

Corporate Profile

The Gorman-Rupp Company designs, manufactures and sells pumps and related equipment (pump and motor controls) for use in water, wastewater, construction, industrial, petroleum, original equipment, agriculture, fire protection, heating, ventilating and air conditioning (HVAC), military and other liquid-handling applications at seven locations (Mansfield and Bellville, Ohio; Toccoa, Georgia; Royersford, Pennsylvania; St. Thomas, Ontario, Canada; County Westmeath, Ireland; and Leeuwarden, The Netherlands) and markets these products through its wholly and majority owned subsidiaries and a network of about 1,000 distributors, through manufacturers' representatives, through third-party distributor catalogs and by direct sales in the United States, Canada and the world.

Gorman-Rupp, founded in 1933 is headquartered in Mansfield, Ohio and has over 1,000 employees. Record sales in 2007 reflect growth in the international, fire protection, flood control, water/wastewater and government markets. Positive cash flow from operations, profitability of all the Company's divisions, and no bank debt positions the Company well for the future. The Company increased the cash dividend in 2007 sustaining a record of dividend increases for 35 consecutive years.

Corporate Purpose

Seventy five 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

(in thousands of dollars, except per share data)

Financial Position:	Year ended December 31,					
	2007	2006	2005	2004	2003	2002
Net sales	\$305,562	\$270,910	\$231,249	\$203,554	\$195,826	\$195,081
Cost of products sold	238,110	212,234	184,178	161,129	153,975	153,630
Gross profit	67,452	58,676	47,071	42,425	41,851	41,451
Sell, gen admin. expenses	34,567	32,411	30,368	28,999	27,988	27,921
Operating income	32,885	26,265	16,703	13,426	13,863	13,530
Other income (expense)	2,498	1,461	435	926	537	673
Income before income taxes	35,383	27,726	17,138	14,352	14,400	14,203
Income taxes	12,524	8,654	6,235	5,075	4,613	5,267
Net income	\$22,859	\$19,072	\$10,903	\$9,277	\$9,787	\$8,936
Basic and diluted EPS	\$1.37	\$1.14	\$0.66	\$0.55	\$0.58	\$0.54

Quarter Ended 2007

	Mar. 31	Jun. 30	Sept. 30	Dec. 31
Net sales	\$74,461	\$79,647	\$74,629	\$76,825
Gross profit	16,065	18,099	16,267	17,021
Net income	5,092	6,538	5,475	5,754
Basic & diluted EPS	\$0.30	\$0.39	\$0.33	\$0.35

Quarter Ended 2006

	Mar. 31	Jun. 30	Sept. 30	Dec. 31
Net sales	\$67,087	\$67,905	\$70,833	\$65,085
Gross profit	14,950	15,587	16,590	11,549
Net income	4,538	5,499	6,612	2,423
Basic & diluted EPS	\$0.27	\$0.33	\$0.40	\$0.14

5 Year Stock Prices



The Gorman-Rupp Company AMEX: GRC

Recent Price	\$31.20
52-Week Range	\$21.61 - \$36.50
12-Month Diluted EPS	\$1.37
Book Value/Diluted Share	\$8.95
Market Capital (millions)	\$521
Dividend	\$0.388
Shares Outstanding	16,703,035
Estimated Float	58.1%

Shares Outstanding and per share data reflect the 5 for 4 stock split, effective December 10, 2007.

Condensed Balance Sheets

(in thousands of dollars)

