



The Pump People™

THE GORMAN-RUPP COMPANY Investor Information Report AMEX - GRC First Quarter 2006

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 bank 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: | Three Months Ended | Year ended December 31, | | | | |
|----------------------------|--------------------|-------------------------|-----------|-----------|-----------|-----------|
| | March 31, 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| Net sales | \$67,087 | \$231,249 | \$203,554 | \$195,826 | \$195,081 | \$203,169 |
| Cost of products sold | 52,137 | 184,178 | 161,129 | 153,975 | 153,630 | 155,061 |
| Gross profit | 14,950 | 47,071 | 42,425 | 41,851 | 41,451 | 48,108 |
| Sell, gen. admin. expense | 8,106 | 30,368 | 28,999 | 27,988 | 27,921 | 25,640 |
| Operating income | 6,844 | 16,703 | 13,426 | 13,863 | 13,530 | 22,468 |
| Other income (expense) | 204 | 435 | 926 | 537 | 673 | 567 |
| Income before income taxes | 7,048 | 17,138 | 14,352 | 14,400 | 14,203 | 23,035 |
| Income taxes | 2,510 | 6,235 | 5,075 | 4,613 | 5,267 | 8,450 |
| Net income | \$4,538 | \$10,903 | \$9,277 | \$9,787 | \$8,936 | \$14,585 |
| Basic and diluted EPS | \$0.42 | \$1.02 | \$0.87 | \$0.92 | \$0.84 | \$1.36 |

Quarter Ended 2006

| | Mar. 31 |
|---------------------|----------|
| Net sales | \$67,087 |
| Gross profit | 14,950 |
| Net income | 4,538 |
| Basic & diluted EPS | \$0.42 |

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 | \$0.15 | \$0.32 | \$0.25 | \$0.30 |

The Gorman-Rupp Company AMEX: GRC

| | |
|-------------------------------------|-----------------|
| Recent Price | \$24.80 |
| 52-Week Range | \$19.00-\$27.99 |
| 12-Month Diluted EPS ⁽²⁾ | \$1.29* |
| Book Value/Diluted Share | \$12.14 |
| Market Capital (millions) | \$265.01 |
| Dividend | \$0.560* |
| Shares Outstanding | 10,685,697 |
| Estimated Float | 55.0% |

*Trailing 12 months

5 Year Stock Prices



Condensed Balance Sheets (unaudited)

(in thousands of dollars, except per share data)

| | March 31, 2006 | December 31, 2005 | | March, 2006 | December 31, 2005 |
|--|-------------------------|-------------------------|---|-------------------|----------------------|
| Cash & cash equivalents | \$11,715 | \$11,540 | Accounts payable | \$11,326 | \$9,835 |
| Accounts receivable | 47,967 | 41,473 | Accrued liabilities & expenses | 21,113 | 18,384 |
| Inventories | 54,192 | 52,403 | Total Current Liabilities | 32,439 | 28,219 |
| Other current assets & deferred income taxes | <u>4,594</u> | <u>5,085</u> | Postretirement benefits | 23,549 | 23,255 |
| Total Current Assets | 118,468 | 110,501 | Deferred Income Taxes | 1,019 | 1,019 |
| Property, plant & equipment - net | 50,690 | 51,505 | Shareholders' equity | <u>129,766</u> | <u>127,048</u> |
| Other assets | <u>17,615</u> | <u>17,535</u> | Total Liabilities & Shareholders' Equity | \$186,773 | \$179,541 |
| Total Assets | <u>\$186,773</u> | <u>\$179,541</u> | <i>Shares Outstanding</i> | <u>10,685,697</u> | <u>10,685,697</u> |

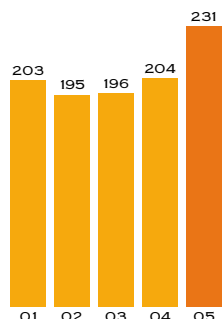
Summary of Selected Financial Data (unaudited)

(in thousands of dollars, except per share)

