

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 30, 2000 Commission file number 1-6770

MUELLER INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE 25-0790410
(State or other jurisdiction (I.R.S. Employer
of incorporation or organization) Identification No.)

8285 TOURNAMENT DRIVE, SUITE 150
MEMPHIS, TENNESSEE 38125
(Address of principal executive offices)

Registrant's telephone number, including area code: (901) 753-3200
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by a check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes /X/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The number of shares of the Registrant's common stock outstanding as of March 13, 2001 was 33,374,361, excluding 6,733,441 treasury shares. The aggregate market value of the 32,917,873 shares of common stock held by non-affiliates of the Registrant was \$967,456,287 at March 13, 2001 (based on the closing price on the consolidated transaction reporting system on that date).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated by reference into this Report: (1) Registrant's Annual Report to Stockholders for the year ended December 30, 2000 (Part I and II); Registrant's Definitive Proxy Statement for the 2001 Annual Meeting of Stockholders, scheduled to be mailed on or about March 23, 2001 (Part III).

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MUELLER INDUSTRIES, INC.

As used in this report, the terms "Company", "Mueller" and "Registrant" mean Mueller Industries, Inc. and its consolidated subsidiaries taken as a whole, unless the context indicates otherwise.

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PART I

ITEM 1. BUSINESS

Introduction

The Company is a leading manufacturer of copper, brass, plastic, and aluminum products. The range of these products is broad: copper tube and fittings; brass and copper alloy rod, bar, and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; plastic fittings and valves; refrigeration valves and fittings; and fabricated tubular products. Mueller's plants are located throughout the United States, and in Canada, France, and Great Britain. The Company also owns a short line railroad in Utah.

The Company's businesses are managed and organized into three segments: (i) Standard Products Division ("SPD"); (ii) Industrial Products Division ("IPD"); and (iii) Other Businesses. SPD manufactures and sells copper tube, copper and plastic fittings, and valves. Outside of the United States, SPD manufactures copper tube in Europe and copper fittings in Canada. SPD sells these products to wholesalers in the HVAC (heating, ventilation, and air-conditioning), plumbing, and refrigeration markets, and to distributors to the manufactured housing and recreational vehicle industries. IPD manufactures and sells brass and copper alloy rod, bar, and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; refrigeration valves and fittings; fabricated tubular products; and gas valves and assemblies. IPD sells its products primarily to original equipment manufacturers ("OEMs"), many of which are in the HVAC, plumbing, and refrigeration markets. Other Businesses include Utah Railway Company and other natural resource properties and interests. SPD and IPD account for more than 98 percent of consolidated net sales and more than 86 percent of consolidated total assets. The majority of the Company's manufacturing facilities operated at high levels during 2000, 1999, and 1998.

Information concerning segments appears under "Note 13 - Industry Segments" in the Notes to Consolidated Financial Statements in Mueller's Annual Report to Stockholders for the year ended December 30, 2000. Such information is incorporated herein by reference.

Standard Products Division

Mueller's Standard Products Division includes a broad line of copper tube, which ranges in size from 1/8 inch to 8 inch diameter, and is sold in various straight lengths and coils. Mueller is a market leader in the air-conditioning and refrigeration tube markets. Additionally, Mueller supplies a variety of water tube in straight lengths and coils used for plumbing applications in virtually every type of construction project.

SPD also includes copper and plastic fittings and related components for the plumbing and heating industry that are used in water distribution

systems, heating systems, air-conditioning, and refrigeration applications, and drainage, waste, and vent systems. A major portion of Mueller's products are ultimately used in the domestic residential and commercial construction markets and, to a lesser extent, in the automotive and heavy on and off-the-road vehicle markets.

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During the fourth quarter of 1998, the Company acquired Halstead Industries, Inc. ("Halstead"). Halstead operates a tube mill in Wynne, Arkansas, and a line sets factory in Clinton, Tennessee. This acquisition expanded the Company's copper tube and line sets businesses and created opportunities for improved production and distribution efficiency. Following the acquisition, Halstead's name was changed to Mueller Copper Tube Products, Inc. In addition, in August 1998, the Company acquired B&K Industries, Inc. ("B&K"), an importer and distributor of residential and commercial plumbing products. The acquisition of B&K facilitated the sale of Mueller's manufactured products in the large, and growing, retail marketplace. In 1997, the Company acquired copper tube manufacturing operations in England and France. These acquisitions established a significant manufacturing and sales presence in Europe for the Company's operations.

SPD markets primarily through its own sales and distribution organization, which maintains sales offices and distribution centers throughout the United States and in Canada, Mexico, Great Britain, and France. Additionally, products are sold and marketed through a network of agents, which, when combined with the Company's sales organization, provide the Company broad geographic market representation.

The businesses in which SPD is engaged are highly competitive. The principal methods of competition for Mueller's products are customer service, availability, and price. The total amount of order backlog for SPD as of December 30, 2000 was not significant.

The Company competes with various companies depending on the product line. In the U.S. copper tubing business, the domestic competition includes Cerro Copper Products Co., Inc., Reading Tube Corporation, and Wolverine Tube, Inc., as well as many actual and potential foreign competitors. In the European copper tubing business, Mueller competes with more than ten European-based manufacturers of copper tubing as well as foreign-based manufacturers. Additionally, the Company's copper tube businesses compete with a large number of manufacturers of substitute products made from plastic, iron, and steel. In the copper fittings market, competitors include Elkhart Products, a division of Amcast Industrial Corporation, and NIBCO, Inc., as well as several foreign manufacturers. The plastic fittings competitors include NIBCO, Inc., Charlotte Pipe & Foundry, and other companies. No single competitor offers such a wide-ranging product line; management believes that this is a competitive advantage in some markets.

Industrial Products Division

Mueller's Industrial Products Division includes brass rod, nonferrous forgings, and impact extrusions that are sold primarily to OEMs in the plumbing, refrigeration, fluid power, and automotive industries, as well as to other manufacturers and distributors. The Port Huron, Michigan mill extrudes brass, bronze, and copper alloy rod in sizes ranging from 3/8 inches to 4 inches in diameter. These alloys are used in applications that require a high degree of machinability, wear and corrosion resistance, and electrical conductivity. IPD also manufactures brass and aluminum forgings which are used in a wide variety of end products, including automotive

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components, brass fittings, industrial machinery, valve bodies, gear blanks, and computer hardware. The Company also serves the automotive, military ordnance, aerospace, and general manufacturing industries with cold-formed aluminum and copper impact extrusions. Typical applications for impacts are high strength ordnance, high-conductivity electrical components, builders' hardware, hydraulic systems, automotive parts, and other uses where toughness must be combined with varying complexities of design and finish. Other products include valves and custom OEM products for refrigeration and air-conditioning applications, and shaped and formed tube, produced to tight tolerances, for baseboard heating, appliances, medical instruments, etc. The total amount of order backlog for IPD as of December 30, 2000 was not significant.

During 2000, the Company completed two acquisitions: (i) Micro Gauge, Inc. and a related business, Microgauge Machining, Inc., a specialized machining operation and (ii) Propipe Technologies, Inc., a fabricator of gas train manifold systems.

In September 1998, the Company acquired Lincoln Brass Works, Inc. ("Lincoln"), which operates manufacturing facilities in Jacksboro, Tennessee and Waynesboro, Tennessee. Lincoln produces custom control valve assemblies, custom metal assemblies, gas delivery systems and tubular products primarily for the gas appliance market. Lincoln is a large consumer of the Company's brass rod and forgings.

IPD primarily sells directly to OEM customers. Competitors, primarily in the brass rod market, include Cerro Metal Products Company, Inc., Chase Industries, Inc., Extruded Metals Inc., and others both domestic and foreign. Outside of North America, IPD sells products through various channels.

Other Businesses

Mueller, through its subsidiary Arava Natural Resources Company, Inc. ("Arava"), is engaged in the operation of a short line railroad in Utah. It also owns interests in other natural resource properties.

Short Line Railroad

Utah Railway Company ("Utah Railway"), a wholly-owned subsidiary of Arava, operates on approximately 100 miles of railroad track in Utah. Utah Railway serves four major customers pursuant to long-term contracts which account for more than 75 percent of coal tonnage hauled. Utah Railway transports coal to an interchange point at Provo, Utah. Although annual tonnage may vary significantly due to fluctuations in the production from the coal mines on the Utah Railway's lines and the demand for export coal, in recent years, annual tonnage has ranged between four and six million tons. From Provo, Utah, the coal is transported by connecting railroads to various customers including electric utilities, cement plants, west coast export facilities and others at destinations throughout the West.

In late 1998, there was a fire at one of the coal mines served by Utah Railway. The mine reopened in late 1999, and its shipments on Utah Railway resumed through July 2000. A second fire occurred at this same mine in August 2000. The future production from this mine is uncertain.

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On September 30, 1999, Utah Railway purchased the stock of the Salt Lake City Southern Railroad Company, Inc. ("SLCS"). SLCS operates pursuant to an easement on approximately 25 miles of track, owned by the Utah Transit Authority, from downtown Salt Lake City to near Draper, Utah.

In addition to railway operations discussed above, Union Pacific Railroad granted limited rights to Utah Railway for operations over Union Pacific tracks to Grand Junction, Colorado and access to additional coal customers. Also, Utah Railway conducts switching operations primarily in the Salt Lake City, Ogden, and Provo, Utah, metropolitan areas. Switching operations consist of accepting freight from other railroad carriers for delivery to customers and/or accepting loads of freight from such customers for delivery to long haul railroad carriers to be transported to final destinations.

Other Properties

In early 1998, Ruby Hill Mining Company ("Ruby Hill") received a final \$1.0 million installment payment from Homestake Mining Company of California ("Homestake") for Ruby Hill's mining property near Eureka, Nevada. Prior to 1999, the Company received and recognized as gains \$4.0 million from this transaction. If Homestake produces a total of 500,000 ounces of gold or "gold equivalents" of other metals from this property, Ruby Hill is thereafter entitled to a three percent net smelter return royalty, after deduction for certain taxes and transportation.

Labor Relations

At December 30, 2000, the Company employed approximately 4,300 employees of which approximately 1,700 were represented by various unions. Union contracts at the Company's European operations are renewed annually. Other contracts expire on various dates through April 2004.

Raw Material and Energy Availability

The major portion of Mueller's base metal requirements (primarily copper) is normally obtained through short-term supply contracts with competitive pricing provisions (for cathode) and the open market (for scrap). Other raw materials used in the production of brass, including brass scrap, zinc, tin, and lead, are obtained from zinc and lead producers, open-market dealers, and customers with brass process scrap. Raw materials used in the fabrication of aluminum and plastic products are purchased in the open market from major producers.

Adequate supplies of raw material are available to the Company. Sufficient energy in the form of natural gas, fuel oils, and electricity is available to operate the Company's production facilities. While temporary shortages of raw material and fuels may occur occasionally, they have not materially hampered the Company's operations.

Environmental Matters

Compliance with environmental laws and regulations is a matter of high priority. Mueller's provision for environmental compliance includes charges of \$2.0 million in 2000 and \$2.1 million in 1998. There was no provision for 1999. Except as discussed below, the Company does not

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anticipate that it will need to make material expenditures for such compliance activities during the remainder of the 2001 fiscal year, or for the next two fiscal years.

