions the Company well for the future. The Company increased the cash dividend in 2005, sustaining a record of dividend increases for 33 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:	Year ended December 31,					
	Twelve Months Ended December 31, 2005	2004	2003	2002	2001	2000
Net sales	\$231,249	\$203,554	\$195,826	\$195,081	\$203,169	\$190,384
Cost of products sold	184,178	161,129	153,975	153,630	155,061	141,954
Gross profit	47,071	42,425	41,851	41,451	48,108	48,430
Sell, gen. admin. expense	30,368	28,999	27,988	27,921	25,640	25,807
Non-recurring expense ⁽¹⁾	—	—	—	—	—	1,143
Operating income	16,703	13,426	13,863	13,530	22,468	21,480
Other income (expense)	435	926	537	673	567	716
Income before income taxes	17,138	14,352	14,400	14,203	23,035	22,196
Income taxes	6,235	5,075	4,613	5,267	8,450	8,400
Net income	\$10,903	\$9,277	\$9,787	\$8,936	\$14,585	\$13,796
Basic and diluted EPS ⁽²⁾	\$1.02	\$0.87	\$0.92	\$0.84	\$1.36	\$1.29

Quarter Ended 2005

	Mar. 31	June 30	Sep. 30	Dec. 31
Net sales	\$52,037	\$56,109	\$58,980	\$64,123
Gross profit	9,785	12,406	11,370	13,510
Net income	1,654	3,337	2,675	3,237
Basic & diluted EPS ⁽²⁾	\$0.15	\$0.32	\$0.25	\$0.30

Quarter Ended 2004

	Mar. 31	Jun. 30	Sep. 30	Dec. 31
Net sales	\$49,431	\$50,804	\$52,392	\$50,927
Gross profit	10,096	10,822	10,860	10,649
Net income	2,207	2,449	2,056	2,565
Basic & diluted EPS ⁽²⁾	\$0.21	\$0.23	\$0.19	\$0.24

The Gorman-Rupp Company AMEX: GRC

Recent Price	\$22.85
52-Week Range	\$19.00-\$27.99
12-Month Diluted EPS ⁽²⁾	\$1.02
Book Value/Diluted Share	\$11.89
Market Capital (millions)	\$244.17
Dividend	\$0.560
Shares Outstanding	10,685,697
Estimated Float	55.0%

5 Year Stock Prices



⁽¹⁾ 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

⁽²⁾ 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)

	December 31, 2005	December 31, 2004		December 31, 2005	December 31, 2004
Cash & cash equivalents	\$11,540	\$18,898	Accounts payable	\$9,835	\$6,615
Accounts receivable	41,473	32,988	Accrued liabilities & expenses	18,384	14,497
Inventories	52,403	38,234	Total Current Liabilities	28,219	21,112
Other current assets & deferred income taxes	<u>5,085</u>	<u>6,854</u>	Postretirement benefits	23,255	22,334
Total Current Assets	110,501	96,974	Deferred Income Taxes	1,019	329
Property, plant & equipment - net	51,505	54,812	Shareholders' equity	<u>127,048</u>	<u>121,898</u>
Other assets	<u>17,535</u>	<u>13,887</u>	Total Liabilities & Shareholders' Equity	\$179,541	\$165,673
Total Assets	<u>\$179,541</u>	<u>\$165,673</u>	<i>Shares Outstanding</i>	<i>10,685,697</i>	<i>10,682,697</i>

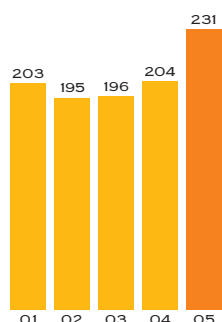
Summary of Selected Financial Data (unaudited)

(in thousands of dollars, except per share)

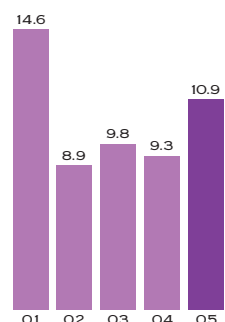
	Year Ended December 31,					
	Twelve Months Ended December 31, 2005	2004	2003	2002	2001	2000
Financial Position:						
Current assets	\$110,501	\$96,974	\$95,718	\$85,315	\$90,575	\$83,745
Current liabilities	28,219	21,112	21,908	19,282	18,103	19,079
Working capital	82,282	75,862	73,810	66,033	72,472	64,666
Current ratio	3.9	4.6	4.4	4.4	5.0	4.4
Property, plant & equipment - net	51,505	54,812	54,338	57,757	53,895	57,885
Capital additions - net	3,189	7,500	3,698	5,765	3,139	11,439
Depreciation & amortization	6,808	7,179	7,274	7,035	7,128	6,863
Total assets	179,541	165,673	162,395	154,302	149,569	147,337
Long-term debt to banks	—	—	—	—	—	3,413
Shareholders' equity	127,048	121,898	117,918	112,912	109,366	101,455
Dividends paid	5,983	5,907	5,809	5,550	5,475	5,322
Average number of employees	991	963	997	1,054	1,041	1,021
Shareholder Information:						
Basic & diluted EPS	\$1.02	\$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	2.24	2.02	2.04	2.00	2.83	2.73
Free cash flow	11,728	10,549	11,252	10,421	16,238	15,337
Average shares outstanding	10,684,209	10,680,832	10,677,087	10,673,337	10,694,292	10,728,482
Price:						
High	\$27.99	\$24.59	\$21.78	\$25.20	\$23.00	\$15.20
Low	19.00	18.64	14.56	16.32	13.90	11.50
Average Price/Earnings	23.0x	24.8x	19.8x	24.8x	13.5x	10.4x

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

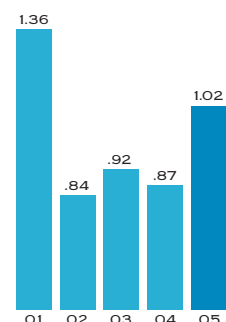
NET SALES
< MILLIONS OF DOLLARS >



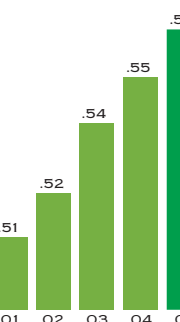
NET INCOME
< MILLIONS OF DOLLARS >



BASIC AND DILUTED EARNINGS PER SHARE



DIVIDENDS PAID PER SHARE



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Open Enrollment Dividend Reinvestment and Stock Purchase Plan

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.