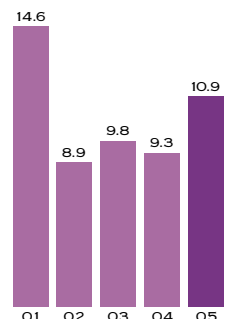
| | Three Months Ended | | Year Ended December 31, | | | | |
|-----------------------------------|--------------------|------------|-------------------------|------------|------------|------------|--|
| | March 31, 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | |
| Financial Position: | | | | | | | |
| Current assets | \$118,468 | \$110,501 | \$96,974 | \$95,718 | \$85,315 | \$90,575 | |
| Current liabilities | 32,439 | 28,219 | 21,112 | 21,908 | 19,282 | 18,103 | |
| Working capital | 86,029 | 82,282 | 75,862 | 73,810 | 66,033 | 72,472 | |
| Current ratio | 3.7 | 3.9 | 4.6 | 4.4 | 4.4 | 5.0 | |
| Property, plant & equipment - net | 50,690 | 51,505 | 54,812 | 54,338 | 57,757 | 53,895 | |
| Capital additions - net | 781 | 3,189 | 7,500 | 3,698 | 5,765 | 3,139 | |
| Depreciation & amortization | 1,649 | 6,808 | 7,179 | 7,274 | 7,035 | 7,128 | |
| Total assets | 186,773 | 179,541 | 165,673 | 162,395 | 154,302 | 149,569 | |
| Long-term debt | - | - | - | - | - | - | |
| Shareholders' equity | 129,766 | 127,048 | 121,898 | 117,918 | 112,912 | 109,366 | |
| Dividends paid | 1,496 | 5,983 | 5,907 | 5,809 | 5,550 | 5,475 | |
| Average number of employees | 1,039 | 991 | 963 | 997 | 1,054 | 1,041 | |
| Shareholder Information: | | | | | | | |
| Basic & diluted EPS | \$1.29* | \$1.02 | \$0.87 | \$0.92 | \$0.84 | \$1.36 | |
| Cash dividends per share | 0.560* | 0.560 | 0.552 | 0.544 | 0.520 | 0.512 | |
| EBITDA per share | 2.65* | 2.24 | 2.02 | 2.04 | 2.00 | 2.83 | |
| Free cash flow | 14,523* | 11,728 | 10,549 | 11,252 | 10,421 | 16,238 | |
| Average shares outstanding | 10,685,697 | 10,684,209 | 10,680,832 | 10,677,087 | 10,673,337 | 10,694,292 | |
| Average daily share volume | 10,058* | 8,686 | 6,342 | 5,844 | 7,115 | 6,556 | |
| Price: | | | | | | | |
| High | \$27.99* | \$27.99 | \$24.59 | \$21.78 | \$25.20 | \$23.00 | |
| Low | 19.00* | 19.00 | 18.64 | 14.56 | 16.32 | 13.90 | |
| Average Price/Earnings | 23.0x* | 23.0x | 24.8x | 19.8x | 24.8x | 13.5x | |

*Trailing 12 months

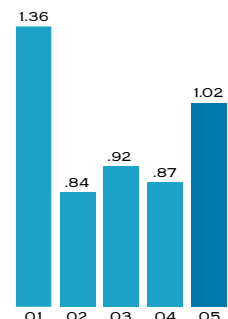
NET SALES
< MILLIONS OF DOLLARS >



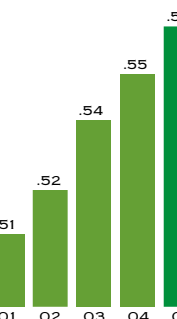
NET INCOME
< MILLIONS OF DOLLARS >



BASIC AND DILUTED EARNINGS PER SHARE



DIVIDENDS PAID PER SHARE



| | | | |
|---|--|---|--|
| <p>Investor Contact:</p> <p>Robert E. Kirkendall Senior Vice President & CFO 419-755-1294</p> <p>The Gorman-Rupp Company P.O. Box 1217 Mansfield, Ohio 44901-1217</p> | <p>For Additional Information:</p> <p>James C. Gorman Chairman 419-755-1223</p> <p>Judith L. Sovine Treasurer 419-755-1399</p> | <p>Jeffrey S. Gorman President & CEO 419-755-1353</p> <p>David P. Emmens Corporate Counsel & Secretary 419-755-1477</p> | <p style="text-align: center;">Open Enrollment Dividend Reinvestment and Stock Purchase Plan</p> <p>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.</p> |
|---|--|---|--|