In 1998 and 1997, in connection with acquisitions, the Company established environmental reserves to fund the cost of remediation at sites currently or formerly owned by various acquired entities. The Company, through its acquired subsidiaries, is engaged in ongoing remediation and site characterization studies.

Mining Remedial Recovery Company ("MRRC"), a wholly-owned subsidiary of Arava, was formed for the purpose of managing the remediation of certain properties and the appropriate disposition thereof.

1. Mammoth Mine Site

MRRC owns title to certain inactive mines in Shasta County, California. MRRC has continued a program, begun in the late 1980s, of sealing mine portals with concrete plugs in mine adits which were discharging water. The sealing program has achieved a reduction in the metal load in discharges from these adits; however, additional reductions are being required. In response to a 1996 Order issued by the California Regional Water Quality Control Board ("QCB"), MRRC completed a feasibility study in 1997 describing measures designed to mitigate the effects of acid rock drainage. In December 1998, the QCB issued a new order extending MRRC's time to comply with water quality standards until December 1, 2003. MRRC agreed to continue remedial activities to reduce or prevent discharge of acid mine drainage and submitted to the QCB in July 2000 a Use Attainability Analysis ("UAA"), which is under review. MRRC estimates it will spend between \$1.0 and \$2.0 million on planned remedial activities. Further remediation may be required depending on QCB's acceptance of the UAA and how effective MRRC's remedial options are in reducing acid rock drainage.

2. U.S.S. Lead

In 1991, U.S.S. Lead Refinery, Inc. ("Lead Refinery"), responded to an information request from the EPA under Superfund for information on whether Lead Refinery arranged for the disposal of hazardous substances in the vicinity of the Grand Calumet River/Indiana Harbor Ship Canal. By letter dated February 4, 1997, the Indiana Department of Environmental Management ("IDEM") notified Lead Refinery that a preassessment screening of the Grand Calumet River and the Indiana Harbor Canal conducted pursuant to Superfund had identified releases of hazardous substances from Lead Refinery and other potentially responsible parties ("PRPs") that had adversely impacted natural resources. Based on its prescreening work, IDEM performed sampling in this area and initiated an assessment plan, which will determine the nature and extent of any required remediation and any resulting assessments against any of the PRPs.

In 1991, Lead Refinery also responded to an information request under Superfund regarding the site in East Chicago, Indiana. In 1992, the EPA advised Lead Refinery of its intent to list the property as a Superfund site; however, as of March 23, 2001, the EPA has deferred such listing. In 1993, Lead Refinery entered into a Consent Order with the EPA pursuant to Section 3008(h) of the Resource Conservation and Recovery Act ("RCRA").

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The consent Order covers remediation activities at the East Chicago, Indiana site and provides for Lead Refinery to complete certain on-site interim remedial activities and studies that extend off-site. In November 1996, the EPA approved, with modifications, the Interim Stabilization Measures Workplan and designated a Corrective Action Management Unit ("CAMU") at the Lead Refinery site. Site activities, which began in December 1996, should be substantially concluded in 2001. Costs for remaining cleanup efforts are estimated to be between \$1.0 and \$2.0 million. In the process of remediating the site, Lead Refinery identified petroleum contamination on site. As a result, Lead Refinery installed a slurry wall around the CAMU and initiated characterization of areas

suspected to have petroleum contamination. Lead Refinery has addressed this contamination pursuant to plans approved by the EPA. Additionally, Lead Refinery has conducted initial investigations to determine if other contamination exists that is not addressed by the Consent Order. Lead Refinery, without additional assistance from MRRC, lacks the financial resources needed to complete any additional remediation determined to be required and intends to seek financial assistance from other PRPs to permit Lead Refinery to conduct a private-party cleanup under RCRA, to the extent available under applicable law and regulations.

Lead Refinery has been informed by the former owner and operator of a Superfund site located in Pedricktown, New Jersey that it intends to seek CERCLA response costs for alleged shipments of hazardous substances to the site. Lead Refinery has executed an agreement regarding that site, which indefinitely extends the statute of limitations. By letter dated January 26, 1996, Lead Refinery and other PRPs received from the EPA a proposed Administrative Order on Consent to perform the remedial design for operable Unit 1 of the Pedricktown Superfund Site. Lead Refinery determined not to execute the Administrative Order on Consent. Several other PRPs, however, executed the agreement and are conducting the remedial design.

3. Mueller Copper Tube Products, Inc.

In 1999, Mueller Copper Tube Products, Inc. ("MCTP"), commenced a cleanup and remediation of soil and groundwater at its Wynne, Arkansas plant. MCTP is currently removing trichloroethene, a cleaning solvent formerly used by MCTP, from the soil and groundwater. On August 30, 2000, MCTP received approval of its Final Comprehensive Investigation report and Storm Water Drainage Investigation Report addressing the treatment of soils and groundwater, from the Arkansas Department of Environmental Quality. The Company anticipates that MCTP will spend up to an estimated five million dollars over the next several years on these activities and established a reserve for this project in connection with the acquisition of MCTP.

Other Business Factors

The Registrant's business is not materially dependent on patents, trademarks, licenses, franchises, or concessions held. In addition, expenditures for company-sponsored research and development activities were not material during 2000, 1999, or 1998. No material portion of the Registrant's business involves governmental contracts.

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ITEM 2. PROPERTIES

Information pertaining to the Registrant's major operating facilities is included below. Except as noted, the Registrant owns all of its principal properties. The Registrant's plants are in satisfactory condition and are suitable for the purpose for which they were designed and are now being used.

Location	Approximate Property Size	Description
Fulton, MS	418,000 sq. ft. 52.37 acres	Copper tube mill. Facility includes casting, extruding, and finishing equipment to produce copper tubing, including tube feed stock for the Company's copper fittings plants, line sets plant, and Precision Tube factory.
Fulton, MS	103,000 sq. ft. 11.9 acres	Casting facility. Facility includes casting equipment to produce copper billets used in the adjoining copper tube mill.
Wynne, AR	682,000 sq. ft.(1) 39.2 acres	Copper tube mill. Facility includes extrusion and finishing equipment to produce copper tubing, including feed stock for the Clinton, TN line sets plant.
Clinton, TN	166,000 sq. ft.(2) 8.5 acres	Line sets plant. Produces copper tube line sets using tube feed stock from the Company's copper tube mills and other mills.
Fulton, MS	58,500 sq. ft. 15.53 acres	Packaging and bar coding facility for retail channel sales.

Fulton, MS	70,000 sq. ft. (3) 7.68 acres	Copper fittings plant. High-volume facility that produces copper fittings using tube feed stock from the Company's adjacent copper tube mill.
Covington, TN	159,500 sq. ft. 40.88 acres	Copper fittings plant. Facility produces copper fittings using tube feed stock from the Company's copper tube mills.
Port Huron, MI	40,000 sq. ft. 5.11 acres	Formed tube plant. Produces copper fittings using cold heading equipment.
Strathroy, Ontario Canada	54,000 sq. ft. 4.67 acres	Copper fittings plant. Facility produces copper fittings for export to European and other metric markets.

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ITEM 2. PROPERTIES (continued)

Location	Approximate Property Size	Description
Kalamazoo, MI	205,000 sq. ft. 18 acres	Plastic fittings plant. Produces DWV fittings using injection molding equipment.
Cerritos, CA	115,000 sq. ft. 5.1 acres	Plastic fittings plant. Produces DWV fittings using injection molding equipment.
Upper Sandusky, OH	82,000 sq. ft. 7.52 acres	Plastic fittings plant. Produces DWV fittings using injection molding equipment.
Bilston, England United Kingdom	402,500 sq. ft. 14.95 acres	Copper tube mill. Facility includes casting, extruding, and finishing equipment to produce copper tubing.
Longueville, France	332,500 sq. ft. 16.3 acres	Copper tube mill. Facility includes extrusion and finishing equipment to produce copper tubing.
Port Huron, MI	322,500 sq. ft. 71.5 acres	Brass rod mill. Facility includes casting, extruding, and finishing equipment to produce brass rods and bars, in various shapes and sizes.
Port Huron, MI	127,500 sq. ft.	Forgings plant. Produces brass and aluminum forgings.
Marysville, MI	81,500 sq. ft. 6.72 acres	Aluminum and copper impacts plant. Produces made-to-order parts using cold impact processes.
Hartsville, TN	78,000 sq. ft. 4.51 acres	Refrigeration products plant. Produces products used in refrigeration applications such as ball valves, line valves, and compressor valves.
Jacksboro, TN	65,066 sq. ft. 11.78 acres	Bending and fabricating facility. Produces gas burners, supply tubes, and manifolds for the gas appliance industry.
Waynesboro, TN	57,000 sq. ft. (4) 5.0 acres	Gas valve plant. Facility produces brass valves and assemblies for the gas appliance industry.
North Wales, PA	174,000 sq. ft. 18.9 acres	Precision Tube factory. Facility fabricates copper tubing, copper alloy tubing, aluminum tubing, and fabricated tubular products.

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ITEM 2. PROPERTIES (continued)

Location	Approximate Property Size	Description
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Salisbury, MD	12,000 sq. ft.	(5) Coaxial cable plant. Facility manufactures semi-rigid coaxial cable and high-performance cable assemblies.
Brighton, MI	65,000 sq. ft.	(5) Machining operation. Facility machines component parts for supply to automotive industry.
Middletown, OH	55,000 sq. ft. 2.0 acres	Fabricating facility. Produces burner systems and manifolds for the gas appliance industry.

In addition, the Company owns and/or leases other properties used as distribution centers and corporate offices.

- (1) Facility is located on land leased from a local municipality, with an option to purchase at nominal cost.
- (2) Facility is leased under an operating lease, with an option to purchase.
- (3) Facility is leased under a long-term lease agreement, with an option to purchase at nominal cost.
- (4) Facility is leased from a local municipality for a nominal amount.
- (5) Facility is leased under an operating lease.

