



The Pump People™

THE GORMAN-RUPP COMPANY Investor Information Report AMEX - GRC Third 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:	Year ended December 31,					
	Nine Months Ended September 30, 2006	2005	2004	2003	2002	2001
Net sales	\$205,825	\$231,249	\$203,554	\$195,826	\$195,081	\$203,169
Cost of products sold	158,698	184,178	161,129	153,975	153,630	155,061
Gross profit	47,127	47,071	42,425	41,851	41,451	48,108
Sell, gen. admin. expense	23,928	30,368	28,999	27,988	27,921	25,640
Operating income	23,199	16,703	13,426	13,863	13,530	22,468
Other income (expense)	1,004	435	926	537	673	567
Income before income taxes	24,203	17,138	14,352	14,400	14,203	23,035
Income taxes	7,554	6,235	5,075	4,613	5,267	8,450
Net income	\$16,649	\$10,903	\$9,277	\$9,787	\$8,936	\$14,585
Basic and diluted EPS	\$1.56	\$1.02	\$0.87	\$0.92	\$0.84	\$1.36

Quarter Ended 2006

	Mar. 31	Jun. 30	Sept. 30
Net sales	\$67,087	\$67,905	\$70,833
Gross profit	14,950	15,587	16,590
Net income	4,538	5,499	6,612
Basic & diluted EPS	\$0.42	\$0.52	\$0.62

Quarter Ended 2005

	Mar. 31	June 30	Sept. 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	\$34.50
52-Week Range	\$20.50-\$34.50
12-Month Diluted EPS ⁽²⁾	\$1.86*
Book Value/Diluted Share	\$13.03
Market Capital (millions)	\$368.80
Dividend	\$0.560*
Shares Outstanding	10,688,697
Estimated Float	55.0%

*Trailing 12 months

5 Year Stock Prices



Condensed Balance Sheets (unaudited)

(in thousands of dollars, except per share data)

	September 30, <u>2006</u>	December 31, <u>2005</u>		September 30, <u>2006</u>	December 31, <u>2005</u>
Cash & cash equivalents	\$22,231	\$11,540	Accounts payable	\$9,293	\$9,835
Accounts receivable	45,324	41,473	Accrued liabilities & expenses	20,449	18,384
Inventories	50,834	52,403	Total Current Liabilities	29,742	28,219
Deferred income taxes & other current assets	<u>7,183</u>	<u>5,085</u>	Postretirement benefits	24,164	23,255
Total Current Assets	125,572	110,501	Deferred Income Taxes	1,014	1,019
Property, plant & equipment - net	51,182	51,505	Shareholders' equity	<u>139,308</u>	<u>127,048</u>
Other assets	<u>17,474</u>	<u>17,535</u>	Total Liabilities & Shareholders' Equity	\$194,228	\$179,541
Total Assets	<u>\$194,228</u>	<u>\$179,541</u>	<i>Shares Outstanding</i>	<u>10,688,697</u>	<u>10,685,697</u>

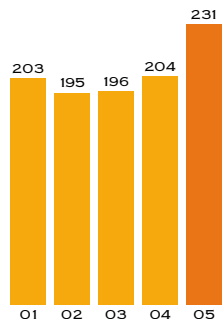
Summary of Selected Financial Data (unaudited)

(in thousands of dollars, except per share)

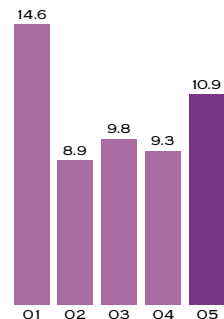
	Nine Months Ended <u>September 30, 2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Financial Position:						
Current assets	\$125,572	\$110,501	\$96,974	\$95,718	\$85,315	\$90,575
Current liabilities	29,742	28,219	21,112	21,908	19,282	18,103
Working capital	95,830	82,282	75,862	73,810	66,033	72,472
Current ratio	4.4	3.9	4.6	4.4	4.4	5.0
Property, plant & equipment - net	51,182	51,505	54,812	54,338	57,757	53,895
Capital additions - net	4,485	3,189	7,500	3,698	5,765	3,139
Depreciation & amortization	4,991	6,808	7,179	7,274	7,035	7,128
Total assets	194,228	179,541	165,673	162,395	154,302	149,569
Long-term debt	-	-	-	-	-	-
Shareholders' equity	139,308	127,048	121,898	117,918	112,912	109,366
Dividends paid	4,488	5,983	5,907	5,809	5,550	5,475
Average number of employees	1,054	991	963	997	1,054	1,041
Shareholder Information:						
Basic & diluted EPS	\$1.86*	\$1.02	\$0.87	\$0.92	\$0.84	\$1.36
Cash dividends per share	0.56*	0.560	0.552	0.544	0.520	0.512
EBITDA per share	3.36*	2.24	2.02	2.04	2.00	2.83
Free cash flow	20,596*	11,728	10,549	11,252	10,421	16,238
Average shares outstanding	10,686,708	10,684,209	10,680,832	10,677,087	10,673,337	10,694,292
Average daily share volume	13,932*	8,686	6,342	5,844	7,115	6,556
Price:						
High	\$34.50*	\$27.99	\$24.59	\$21.78	\$25.20	\$23.00
Low	20.50*	19.00	18.64	14.56	16.32	13.90
Average Price/Earnings	14.8x*	23.0x	24.8x	19.8x	24.8x	13.5x

*Trailing 12 months

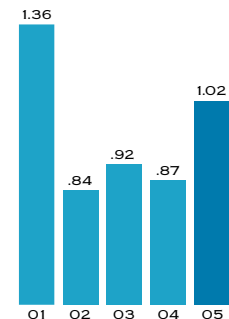
NET SALES
< MILLIONS OF DOLLARS >



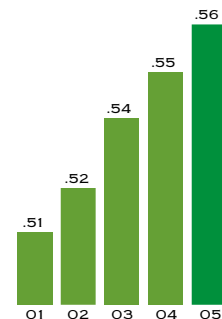
NET INCOME
< MILLIONS OF DOLLARS >



BASIC AND DILUTED EARNINGS PER SHARE



DIVIDENDS PAID PER SHARE



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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.