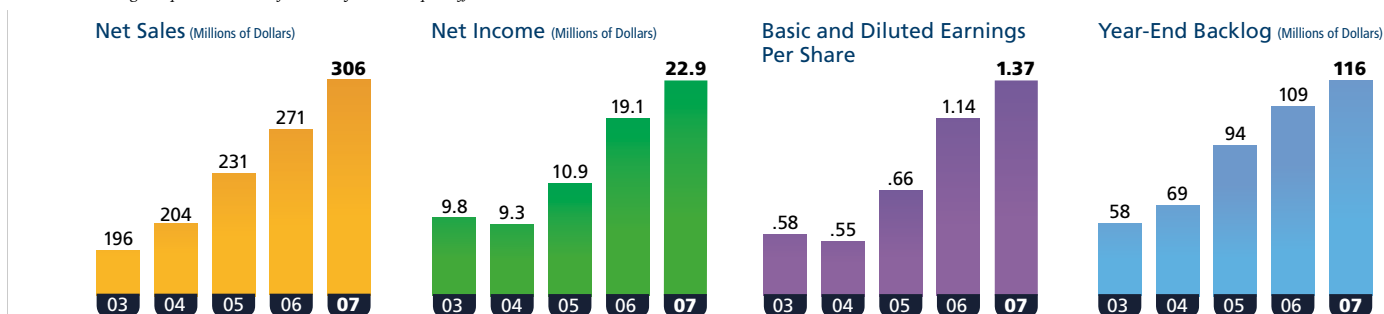
	December 31, 2007	December 31, 2006		December 31, 2007	December 31, 2006
Cash and cash equivalents	\$30,190	\$16,855	Accounts payable	\$14,162	\$10,417
Accounts receivable	47,256	45,135	Accrued liabilities & expenses	19,319	17,229
Inventories	53,223	50,299	Total Current Liabilities	33,481	27,646
Deferred income taxes & other current assets	<u>4,619</u>	<u>7,829</u>	Income taxes payable	823	-
Total Current Assets	135,288	120,118	Retirement / postretirement benefits	26,661	31,752
Property, plant & equipment - net	59,970	52,351	Deferred income taxes	609	-
Deferred income taxes & other assets	<u>16,276</u>	<u>15,071</u>	Minority interest	520	-
Total Assets	<u>\$211,534</u>	<u>\$187,540</u>	Shareholders' equity	<u>149,440</u>	<u>128,142</u>
			Total Liabilities & Shareholders' Equity	<u>\$211,534</u>	<u>\$187,540</u>
			<i>Shares Outstanding</i>	16,703,035	16,699,285

Summary of Selected Financial Data

(in thousands of dollars, except per share data)

	Twelve Months Ended December 31, 2007	2006	2005	2004	2003	2002
Financial Position:						
Current assets	\$135,288	\$120,118	\$110,501	\$96,974	\$95,718	\$85,315
Current liabilities	33,481	27,646	28,219	21,112	21,908	19,282
Working capital	101,807	92,472	82,282	75,862	73,810	66,033
Current ratio	4.0	4.3	3.9	4.6	4.4	4.4
Property, plant & equipment - net	59,970	52,351	51,505	54,812	54,338	57,757
Capital additions - net	12,826	7,258	3,189	7,500	3,698	5,765
Depreciation & amortization	7,597	6,688	6,808	7,179	7,274	7,035
Total assets	211,534	187,540	179,541	165,673	162,395	154,302
Long-term debt	-	-	-	-	-	291
Shareholders' equity	149,440	128,142	127,048	121,898	117,918	112,912
Dividends paid	6,503	6,126	5,983	5,907	5,809	5,550
Average number of employees	1,065	1,049	991	963	997	1,054
Shareholder Information:						
Basic & diluted EPS	\$1.37	\$1.14	\$0.66	\$0.55	\$0.58	\$0.54
Cash dividends per share	0.388	0.365	0.358	0.354	0.348	0.333
EBITDA per share	2.58	2.06	1.43	1.30	1.30	1.28
Free cash flow	23,954	19,634	11,728	10,549	11,252	10,421
Average shares outstanding	16,701,175	16,696,962	16,692,273	16,686,997	16,681,146	16,675,287
Average daily share volume	32,468	30,360	13,573	9,910	9,131	11,118
Price:						
High	\$36.50	\$31.09	\$17.91	\$15.74	\$16.13	\$16.13
Low	21.61	13.62	12.16	11.93	9.32	10.45
Average Price/Earnings	21.2x	19.6x	22.8x	25.2x	21.9x	24.6x

Shares Outstanding and per share data reflect the 5 for 4 stock split, effective December 10, 2007.



Per share data reflect the 5 for 4 stock split, effective December 10, 2007.

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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.