ITEM 3. LEGAL PROCEEDINGS

Environmental Proceedings

Reference is made to "Environmental Matters" in Item 1 of this Report, which is incorporated herein by reference, for a description of environmental proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The information required by Item 5 of this Report is included under the caption "Capital Stock Information" in the Registrant's Annual Report to Stockholders for the year ended December 30, 2000, which information is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

Selected financial data are included under the caption "Selected Financial Data" in the Registrant's Annual Report to Stockholders for the year ended December 30, 2000, which selected financial data is incorporated herein by reference.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition and results of operations is contained under the caption "Financial Review" in the Registrant's Annual Report to Stockholders for the year ended December 30, 2000, and is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures about market risk are contained in the caption "Financial Review" in the Registrant's Annual Report to Stockholders for the year ended December 30, 2000, and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Index to Financial Statements and Financial Statement Schedule of this Annual Report on Form 10-K which is included on page 17.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by Item 10 is contained under the caption "Ownership of Common Stock by Directors and Executive Officers and Information about Director Nominees" in the Company's Proxy Statement for its 2001 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 23, 2001 and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is contained under the caption "Executive Compensation" in the Company's Proxy Statement for its 2001 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 23, 2001 and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by Item 12 is contained under the captions "Principal Stockholders" and "Ownership of Common Stock by Directors and Executive Officers and Information about Director Nominees" in the Company's Proxy Statement for its 2001 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 23, 2001 and is incorporated herein by reference.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 13 is contained under the caption "Certain Relationships and Transactions with Management" in the Company's Proxy Statement for its 2001 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 23, 2001 and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this report:

1. Financial Statements: the financial statements, notes, and report of independent auditors described in Item 8 of this report, which are incorporated by reference.
2. Financial Statement Schedule: the financial statement schedule described in Item 8 of this report which is indexed on page 17.
3. Exhibits:
 - 2.1 Amended and Restated Agreement and Plan of Merger among Mueller Industries, Inc., Mueller Acquisition Corp. and Halstead Industries, Inc., dated as of October 30, 1998 (Incorporated herein by reference to Exhibit 2.1 of the Registrant's Report on Form 10-Q, dated November 6, 1998 for the quarter ended September 26, 1998).
 - 2.2 Form of Stock Purchase Agreement with William B. Halstead (Incorporated herein by reference to Exhibit 2.2 of the Registrant's Report on Form 10-Q, dated November 6, 1998 for the quarter ended September 26, 1998).
 - 2.3 Form of Stock Purchase Agreement with remaining Halstead stockholders (Incorporated herein by reference to Exhibit 2.3 of the Registrant's Report on Form 10-Q, dated November 6, 1998 for the quarter ended September 26, 1998).
 - 3.1 Certificate of Incorporation of Mueller Industries, Inc. and all amendments thereto (Incorporated herein by reference to Exhibit 3.1 of the Registrant's Report on Form 10-K, dated March 23, 1999, for the fiscal year ended December 26, 1998).
 - 3.2 By-laws of Mueller Industries, Inc., as amended and restated, effective November 10, 1994 (Incorporated herein by reference to Exhibit 3 (ii) of the Registrant's Current Report on Form 8-K, dated November 14, 1994).
 - 4.1 Common Stock Specimen (Incorporated herein by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated December 28, 1990).

- 4.2 Rights Agreement, dated as of November 10, 1994, between the Registrant and Continental Stock Transfer and Trust Company, as Rights Agent, which includes the Form of Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock of the Registrant, as Exhibit A, the Form of Rights Certificate, as Exhibit B, and the Summary of Rights to Purchase Preferred Stock, as Exhibit C (Incorporated by reference to Exhibit 99.1 of the Registrant's Current Report on Form 8-K, dated November 14, 1994).
- 10.1 Credit Agreement among Mueller Industries, Inc. (as Borrower) and Michigan National Bank and other banking institutions and Michigan National Bank (as Agent) dated as of November 29, 2000.
- 10.2 Certain instruments with respect to long-term debt of the Company have not been filed as Exhibits to the Report since the total amount of securities authorized under any such instrument does not exceed 10 percent of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of each such instrument upon request of the Securities and Exchange Commission.
- 10.3 Employment Agreement, effective October 1, 1991 by and between Mueller Industries, Inc. and Harvey L. Karp (Incorporated herein by reference to Exhibit 10.3 of the Registrant's Current Report on Form 8-K dated November 22, 1991).
- 10.4 Stock Option Agreement, dated December 4, 1991 by and between Mueller Industries, Inc. and Harvey L. Karp (Incorporated herein by reference to Exhibit 10.4 of the Registrant's Current Report on Form 8-K dated November 22, 1991).
- 10.5 Stock Option Agreement, dated March 3, 1992 by and between Mueller Industries, Inc. and Harvey L. Karp (Incorporated herein by reference to Exhibit 2 of the Registrant's Current Report on Form 8-K dated March 11, 1992).
- 10.6 Mueller Industries, Inc. 1991 Incentive Stock Option Plan (Incorporated herein by reference to Exhibit 4(a) of the Registrant's Registration Statement on Form S-8 dated April 17, 1992).
- 10.7 Summary description of the Registrant's 2001 bonus plan for certain key employees.
- 10.8 Amended and Restated Employment Agreement, effective as of September 17, 1997, by and between Mueller Industries, Inc. and Harvey L. Karp (Incorporated herein by reference to Exhibit 10.1 of the Registrant's Report on Form 10-Q, dated October 21, 1997, for the quarter ended September 27, 1997).
- 10.9 Amended and Restated Employment Agreement, effective as of September 17, 1997, by and between Mueller Industries, Inc. and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.2 of the Registrant's Report on Form 10-Q, dated October 21, 1997, for the quarter ended September 27, 1997).
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- 10.10 Amendment to Amended and Restated Employment Agreement, effective May 12, 2000, by and between Mueller Industries, Inc. and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.1 of the Registrant's Report on Form 10-Q, dated July 24, 2000, for the quarter ended June 24, 2000).
- 10.11 Mueller Industries, Inc. 1994 Stock Option Plan (Incorporated herein by reference to Exhibit 10.13 of the Registrant's Report on Form 10-K, dated March 17, 1995, for the fiscal year ended December 31, 1994).
- 10.12 Mueller Industries, Inc. 1994 Non-Employee Director Stock Option Plan (Incorporated herein by reference to Exhibit 10.14 of the Registrant's Report on Form 10-K, dated March 17, 1995, for the fiscal year ended December 31, 1994).
- 10.13 Mueller Industries, Inc. Deferred Compensation Plan, effective December 1, 2000.
- 10.14 Mueller Industries, Inc. 1998 Stock Option Plan (Incorporated herein by reference to Exhibit A of the Registrant's Definitive Proxy Statement, dated March 18, 1998).

- 10.15 Stock Option Agreement, dated May 7, 1997 by and between Mueller Industries, Inc. and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.19 of the Registrant's Report on Form 10-K, dated March 23, 1999, for the fiscal year ended December 26, 1998).
- 10.16 Stock Option Agreement, dated October 9, 1998 by and between Mueller Industries, Inc. and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.20 of the Registrant's Report on Form 10-K, dated March 23, 1999, for the fiscal year ended December 26, 1998).
- 10.17 Employment and Non-Compete Agreement, dated May 17, 2000, between Mueller Industries, Inc. and William H. Hensley (Incorporated herein by reference to Exhibit 10.2 of the Registrant's Report on Form 10-Q, dated July 24, 2000, for the quarter ended June 24, 2000).
- 13.0 Mueller Industries, Inc.'s Annual Report to Stockholders for the year ended December 30, 2000. Such report, except to the extent incorporated herein by reference, is being furnished for the information of the Securities and Exchange Commission only and is not to be deemed filed as a part of this Annual Report on Form 10-K.
- 21.0 Subsidiaries of the Registrant.
- 23.0 Consent of Independent Auditor (Includes report on Financial Statement Schedule).
- (b) During the three months ended December 30, 2000, no Current Reports on Form 8-K were filed.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 26, 2001.

MUELLER INDUSTRIES, INC.

/S/ HARVEY L. KARP
Harvey L. Karp, Chairman of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Signature	Title	Date
/S/ HARVEY L. KARP Harvey L. Karp	Chairman of the Board, and Director	March 26, 2001
/S/ GARY S. GLADSTEIN Gary S. Gladstein	Director	March 26, 2001
/S/ ROBERT B. HODES Robert B. Hodes	Director	March 26, 2001
/S/ G.E. MANOLOVICI G.E. Manolovici	Director	March 26, 2001
/S/ WILLIAM D. O'HAGAN William D. O'Hagan	President, Chief Executive Officer, Director	March 26, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the Registrant and in the capacities and on the date indicated.

Signature and Title	Date
/S/ KENT A. MCKEE Kent A. McKee Vice President and Chief Financial Officer (Principal Accounting Officer)	March 26, 2001

March 26, 2001

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INDEX TO FINANCIAL STATEMENTS

The consolidated financial statements, together with the report thereon of Ernst & Young LLP dated February 9, 2001, appearing on page 24 through and including 51, of the Company's 2000 Annual Report to Stockholders are incorporated by reference in this Annual Report on Form 10-K. With the exception of the aforementioned information, no other information appearing in the 2000 Annual Report to Stockholders is deemed to be filed as part of this Annual Report on Form 10-K under Item 8. The following Consolidated Financial Statement Schedule should be read in conjunction with the consolidated financial statements in such 2000 Annual Report to Stockholders. Consolidated Financial Statement Schedules not included with this Annual Report on Form 10-K have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

FINANCIAL STATEMENT SCHEDULE

	Page
Schedule for the fiscal years ended December 30, 2000, December 25, 1999, and December 26, 1998.	
Valuation and Qualifying Accounts (Schedule II)	18

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MUELLER INDUSTRIES, INC.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 30, 2000, December 25, 1999, and December 26, 1998
(In thousands)
<TABLE>
<CAPTION>

Balance	Balance at	Additions			Deductions
		Charged to	Other		
at end	beginning	costs and			
of year	of year	expenses	additions		

<S>	<C>	<C>	<C>	<C>
2000				
Allowance for doubtful accounts	\$ 5,367	\$ 663	\$ 131 (2)	\$ 549
\$ 5,612				
Environmental reserves	\$ 12,965	\$ 2,049	\$ 75 (2)	\$ 5,227
\$ 9,862				
Severance and related	\$ 1,558	\$ 2,100	\$ -	\$ 1,471
\$ 2,187				
Other reserves (3)	\$ 10,034	\$ -	\$ 2,248 (2)	\$ 950
\$ 11,332				
Valuation allowance for deferred tax assets	\$ 48,652	\$ -	\$ 1,013 (1)	\$ 18,039
\$ 31,626				
1999				
Allowance for doubtful accounts	\$ 4,929	\$ 1,503	\$ -	\$ 1,065
\$ 5,367				
Environmental reserves	\$ 16,321	\$ -	\$ -	\$ 3,356
\$ 12,965				
Severance and related	\$ 9,266	\$ -	\$ -	\$ 7,708
\$ 1,558				
Other reserves (3)	\$ 15,748	\$ -	\$ -	\$ 5,714
\$ 10,034				
Valuation allowance for deferred tax assets	\$ 46,592	\$ -	\$ 10,280 (1)	\$ 8,220
\$ 48,652				
1998				
Allowance for doubtful accounts	\$ 3,680	\$ 556	\$ 1,197 (2)	\$ 504
\$ 4,929				
Environmental reserves	\$ 10,368	\$ 2,133	\$ 7,472 (2)	\$ 3,652
\$ 16,321				
Severance and related	\$ -	\$ -	\$ 9,464 (2)	\$ 198
\$ 9,266				
Other reserves (3)	\$ 10,448	\$ 200	\$ 6,838 (2)	\$ 1,738
\$ 15,748				
Valuation allowance for deferred tax assets	\$ 52,073	\$ -	\$ -	\$ 5,481
\$ 46,592				

<FN>

- (1) Other additions to the valuation allowance for deferred tax assets relate to foreign net operating loss carryforwards and foreign audit and withholding allowances.
- (2) Resulted from acquisitions.
- (3) Other reserves are included in the balance sheet captions "Other current liabilities" and "Other noncurrent liabilities".

</TABLE>

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EXHIBIT INDEX

Exhibits	Description	Page
10.1	Credit Agreement among Mueller Industries, Inc. (as Borrower) and Michigan National Bank and other banking institutions and Michigan National Bank (as Agent) dated as of November 29, 2000.	
10.7	Summary description of the Registrant's 2001 bonus plan for certain key employees.	
10.13	Mueller Industries, Inc. Deferred Compensation Plan effective December 1, 2000.	
13.0	Mueller Industries, Inc.'s Annual Report to Stockholders for the year ended December 30, 2000. Such report, except to the extent incorporated herein by reference, is being furnished for the information of the Securities and	

Exchange Commission only and is not to be deemed filed as a part of this Annual Report on Form 10-K.

21.0 Subsidiaries of the Registrant.

23.0 Consent of Independent Auditors (Includes report on Financial Statement Schedule).

CREDIT AGREEMENT

This Credit Agreement (the "Agreement"), dated as of November 29, 2000, is among Michigan National Bank, a national banking association, and the other banking institutions who appear as signatories to this Agreement (each a "Bank" and collectively the "Banks"), Michigan National Bank, as agent ("Agent"), and Mueller Industries, Inc., a Delaware corporation ("Borrower").

Recitals

A. Borrower has requested and, subject to the terms and conditions of this Agreement, the Banks have agreed to provide to Borrower a line of credit in the amount of \$200,000,000.

B. Borrower's obligations under this Agreement are being guaranteed by those Domestic Subsidiaries named on Exhibit 1.15(b), annexed hereto (the "Restricted Subsidiaries"), each pursuant to separate Guaranty dated as of the date hereof, in favor of the Banks.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and provisions as hereinafter set forth, the parties hereto agree as follows:

1. DEFINITIONS.

1.1 Definitions. For purposes of this Agreement, the following capitalized terms will have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Advances" means the Line of Credit Loans and the Letter of Credit Advances, but shall exclude Interim Advances unless the context otherwise requires, and "Advance" means any of the Advances.

"Advance Date" means a Business Day on which Borrower has requested in accordance with this Agreement that an Advance be made hereunder.

"Agent" means Michigan National Bank, a national banking association, when acting in its capacity as contractual representative of the Banks, and not in its individual capacity as a Bank, and any permitted successor(s) thereto, when so acting.

"Agent's Address" means 800 Military Street, Port Huron, Michigan 48060, Attention: Joseph A. Vito, or at such other address as Agent may hereafter specify to Borrower in writing.

"Agent's Counsel" means Dykema Gossett PLLC.

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"Alternate Base Rate" means the higher of the Prime Rate, or the Federal Funds Rate plus .50 % per annum.

"Alternative Base Rate Advance" means advances which bear interest calculated by reference to the Alternative Base Rate.

"Applicable Margin" means, with respect to Eurodollar Advances at any time, the percentage rate per annum which is applicable at such time as set forth in the Pricing Schedule.

"Average Line of Credit Loans" means, for any quarter, the sum of the Line of Credit Loans outstanding at the close of business during each day of the quarter, divided by ninety (90).

"Bank" means each and, when used in the plural, includes all of the banking institutions which have signed (or which may hereafter become parties to) this Agreement (including Michigan National Bank, when acting as a Bank and not as Agent) and their respective successor(s) and permitted assign(s).

"Borrower's Address" means 8285 Tournament Drive, Suite 150, Memphis, Tennessee 38125, Attention: Chief Financial Officer, or at such other address as Borrower may hereafter specify to Agent in writing.

"Borrower" means Mueller Industries, Inc., a Delaware corporation, and its permitted successor(s) and assign(s).

"Borrowing Date" means the date on which an Advance is made hereunder.

"Borrowing Notice" is defined in Section 2.2.

"Borrower's Counsel" means John P. Fonzo, General Counsel to Borrower.

"Business Day" means (i) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in Detroit for the conduct of substantially all of their commercial lending activities, interbank wire transfers can be made on the Fedwire system and dealings in United States dollars are carried on in the London interbank market and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Detroit for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system.

"Capitalization" is the sum of Total Debt and net worth, as determined in accordance with GAAP.

"Closing Date" means the date that the first Loan is funded pursuant to this Agreement.

"Consolidated Interest Expense" means interest expense of the Borrower and its Subsidiaries under GAAP.

"Code" means the Internal Revenue Code of 1986, as amended.

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"Consistent Basis" means, in reference to the application of GAAP (as hereinafter defined), that the accounting principles observed in the current period are comparable in all material respects to those applied in the preceding period.

"Current Assets" and "Current Liabilities" are to be determined, both as to classification of items and amounts, in accordance with GAAP applied on a Consistent Basis, provided, that there will be excluded from Current Assets: (1) all amounts due to Borrower from any of its officers or employees; and (2) any appraised surplus in excess of book value.

"Domestic Subsidiaries" means all Subsidiaries organized under the laws of any of the states of the United States of America which are engaged in the manufacturing business in the broadest sense of that term, but excluding Arava Natural Resources Company, Inc. and its wholly-owned subsidiaries.

"Documents" means, in upper or lower case form, all "documents" and "instruments" as such terms are defined in the Uniform Commercial Code as adopted and in effect in the State of Michigan, in which Borrower now or hereafter has any right, title or interest.

"EBITDA" means consolidated net earnings of the Borrower and the Subsidiaries excluding extraordinary gains, plus the sum of income taxes, interest expense, depreciation and amortization, all determined in accordance with GAAP.

"Effective Rate" means the interest rate in effect for each respective Loan from time to time when such Loan is not in default, as set forth in Section 2 hereof.

"Environmental Protection Statute" means any federal, state or local law, statute, or regulation enacted in connection with or relating to the protection or regulation of the environment, including, but not limited to, those laws, statutes and regulations regulating, relating to or imposing liability or standards of conduct concerning the disposal, removal, production, storing, refining, handling, transferring, processing or transporting of hazardous materials and any regulations issued or promulgated in connection with such statutes by any governmental agency or instrumentality, including, without limitation, the Comprehensive Environmental Response, Compensation and Liabilities Act, as amended (42 U.S.C. '9601 et seq.) and the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. '6901 et seq.).

"ERISA" means the Employee Retirement Income Security Act of 1974, as the same may from time to time be amended or supplemented, including any rules or regulations issued in connection therewith.

"Eurodollar Advance" means an advance which, except as otherwise provided in Section 3.1, bears interest at the applicable Eurodollar Rate.

"Eurodollar Base Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the rate determined by the Agent to be the rate at which the Agent offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00

a.m. (London time) two Business Days prior to the first day of such Interest Period, approximately in the amount of the Agent's relevant Eurodollar Loan and having a maturity equal to such Interest Period.

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"Eurodollar Loan" means a Loan which, except as otherwise provided in Section 3.1, bears interest at the applicable Eurodollar Rate.

"Eurodollar Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one, minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus (ii) the Applicable Margin.

"Event of Default" has the meaning set forth in Section 7.1 of this Agreement.

"FASB" means the Financial Accounting Standards Board.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upward, if necessary, to the next higher 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (i) if the day for which such rate is to be determined is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if such rate is not so published for any day, the Federal Funds Rate for such day shall be the average rate charged to the Agent on such day on such transactions, as determined by the Agent.

"FLSA" means the federal Fair Labor Standards Act, as the same may from time to time be amended or supplemented, including any rules or regulations issued in connection therewith.

"Fundamental Subsidiaries" are those Subsidiaries identified on Exhibit 6.3.

"Funded Debt" means all Indebtedness.

"GAAP" means generally accepted accounting principles as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the FASB or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination and which are applied on a Consistent Basis.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guaranties" means, collectively, the guaranties of the Borrower's obligations under the Loan Documents by each of the Domestic Subsidiaries listed in Exhibit 1.15(b) to this Agreement and all Domestic Subsidiaries that are hereafter required to sign Guaranties as provided in Section 5.12 hereof (individually, a "Guarantor" and, collectively, the "Guarantors").

"Indebtedness" means all items of indebtedness of any Person, direct or indirect, joint or several, including (without implied limitation):

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(a) All indebtedness guaranteed, directly or indirectly, in any manner, or endorsed (other than for collection or deposit in the ordinary course of business), or discounted with recourse by the Person;

(b) All indebtedness in effect guaranteed by the Person, directly or indirectly, through agreements, contingent or otherwise: (1) to purchase such indebtedness; or (2) to purchase, sell, or lease (as lessee or lessor) property, products, materials, or supplies or to purchase or sell services, primarily for the purpose of enabling the Person to make payment of such indebtedness or to insure the owner of the indebtedness against loss; or (3) to supply funds to, or in any other manner invest in, the Person;

(c) All indebtedness secured by (or for which the holder of such indebtedness has a right, contingent or otherwise, to be secured by), any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance upon property owned or acquired by the Person subject thereto, whether or not the liabilities secured thereby have been assumed by the Person; and

(d) All indebtedness incurred by the Person as the lessee of goods or services under leases that, in accordance with GAAP, should be reflected

on the lessee's balance sheet.

"Interest Coverage Ratio" means the sum of EBITDA, less extraordinary cash and non-cash income of the Borrower and its Subsidiaries, divided by the amount of Consolidated Interest Expense (including interest arising from capitalized leases) for the applicable period, computed as of the end of each fiscal quarter for the period of four fiscal quarters then ended.

"Interest Period" means, with respect to a Eurodollar Advance, a period of one, two or three months commencing on a Business Day selected by the Borrower pursuant to this Agreement. Such Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months thereafter, provided, however, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day, provided, however, that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"Interim Advance" has the meaning set forth in Section 2.9 of this Agreement.

"Letter of Credit Advance" has the meaning set forth in Section 2.2.5 of this Agreement.

"Lien" means any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement or any lease in the nature thereof) and any agreement to give any lien, mortgage, pledge, assignment, security interest, charge or other encumbrance of any kind.

"Line of Credit" means the line of credit established under Section 2.1 of this Agreement.

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"Line of Credit Loans" has the meaning set forth in Section 2.1 of this Agreement.

"Line of Credit Maturity" means November 30, 2003.

"Line of Credit Notes" has the meaning set forth in Section 2.3 of this Agreement.

"Loans" means the Line of Credit Loans, and "Loan" means any of the Loans.

"Loan Documents" means this Agreement, the Notes, the Guaranties, applications for letters of credit and all other documents, instruments or certificates executed and delivered to the Banks in connection with this Agreement and the Loans.

"Maximum Loans" means the amount of \$200,000,000.

"Maximum Rate" means the maximum non-usurious rate of interest that the Banks are allowed to contract for, charge, take, reserve or receive under the applicable laws of any applicable state or of the United States of America (whichever from time to time permits the highest rate for the use, forbearance or detention of money) after taking into account, to the extent required by applicable law, any and all relevant payments or charges under this Agreement, the Notes or under any other document or instrument executed and delivered in connection herewith and the indebtedness evidenced by the Notes.

"Notes" means the Line of Credit Notes and any other promissory notes issued by Borrower to the order of any one or more of the Banks evidencing the Obligations of Borrower to repay the Loans.

"Obligations" means any and all liabilities, obligations, or indebtedness owing by Borrower to the Agent and/or the Banks, of any kind or description, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising under any Loan Document.

"Permitted Liens" means (a) Liens for taxes, assessments or governmental charges or levies which, for Borrower and all Subsidiaries other than Arava Natural Resources Company and its subsidiaries, are not yet due or delinquent, or which can thereafter be paid without penalty, or which are being contested in good faith in accordance with this Agreement and against which appropriate reserves are being maintained under GAAP, (b) unfilled inchoate construction Liens for construction work in progress, (c) workmen's, repairmen's, warehousemen's and carrier's Liens and other similar Liens, if any, arising in the ordinary course of business, (d) Liens granted by Subsidiaries in favor of Borrower in connection with

inter-company loans, and (e) each of the liens described in Schedule 1.1(a) attached to this Agreement.

"Person" or "Persons" means natural persons, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, lenders, trust companies, land trusts, vehicle trusts, business trusts or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

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"Pricing Schedule" means the following schedule:

<TABLE>

<CAPTION>

Tier <C>	Capitalization Ratio(1) <C>	Facility Fee <C>	Eurodollar Applicable Margin and Letter of Credit Fee <C>	All-In Drawn Cost <C>	Utilization Fee <C>
I (3)	>30%	22.5 bp(2)	40.0 bp	62.5 bp	20.0 bp
II	>15%, but less than or equal to 30%	17.5 bp	32.5 bp	50.0 bp	10.0 bp
III	<15%	12.5 bp	25.0 bp	37.5 bp	0.0 bp

</TABLE>

(1) Defined as Total Debt/Capitalization.

(2) "bp" means basis points per annum.

(3) All fees will be calculated by the Capitalization Ratio as of the latest fiscal quarter for which financial statements have been delivered pursuant to Section 5.3.1, provided, however, that if such statements are not delivered as required by Section 5.3.1, the Tier I fees shall apply.

"Prime Rate" means and refers to the rate of interest announced publicly from time to time by the Agent as its prime commercial lending rate. Reference to the Prime Rate shall not be affected by the fact that Agent may make loans at different rates from time to time with respect to the class of Loans for which the Prime Rate is established. Any change in any of the interest rates chargeable hereunder resulting from a change in the Prime Rate shall become effective on the day on which each change in the Prime Rate is effective.

"Prohibited Transaction" has the meaning set forth in Section 406 or Section 2003(a) of ERISA.

"Ratable Share" means for each Bank the respective percentage shown on the signature pages of this Agreement, which as to aggregate Advances under the Line of Credit made by such Bank will be limited to the respective maximum U.S. dollar amounts shown on the signature pages of this Agreement.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Reportable Event" has the meaning set forth in Section 4043 of ERISA.

"Requirement of Law" means, with respect to any Person, the certificate (or articles) of incorporation and bylaws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

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"Requisite Banks" means Banks whose Ratable Shares equals or exceeds 51% in the aggregate of the Loans from time to time outstanding, excluding from both the numerator and denominator, however, the amount of the outstanding Loans by any Bank then in default for a continuous period greater than ten (10) Business Days of any obligation for the payment of money to the Agent in respect of its Ratable Share of an Advance or other expense or liability for which the Agent has in writing requested reimbursement or indemnification and which the Banks have agreed to pay by the respective terms, and within the respective meanings, of this Agreement; provided, Agent will not agree (and Borrower acknowledges that written consent is required) to change or waive a maturity date, Advance Date, payment date for any obligation, interest rate, fees, commitment amount of any Bank, release any of the Guaranties or modify in writing this Agreement or any other Loan Documents with respect to the foregoing, without the prior written consent of Banks (determined without regard to

the foregoing exclusions) whose Ratable Share of the Loans is 100% in the aggregate. Interim Advances shall not be included in any determination of Requisite Banks.

"Reserve Requirement" means, with respect to an Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities.

"Restricted Subsidiaries" means those Domestic Subsidiaries that have executed or are required to execute Guarantees.

"SEC" means the Securities and Exchange Commission or any successor agency.

"Subsidiaries" means those entities listed on Schedule 1.1(b) to this Agreement and all entities in which the Borrower hereafter acquires, directly or indirectly, any equity or ownership interest, except minority interests in entities, the aggregate value of which interests (on a cost basis) does not exceed \$10,000,000.

"Tangible Net Worth" means the sum of the par or stated value of all outstanding capital stock, amounts in excess of par or stated value, surplus and retained earnings less intangibles, all as determined in accordance with GAAP.

"Taxes" means any taxes, charges, fees, levies or other assessments based upon or measured by net or gross income, gross receipts, sales, use, ad valorem, transfer, franchise, withholding, payroll, employment, excise, premium or property taxes, together with any interest and penalties, additions to tax and additional amounts imposed by any federal, state, local or foreign taxing authority upon any Person.

"Total Debt" means all Indebtedness, including capitalized leases, of the Borrower and its Subsidiaries.

"Total Outstanding Amount" means the aggregate principal amounts at any time outstanding of the Line of Credit Advances, the outstanding face amount of Letters of Credit and all outstanding Interim Advances, which shall not exceed \$200,000,000 in aggregate amount at any time.

"Type" means, with respect to any Advance, its nature as a Alternative Base Rate Advance or a Eurodollar Advance.

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"Unmatured Event of Default" means an event, act, or occurrence which with the giving of notice or the lapse of time, or both, would become an Event of Default.

1.2 Accounting Terms. All accounting terms not specifically defined herein, to the extent not inconsistent with definitions set forth in Section 1.1 of this Agreement, will be construed in accordance with GAAP as in effect from time to time, including, without limitation, applicable statements, bulletins and interpretations issued by the FASB and bulletins, opinions, interpretations and statements issued by the American Institute of Certified Public Accountants or its committees. When used herein, the term "financial statements" will include the notes and schedules thereto.

1.3 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement will have the defined meanings when used in the Loan Documents or any certificate or other document made or delivered pursuant hereto.

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection, Schedule and Exhibit references contained in this Agreement are references of Sections, subsections, Schedules and Exhibits in or to this Agreement unless otherwise specified.

2. AMOUNT AND TERMS OF LOANS.

2.1 Amount of Line of Credit. Subject to the terms and conditions hereof, Banks, severally in accordance with their respective Ratable Share, agree to advance to Borrower from the Closing Date until the Line of Credit Maturity, at such times and in such amounts as Borrower may request in accordance with Section 2.2 hereof, up to the aggregate principal amount of \$200,000,000 (the "Line of Credit Loans"). Subject to the terms and conditions hereof, the amounts borrowed under the Line of Credit may be borrowed, repaid and reborrowed.

2.2 Notice and Manner of Borrowing.

2.2.1 Nature of Advances. The Advances may be Alternative Base Rate Advances or Eurodollar Advances, or a combination thereof, selected by

Borrower in accordance with Sections 2.2.2 and 2.2.3.

2.2.2 Method of Selecting Types and Interest Periods for New Advances. The Borrower shall select the Type of Advance and, in the case of each Eurodollar Advance, the Interest Period applicable thereto from time to time. The Borrower shall give the Agent irrevocable notice (a "Borrowing Notice") not later than 10:00 a.m. (Detroit time) at least one Business Day before the Borrowing Date of each Alternative Base Rate Advance and three Business Days before the Borrowing Date for each Eurodollar Advance, specifying:

(i) the Borrowing Date, which shall be a Business Day, of such Advance,

(ii) the aggregate amount of such Advance,

(iii) the Type of Advance selected, and

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(iv) in the case of each Eurodollar Advance, the Interest Period applicable thereto.

Agent shall deliver to each Bank a copy of the Borrowing Notice timely received by Agent from Borrower on the day received. Not later than noon (Detroit time) on each Borrowing Date, each Bank shall make available its Loan or Loans in funds immediately available in Detroit to the Agent at its address specified pursuant to Section 9.3. The Agent will make the funds so received from the Banks available to the Borrower at the Agent's aforesaid address.

2.2.3 Conversion and Continuation of Outstanding Advances. Alternative Base Rate Advances shall continue as Alternative Base Rate Advances unless and until such Alternative Base Rate Advances are converted into Eurodollar Advances pursuant to this Section 2.2.3. Each Eurodollar Advance shall continue as a Eurodollar Advance until the end of the then applicable Interest Period therefor, at which time such Eurodollar Advance shall either be paid, or it will automatically be converted into an Alternative Base Rate Advance unless the Borrower shall have given the Agent a Conversion/Continuation Notice (as defined below) requesting that, at the end of such Interest Period, such Eurodollar Advance shall continue as a Eurodollar Advance for the same or another Interest Period. Subject to the terms of Section 2.6, the Borrower may elect from time to time to convert all or any part of an Alternative Base Rate Advance into a Eurodollar Advance. The Borrower shall give the Agent irrevocable notice (a "Conversion/Continuation Notice") of each conversion of an Alternative Base Rate Advance into a Eurodollar Advance or continuation of a Eurodollar Advance not later than 10:00 a.m. (Detroit time) at least three Business Days prior to the date of the requested conversion or continuation, specifying:

(i) the requested date, which shall be a Business Day, of such conversion or continuation,

(ii) the aggregate amount and Type of the Advance which is to be converted or continued, and

(iii) the amount of such Advance which is to be converted into or continued as a Eurodollar Advance and the duration of the Interest Period applicable thereto.

2.2.4 Changes in Interest Rate, etc. Each Alternative Base Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made or is automatically converted from a Eurodollar Advance into a Alternative Base Rate Advance pursuant to Section 2.2.3, but excluding the date it is paid or is converted into a Eurodollar Advance pursuant to Section 2.2.3 hereof, at a rate per annum equal to the Alternative Base Rate for such day. Changes in the rate of interest on that portion of any Advance maintained as a Alternative Base Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the interest rate determined by the Agent as applicable to such Eurodollar Advance based upon the Borrower's selections under Sections 2.2.2 and 2.2.3 and otherwise in accordance with the terms hereof. No Interest Period may end after the Line of Credit Maturity

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2.2.5 Ratable Advances. Each Bank, on the date any Advance is requested to be made, shall make its Ratable Share of such Advance available in immediately available funds at the principal office of Agent for disbursement to Borrower. Unless Agent shall have received notice from any Bank prior to the date such Advance is requested to be made under this Section 2.2 that such Bank will not make available to Agent such Bank's Ratable Share of such Advance, Agent may assume that such Bank has made such portion available to Agent on the date such Advance is requested to be

made in accordance with this Section 2.2. If and to the extent such Bank shall not have so made such Ratable Share available to Agent, Agent may (but shall not be obligated to) make such amount available to Borrower, and such Bank agrees to pay to Agent forthwith on demand such amount together with interest thereon, for each day from the date such amount is made available to Borrower by Agent until the date such amount is repaid to Agent, at the Federal Funds Rate. If such Bank shall pay such amount to Agent together with interest, such amount so paid shall constitute a Loan by such Bank as a part of such Advance for purposes of this Agreement. The failure of any Bank to make its Ratable Share of any such Advance available to Agent shall not relieve any other Bank of its obligations to make available its Ratable Share of such Advance on the date such Advance is requested to be made, but no Bank shall be responsible for failure of any other Bank to make such Ratable Share available to Agent on the date of any such Advance. Subject to the terms and conditions of this Agreement, Agent shall, on the date any issuance of a letter of credit advance (a "Letter of Credit Advance") is requested to be made, issue the related Letter of Credit on behalf of the Banks for the account of the Borrower. Notwithstanding anything herein to the contrary, Agent may decline to issue any requested Letter of Credit on the basis that the beneficiary, the purpose of issue or the terms and conditions of drawing are unacceptable to it in its reasonable discretion, including without limitation, if Agent determines that the purpose of such issuance is outside the ordinary course of business of Borrower.

2.2.6 Disbursement. Upon fulfillment of the conditions set forth in this Section 2.2, Section 3.5 (and subject to Agent's then current deadlines for wire transfers and crediting of Agent and Bank accounts), and Sections 8.2.1 and 8.2.2, Agent will disburse such Advance to Borrower in immediately available funds at Borrower's expense.

2.2.7 Minimum Advances. Except for Interim Advances, no Advances shall be for an aggregate amount of less than \$5,000,000.

2.3 Authorization and Issuance of Line of Credit Notes. All Advances made by the Banks pursuant to the Line of Credit will be evidenced by separate promissory notes of Borrower, in the form of Exhibit 2.3 to this Agreement (each a "Line of Credit Note" and collectively the "Line of Credit Notes"), to be executed and delivered by Borrower to each of the Banks, in the principal amount of each such Bank's Line of Credit commitment as set forth on the signature page(s) to this Agreement, on the Closing Date.

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2.4 Facility and Utilization Fees. On the last day of each March, June, September and December, commencing December 31, 2000, for the pro rata benefit of the Banks Borrower shall pay (i) a Facility Fee equal to the per annum percentage identified as the Facility Fee in the Pricing Schedule to be determined by multiplying the amount of the Maximum Loans under the Line of Credit by the appropriate Facility Fee, and (ii) if the Average Line of Credit Loans are more than fifty (50%) percent of the maximum aggregate loans under the Line of Credit, a Utilization Fee equal to the per annum percentage identified as the Utilization Fee as set forth in the Pricing Schedule multiplied by the Average Line of Credit Loans. The Facility and Utilization Fees shall be calculated and paid quarterly.

2.5 Use of Proceeds. The proceeds of the Line of Credit Loans will be used by Borrower (i) for working capital, (ii) to finance acquisitions, (iii) to reimburse any Bank for any payment under letters of credit and (iv) for general corporate purposes.

2.6 Interest Payment Dates; Interest Basis. Interest accrued on each Alternative Base Rate Advance shall be payable on each Payment Date, commencing with the first such date to occur after the date hereof. Interest accrued on each Eurodollar Advance shall be payable on the last day of its applicable Interest Period, on any date on which the Eurodollar Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to noon (local time) at the place of payment. If any payment of principal or interest on an Advance shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment.

2.7 Prepayments. Borrower may prepay, in whole or in part, but in an amount not less than Ten Million Dollars (\$10,000,000) at any time upon one (1) business day's notice, without premium or penalty, any Alternative Base Rate Advances. Eurodollar Advances may only be prepaid at the end of an Interest Period as provided above in Section 2.2.3. Any other provisions of this Agreement to the contrary notwithstanding, if at any time during the term of this Agreement, the Total Outstanding Amount will exceed \$200,000,000, Borrower will immediately, and in any event within two (2) Business Days, remit and pay to Agent such amounts as may be necessary to reduce the Total Outstanding Amount to \$200,000,000. Borrower may terminate the Line of Credit at any time upon delivery of written notice to Agent sixty (60) days prior to such termination.

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2.8 Loan Account. Advances under the Line of Credit Loans will be charged to an account in Borrower's name on Agent's books, and Agent will debit to such account the amount of each Advance when made and credit to such account the amount of each repayment thereunder. Agent will render Borrower, from time to time, a statement setting forth the debit balance in the loan account, which will be deemed conclusive absent manifest error. Such statement will be prima facie evidence of the correctness of the Advances owing to the Banks by Borrower hereunder, unless there is manifest error evident on its face. Similarly, each Bank is hereby authorized by Borrower to record in its books and records, the date, and amount and type of each Advance and the duration of the related Interest Period (if applicable), the amount of each payment or prepayment of principal thereon, which books and records shall constitute prima facie evidence of the information so recorded, provided, however, that failure of any Bank to record, or any error in recording, any such information shall not relieve Borrower of its obligation to repay the outstanding principal amounts of the Loans, all accrued interest thereon and other amounts payable with respect thereto in accordance with the terms of the Notes and this Agreement.

2.9 Interim Advances. The Agent may, in its sole discretion and without having any obligation to do so, make interim advances (hereinafter sometimes referred to as "Interim Advances") of its own funds to the Borrower in an aggregate amount not to exceed \$5,000,000 at any one time outstanding; provided, however, that no Interim Advances shall be made after the Agent has received written requests not to make Interim Advances from the Requisite Banks or unless all conditions precedent for an Advance have been met. The aggregate amount of all Interim Advances outstanding on the date any regular Advance is made shall be included as a previously disbursed portion of such regular Advance in which each Bank shall participate based upon its Ratable Share and the Agent shall thereupon be immediately reimbursed for the full amount of such Interim Advances from the proceeds of such regular Advance. If no regular Advance is made for any period of 60 days, whether by reason of the failure to comply with any condition for a regular Advance or otherwise, each Bank shall, upon request of the Agent, on the Business Day after receiving such request, remit to the Agent such Bank's Ratable Share of all outstanding Interim Advances, whereupon, such Interim Advances shall be automatically converted to a regular Alternative Base Rate Advance effective on such next Business Day. In no event will any Interim Advance be made if, after giving effect to such Interim Advance, the aggregate principal amount of all Advances would exceed \$200,000,000.

3. GENERAL PROVISIONS.

3.1 Overdue Rate.

3.1.1 Overdue Rate. Upon the occurrence and during the continuance of an Event of Default, all outstanding Advances will bear interest thereafter, at the option of Agent and/or at the request of the Requisite Banks, and without affecting any of the Bank's rights and remedies provided for herein and in the Notes, at two percent (2%) per annum in excess of the Effective Rate.

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3.1.2 Late Charge. If any required payment under any Note is not

paid within ten (10) days from the date it is due, at the option of Agent and/or at the request of the Requisite Banks, a late charge of five cents (\$.05) for each dollar of the payment so overdue may be charged.

3.2 Computation of Interest and Fees; Maximum Interest Rate.

3.2.1 Calculation Of Interest. All computations of interest on the Loans and interest due thereunder for any period will be calculated on the basis of the actual number of days elapsed over a year of three hundred sixty (360) days. Interest will accrue from the date of any Advance up to but excluding the date of repayment of the Loan, in accordance with the provisions hereof.

3.2.2 Maximum Rate. Notwithstanding anything to the contrary contained in this Agreement, Borrower will not be obligated to pay, and the Banks will not be entitled to charge, collect or receive, interest in excess of the Maximum Rate and in the event the Banks ever receive, collect or apply, as interest, any such excess, such amount which would be excessive interest will be deemed a partial prepayment of principal and treated hereunder as such; and, if the principal hereof is paid in full, any remaining excess will immediately be returned to Borrower. If any construction of this Agreement, the Notes or the other Loan Documents indicates a different right given to the Banks to ask for, demand or receive any larger sum as interest, such as a mistake in calculation or wording, this clause will override and control, it being the intention of Borrower and the Banks that this Agreement, the Notes and the other Loan Documents will in all respects comply with applicable law, and proper adjustment will automatically be made accordingly. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the Maximum Rate, Borrower and the Banks will, to the maximum extent permitted by law (i) characterize any non-principal payment as an expense, fee or premium rather than as interest; (ii) exclude voluntary prepayments and the effects thereof; and (iii) amortize, prorate, allocate and spread the total amount of interest through the entire contemplated term of such indebtedness until payment in full of the principal (including the period of any extension or renewal thereof) so that the interest on account of such indebtedness will not exceed the Maximum Rate.

3.3 Conditions Precedent to the Execution and Delivery of this Agreement. The obligation of the Banks to execute and deliver this Agreement is subject to the fulfillment, in form and substance satisfactory to Agent and its counsel, of each of the following conditions, unless otherwise noted:

3.3.1 Line Of Credit Note, Guaranties, etc. Agent will have received each of the following documents, duly executed and delivered by Borrower, each of which will be in full force and effect:

(a) The Line of Credit Notes, in the form of Exhibit 2.3.

(b) The Guaranties, in the form of Exhibit 3.3.1(b) to this Agreement.

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(c) Such other documents and certificates as may be necessary or desirable to evidence the Obligations, representations, warranties and covenants of Borrower hereunder and the Guarantors under the Guaranties.

3.3.2 Good Standing Certificates. Agent will have received a good standing certificate of Borrower and each of the Guarantors listed on Exhibit 3.3.2 hereto from each state in which Borrower and each such Guarantor is organized and each other state, if different, in which the principal part of its business activity is conducted, dated a recent date, indicating that Borrower and each such Guarantor is in good standing in each such state; provided, if such good standing certificates for any Guarantor is not available at closing, Borrower shall certify that such Guarantor is in good standing.

3.3.3 Resolutions. Agent will have received a copy of the resolutions of the Board of Directors of Borrower and each Restricted Subsidiary (i) authorizing the execution, delivery and performance of the Loan Documents, (ii) authorizing the borrowing contemplated hereunder, and (iii) certified by the Secretary of Borrower or the Restricted Subsidiary, respectively, as of the Closing Date, which certificate will state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate.

3.3.4 Charter. Agent will have received certified copies of the charter of Borrower and each Restricted Subsidiary, certified by an officer of Borrower and each Restricted Subsidiary, respectively, on the Closing Date, as true, complete and correct copies thereof.

3.3.5 Incumbency Certificates. Agent will have received a certificate of the Secretary of Borrower and each Restricted Subsidiary as to the incumbency and signatures of the person or persons authorized to execute and deliver the Loan Documents.

3.3.6 Certificate Regarding Representations and Warranties. Agent will have received a certificate of the Chief Financial Officer, the Vice President-Legal or Chief Executive Officer of Borrower stating, on behalf of Borrower, that each of the representations and warranties made in or pursuant to Section 4 of this Agreement or which are contained in any other Loan Document or any certificate, document or financial or other statement furnished by Borrower at any time under or in connection herewith, is true and correct in all respects on and as of the Closing Date.

3.3.7 Reimbursement. Agent will have received reimbursement for legal fees and expenses incurred by Agent in the preparation of the transactions contemplated by this Agreement.

3.3.8 No Litigation or Investigation. No suit, action, investigation, inquiry or other proceeding, including, without limitation, the enactment or promulgation of a statute or rule by or before any arbitrator or any Governmental Authority will be pending and no preliminary or permanent injunction or order by a state or federal court will have been entered (i) in connection with any Loan Document or any of the transactions contemplated hereby or thereby or (ii) which, in any such case, in the reasonable judgment of the Banks, would have a material adverse effect on (A) the transactions contemplated by this Agreement or (B) the business, operations, properties, condition (financial or otherwise) or prospects of Borrower.

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3.3.9 Insurance. Agent will have received a schedule, entitled Schedule 3.3.9, setting forth the policies of insurance, including the effective dates of such policies, carried by Borrower and its Subsidiaries on the Closing Date.

3.3.10 No Event of Default. No Event of Default and no Unmatured Event of Default will have occurred and be continuing on the date of the Loans, nor will either result from the making of such Loans.

3.3.11 Opinion of Counsel. Agent and each of the Banks will have received the written opinion, dated the Closing Date, of Borrower's and Restricted Subsidiaries' Counsel in form and substance satisfactory to Agent and the Requisite Banks, in substantially the same form as that attached hereto as Exhibit 3.3.11.

3.3.12 Repayment of Existing Obligations. The entire amount owing under the Amended and Restated Credit Agreement dated December 30, 1998, among the Borrower, the Banks named therein and the Agent is fully paid and all obligations to loan money thereunder are terminated.

3.3.13 Other Matters. All other documents and legal matters in connection with the transactions contemplated by this Agreement will have been delivered and/or executed and will be in form and substance satisfactory to Agent and its counsel.

3.4 Conditions Precedent to all Advances under the Line of Credit Loans. The obligation of the Banks and each of them to make Advances, including any Letter of Credit Advance, is subject to the fulfillment, in form and substance satisfactory to Agent and its counsel, of each of the following conditions on or before the date of each such Advance:

3.4.1 No Event Of Default. As of the date of making the Advance, no Event of Default and no Unmatured Event of Default will have occurred or be continuing, nor will either result from or exist after the making of such Advance.

3.4.2 Agreement in Full Force and Effect. This Agreement and each of the other Loan Documents will be in full force and effect.

3.4.3 Representations and Warranties True and Correct. Each of the representations and warranties made in or pursuant to Section 4 of this Agreement or which are contained in any other Loan Document or any certificate, document or financial or other statement furnished by Borrower and/or any Subsidiary at any time under or in connection with any of the transactions contemplated by the Loan Documents, will be true and correct in all material respects on and as of the date of the Advance as if made on and as of the date of the Advance (unless stated to relate to a specific earlier date, in which case such representations and warranties will be true and correct in all material respects as of such earlier date).

3.4.4 Financial Statements. Agent will have received the consolidated quarterly financial statements of Borrower as delivered to

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3.4.5 No Change. There has been no change that has a materially adverse effect on the business, operations, properties, condition (financial or otherwise) or prospects of Borrower and its Subsidiaries, taken as a whole, since the date of the last financial statements of Borrower delivered to Agent.

3.4.6 Compensation for Increased Costs.

(a) In the event after the date of execution of this Agreement, any introduction of any law, or any change in any law, or the interpretation or application thereof by any court or Governmental Authority charged with the administration thereof, or the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), which has the effect of:

(i) subjecting any Bank to any tax, deduction or withholding with respect to this Agreement or any other Loan Document (other than any tax based upon the overall net income of any such Bank), or

(ii) imposing, modifying or deeming applicable any reserve, special deposit, insurance premium or similar requirement against assets held by, or deposits in or for the account of, or loans by, any Bank, with respect to this Agreement or the other Loan Documents, or

(iii) imposing upon any Bank any other condition or expense with respect to this Agreement or any other Loan Document and the result of any of the foregoing is to increase the cost to any such Bank, reduce the income receivable by any such Bank, impose any expense upon any such Bank or reduce the amount of any payment receivable by any such Bank with respect to any Note, or with respect to any Bank's commitment hereunder or under any Letter of Credit Advance, or any portion thereof, by an amount which any such Bank deems to be material, such Bank shall from time to time notify the Agent and Borrower thereof by delivery of a certificate of an officer of such Bank of the nature described in the next sentence, and the Borrower shall pay to the Agent for delivery to such Bank that amount which shall compensate such Bank (on an after tax basis) for such increase in cost, reduction in income, additional expense, reduced amount or reduced rate of return. A certificate setting forth in reasonable detail such increase in cost, reduction in income or additional expense or reduced amount or reduced rate of return, and the manner of calculating the same as determined by such Bank, shall be submitted by such Bank to the Agent and Borrower and, absent manifest error, shall be conclusive as to the amount thereof (provided that such determination be made reasonably and in good faith).

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(b) If any Bank shall have determined that the introduction of or any change in any applicable law regarding capital adequacy, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or any of its branches) with any request or directive regarding capital adequacy (whether or not having the force of law) or any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Bank's capital as a consequence of its obligations hereunder, its commitment hereunder, or the transactions contemplated hereby to a level below that which such Bank could have achieved but for such adoption, change or compliance (taking into consideration such Bank's policies with respect to liquidity and capital adequacy) by an amount deemed by such Bank to be material, then the Borrower shall pay to the Agent for delivery to such Bank promptly, such additional amount or amounts determined by such Bank as will compensate such Bank for such reduced rate of return.

(c) Borrower acknowledges that compensation to the Bank for any increased costs incurred by the Bank and payable by Borrower pursuant

to this subsection may take the form of an effective increase in the interest rate payable under the Loans.

(d) Borrower shall have access to any and all documentation relied upon by the Bank in determining the events set forth in subsection (b) of this Section 3.4.6, any calculations of a reduced rate of return, and the interest rate calculation pursuant to Section 3.4.6(c).

3.4.7 Letters of Credit. Any letter of credit issued pursuant to the Line of Credit shall have a term not exceeding one year, not including renewals and shall not in any event expire later than the Line of Credit Maturity. In no event shall the aggregate face amount of all outstanding Letter of Credit Advances exceed \$15,000,000.00. Borrower will pay to Agent for the pro rata benefit of the Banks a per annum fee equal to the Applicable Margin multiplied by the face amount of any newly issued or renewed letter of credit at the time of issuance or renewal of such letter of credit. Such fee is non-refundable and Borrower shall not be entitled to any rebate of any portion thereof if such letter of credit does not remain outstanding through its stated expiry date or for any other reason. Nothing in this Agreement shall be construed to require or authorize any Bank to issue any letter of credit, it being recognized that Agent has the sole obligation under this Agreement (subject to the terms and conditions of this Agreement) to issue letters of credit on behalf of the Banks. Upon such issuance by Agent, each Bank shall automatically acquire a pro rata risk participation interest in such Letter of Credit Advance based on its Ratable Share. If Agent shall honor a draft or other demand for payment presented or made under any letter of credit, Agent shall provide notice thereof to each Bank prior to 2:00 p.m. Eastern Time on the second Business Day immediately preceding the date such draft or demand is to be honored. Unless Borrower shall have satisfied its reimbursement obligation by payment to Agent on the date that such draft or demand is to be honored, each Bank, on the date the draw under the letter of credit is to be honored, shall make its Ratable Share of the amount paid by Agent available in immediately available funds at the principal office of Agent for the

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account of Agent. If and to the extent such Bank shall not have made such Ratable Share portion available to Agent, such Bank agrees to pay to Agent forthwith on demand such amount together with interest thereon, for each day from the date such amount was paid by Agent until such amount is so made available to Agent at a per annum rate equal to the Federal Funds Rate. If such Bank shall pay such amount to Agent together with such interest, such amount so paid shall constitute an Advance by such Bank disbursed in respect of the reimbursement obligation of Borrower. The failure of any Bank to make its pro rata portion of any such amount paid by Agent available to Agent shall not relieve any other Bank of its obligation to make available its pro rata portion of such amount, but no Bank shall be responsible for failure of any other Bank to make such pro rata portion available to Agent.

3.5 Termination of Commitments and Payment on Line of Credit Maturity. Notwithstanding anything to the contrary contained herein, no bank shall be obligated to make any Line of Credit Advance beyond the date of the Line of Credit Maturity, and all amounts due and owing the Banks shall be due and payable on the date of the Line of Credit Maturity.

4. REPRESENTATIONS AND WARRANTIES. In order to induce each Bank to enter into this Agreement and to provide the Loans, Borrower represents and warrants to each Bank that the following statements are true, correct and complete at the date hereof and at the date of each Advance and the issuance of each Letter of Credit:

4.1 Organization, Powers, Good Standing

4.1.1 Organization and Good Standing. (a) Borrower and each Subsidiary is a legal entity duly organized, validly existing and in good standing under the laws of the respective jurisdiction of its organization, (b) Borrower and each Subsidiary has full power, authority and legal right to own and operate its property and to conduct the business in which it is currently engaged, (c) Borrower and each Subsidiary is duly qualified and is in good standing under the laws of each jurisdiction in which the failure to so qualify may have a material adverse affect on its business, its Subsidiaries, taken as a whole, or the ability of the Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents, and (d) Borrower and each Subsidiary is in compliance in all material respects with all Requirements of Law, except where the lack of compliance could not reasonably be expected to materially adversely impact the business, operations, properties or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole, or the ability of the Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents.

4.1.2 Power and Authority. Borrower has full power and authority to execute, deliver and perform the Loan Documents, including, without limitation, to borrow under this Agreement. Each Guarantor has full power and authority to execute, deliver and perform the Guaranties. Borrower and each Guarantor has taken all necessary action to authorize the execution, delivery and performance of the Loan Documents and Borrower has taken all necessary action to borrow under this Agreement. No consent or authorization of, or filing with, any Person (including, without

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limitation, any Governmental Authority) is required in connection with the execution, delivery and performance by Borrower or any Guarantor or the validity or enforceability against Borrower or any Guarantor of the Loan Documents.

4.2 Authorization of Borrowing; Etc.

4.2.1 No Violation. The execution, delivery and performance by Borrower of this Agreement and the other Loan Documents and the execution, delivery and performance by any Guarantor of the Guaranties do not and will not (a) violate any Requirement of Law applicable to Borrower or any Subsidiary, (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any contractual obligation of Borrower or any Subsidiary, (c) result in or require the creation or imposition of any Lien of any nature whatsoever upon any of Borrower's or any Subsidiary's properties or assets, other than in favor of the Banks, or (d) require any approval of any court or Governmental Authority or any approval or consent of any Person under any contractual obligation of Borrower.

4.2.2 Legally Valid and Binding. The Loan Documents and all other documents contemplated hereby and thereby, when executed and delivered, will be the legally valid and binding obligations of Borrower and of the Guarantors, as the case may be, enforceable against it and them in accordance with their respective terms, except as enforcement may be limited by equitable principals or by bankruptcy, insolvency, reorganization, moratorium or similar laws, or equitable principles relating to or limiting creditors' rights generally.

4.3 Subsidiaries. Schedule 1.1(b) correctly sets forth as to each Subsidiary, its name, the jurisdiction of its organization, the name of its immediate parent and the percentage of its capital stock or other ownership interest that is directly or indirectly owned by Borrower. Other than (1) as set forth in its annual reports as filed with the SEC, which have been disclosed in writing to the Banks, (2) stock acquisitions made since its most recent annual report filed with the SEC, (3) the Subsidiaries, and (4) the existing minority stock interests owned by Mueller Copper Tube Products, Inc. (formerly known as Halstead Industries, Inc.), Borrower does not own more than \$10,000,000 (on a cost basis) in the aggregate of capital stock or other ownership interest in any Persons.

4.4 Title. Borrower and Subsidiaries, as applicable, have good and valid legal title to the assets reflected in Borrower's consolidated financial statements dated as of September 23, 2000 previously submitted to each of the Banks. There are no Liens, charges or encumbrances (other than Permitted Liens), on such property or assets referenced in the prior sentence except those reflected on such financial statements.

4.5 Litigation; Adverse Facts. Except as set forth on Schedule 4.5 to this Agreement, there is no action, suit, dispute, investigation, inquiry, arbitration, tax claim or other proceeding (including, without limitation, the enactment or promulgation of a statute or rule) at law or in equity or before or by any arbitrator or Governmental Authority pending or, to the knowledge of Borrower, threatened, against Borrower or any Subsidiary which might reasonably be expected to result in any material

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adverse change in the business, operations, properties or in the business prospects or condition (financial or otherwise), of Borrower and its Subsidiaries, taken as a whole, or would materially adversely affect Borrower's ability to perform its Obligations hereunder and under any other Loan Document.

4.6 Payment of Taxes. All material tax returns and reports required to be filed by Borrower and each Subsidiary have been prepared in accordance with acceptable standards and have been timely filed, and all Taxes, assessments, fees and amounts required to be withheld and paid to a Governmental Authority, and other governmental charges upon Borrower and each Subsidiary and upon their properties, assets, income and franchises which are shown on such returns to be due and payable have been paid when

due and payable. Borrower does not know of any proposed, asserted or assessed tax deficiency against it or any Subsidiary which might reasonably be expected to result in any material adverse change in the condition (financial or otherwise) of Borrower or any Subsidiary (other than Mining Remedial Recovery Corporation and its subsidiaries). Except for the tax sharing agreements described in Schedule 4.6 to this Agreement, neither Borrower nor any Subsidiary is a party to, bound by or obligated under any tax sharing or similar agreement.

4.7 Materially Adverse Agreements; Performance.

4.7.1 No Material Adverse Agreements. Neither Borrower nor any Subsidiary is a party to or subject to any material agreement, instrument, charter or other internal restriction materially adversely affecting the business, properties or assets of Borrower or any Guarantor or the operations, business prospects or condition (financial or otherwise) of Borrower and Guarantors, taken as a whole.

4.7.2 No Default. Neither Borrower nor any Subsidiary is in material default in the performance, observance or fulfillment of any of the material obligations, covenants or conditions contained in any of its contractual obligations and no condition exists which, with the giving of notice or the lapse of time or both, would constitute such a default, which, taken as a whole, could reasonably be expected to adversely affect the business, operations, property or assets, the business prospects, or condition (financial or otherwise), of its Subsidiaries taken as a whole, or the ability of Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents

4.7.3 Ownership of Intellectual Property. Borrower and each Domestic Subsidiary owns or possesses all patents, trademarks, service marks, trade names, copyrights, licenses and rights necessary for the present and planned future conduct of its business, without any known conflict with the rights of others.

4.8 Disclosure. No representation or warranty of Borrower contained in this Agreement or in any other Loan Document or other document, certificate or written statement furnished to the Banks by or on behalf of Borrower with respect to the business prospects or condition (financial or otherwise) of Borrower and each Subsidiary for use in connection with the transactions contemplated by this Agreement, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not

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misleading. For purposes of the previous sentence the phrase "material fact," is a fact or facts which, taken as a whole, could reasonably be expected to adversely affect the business, operations, property or assets, the business prospects, or condition (financial or otherwise), of its Subsidiaries taken as a whole, or the ability of Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents. There is no material fact known to Borrower which adversely affects the business, operations, property or assets, the business prospects, or condition (financial or otherwise), of Borrower and its Subsidiaries, taken as a whole, which has not been disclosed herein or in such other documents, certificates and statements furnished to the Banks for use in connection with the transactions contemplated hereby.

4.9 ERISA Compliance. Borrower and Subsidiaries are in compliance in all material respects with any applicable provisions of ERISA. Except as set forth on Schedule 4.9 to this Agreement,

(i) neither a Reportable Event nor a Prohibited Transaction has occurred or is continuing in relation to any pension plan, which, taken as a whole, could reasonably be expected to adversely affect the business, operations, property or assets, the business prospects, or condition (financial or otherwise), of its Subsidiaries taken as a whole, or the ability of Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents, and

(ii) Borrower and each Subsidiary have not incurred any liability to the Pension Benefit Guaranty Corporation, except where the occurrence of such event could not reasonably be expected to adversely affect the business, operations, property or assets, the business prospects, or condition (financial or otherwise), of its Subsidiaries taken as a whole, or the ability of Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents.

4.10 Environmental Matters. Except as set forth in Schedule 4.10 to this Agreement, Borrower and each Subsidiary has complied in all respects with all Environmental Protection Statutes, except where the lack of compliance could not reasonably be expected to materially adversely impact the business, operations, properties or condition (financial or otherwise) of Borrower and its Subsidiaries, taken as a whole, or the

ability of Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents. Except as set forth on Schedule 4.10 to this Agreement, neither Borrower nor any Subsidiary, nor, to the best of Borrower's knowledge, any other person, used any real property owned or leased by Borrower or any Subsidiary in the disposal of or to refine, generate, produce, store, treat, transfer, release or transport any hazardous waste or hazardous substance, or been designated by the United States Environmental Protection Agency or under any Environmental Protection Statute as a hazardous waste or hazardous substance disposal or removal site, superfund or clean-up site or candidate for removal or closure pursuant to any Environmental Protection Statute, which, taken as a whole, could reasonably be expected to adversely affect the business, operations, property or assets, the business prospects, or condition (financial or otherwise), of its Subsidiaries taken as a whole, or the ability of Borrower to repay the Loan or to observe and perform its

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obligations under the Loan Documents. No lien arising under or in connection with any environmental protection statute has attached to any revenues or to any real or personal property owned by Borrower or any Subsidiary. Borrower agrees to indemnify and hold each Bank harmless from any and all violations by Borrower or any Subsidiary of any Environmental Protection Statute.

4.11 Investment Company. Borrower is not directly or indirectly controlled by, or acting on behalf of, a Person which is an "Investment Company" within the meaning of the Investment Company Act of 1940, as amended, that is organized or otherwise created under the laws of the United States, any State of the United States, the District of Columbia, Puerto Rico, the Philippine Islands, the Virgin Islands or any other possession of the United States.

4.12 Regulations U and X. No part of the proceeds of the Loan will be used to purchase or carry any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any margin stock. Neither Borrower nor any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purposes of purchasing or carrying any such margin stock. If requested by Agent, Borrower will furnish Agent with a statement in conformity with the requirements of Federal Reserve Form U-1 referred to in said Regulation. Borrower also warrants that no part of the proceeds of the borrowings hereunder will be used by it for any purpose which violates, or which is inconsistent with, the provisions of Regulation X of said Board of Governors.

4.13 Indebtedness. Neither Borrower nor any Subsidiary has any outstanding Indebtedness except Indebtedness described in (1) Schedule 4.13 to this Agreement or (2) permitted under Section 6.1 of this Agreement.

4.14. Solvency. Immediately after the consummation of the transactions to occur on the date hereof and immediately following the making of each Advance, including Line of Credit Loans and the issuance of any Letter of Credit, if any, made on the date hereof and after giving effect to the application of the proceeds of such Advances, (a) the fair value of the assets of the Borrower and its Fundamental Subsidiaries on a consolidated basis will exceed the debts and liabilities, subordinated, contingent or otherwise, of the Borrower and its Fundamental Subsidiaries on a consolidated basis; (b) the Borrower and its Fundamental Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (c) the Borrower and its Fundamental Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are not conducted and are proposed to be conducted after the date hereof.

4.15 Survival. All of the representations and warranties set forth in this Section 4 will survive until all of the Obligations are satisfied in full and there remain no outstanding commitments hereunder.

5. AFFIRMATIVE COVENANTS. Borrower covenants and agrees that, until all of the Obligations are satisfied and the commitments hereunder have been terminated, Borrower will perform each and all of the following:

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5.1 Use of Proceeds. Borrower will use the proceeds of the Loan only for the purposes set forth in Section 2.5.

5.2 Accounting Records. Borrower will maintain adequate records in accordance with sound business practices and GAAP, applied on a Consistent Basis, except for changes required by GAAP or consented to in

writing by the Requisite Banks (which consent will not be unreasonably withheld). Upon five (5) days' prior notice, Borrower will provide, and cause each Subsidiary to provide, access to representatives of each Bank to visit any of the properties of Borrower or any Subsidiary and examine the books of account and discuss Borrower's and each Subsidiary's affairs, finances and accounts with, and be advised of the same by, Borrower's and each Subsidiary's officers and outside auditors, all at such reasonable times and as often as any Bank may reasonably request.

5.3 Reports. Borrower will deliver to the Banks and the Agent:

5.3.1 Quarterly Reports. As soon as available and in any event within forty five (45) days after the end of each of the first three quarters of each fiscal year of Borrower, management prepared consolidated financial statements of Borrower and Subsidiaries as of the end of such quarter, and the consolidated statements of profit and loss and surplus of Borrower and Subsidiaries from the beginning of Borrower's and Subsidiaries' fiscal year to the end of such quarter, certified as correct (subject to year end adjustments) by the chief financial officer of Borrower.

5.3.2 Annual Reports. As soon as available, and in any event within ninety (90) days after the end of each fiscal year of Borrower, the complete audited, consolidated financial statements of Borrower and Subsidiaries, including the consolidated balance sheet of Borrower and Subsidiaries as of the end of such year and the consolidated statements of profit and loss and surplus of Borrower and Subsidiaries for the fiscal year then ended, certified by Ernst & Young (without a going concern or similar financially adverse qualification), or such other independent certified public accountants of recognized standing, to be prepared in accordance with GAAP and to present fairly the financial position and results of operation of Borrower and Subsidiaries. Additionally, the Borrower will provide internally prepared consolidating financial statements within 90 days after the end of each fiscal year.

5.3.3 Accounts Receivable and Payable Aging. Upon the request of Agent or Requisite Banks, accounts receivable aging reports, accounts payable aging reports and inventory certifications.

5.3.4 Compliance Certificate. Within forty five (45) days after the end of each calendar quarter, a compliance certificate in the form of Exhibit 5.3.4 to this Agreement, duly completed and executed by the Chief Financial Officer of Borrower.

5.3.5 Copies of Reports Sent to the Banks. Unless otherwise specified, copies of all of the reports furnished under this Section 5.3 shall be sent by Borrower directly to the Banks.

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5.3.6 Report of Certain Events. Promptly upon Borrower becoming aware of the occurrence of any: (a) Unmatured Event of Default or Event of Default; (b) Reportable Event; or (c) Prohibited Transaction in connection with any pension plan or any trust created thereunder, a written notice specifying the nature thereof, what action Borrower is taking or proposes to take with respect thereto, and, when known, any action taken by the Internal Revenue Service with respect thereto, will be delivered to Agent by Borrower.

5.3.7 Threat of Bankruptcy. Promptly upon becoming aware of any Person's seeking to obtain or threatening in writing to seek to obtain a decree or order for relief with respect to Borrower or any Restricted Subsidiary in an involuntary case under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect, a written notice thereof specifying what action Borrower or such Domestic Subsidiary is taking or proposes to take with respect thereto.

5.3.8 Amendments to Charter or Bylaws. Promptly, copies of all amendments to the charter or bylaws of Borrower and, if requested by the Agent, any Guarantor.

5.3.9 Copy of Process. Promptly, and in any event within five (5) days after the receipt thereof by Borrower or any Subsidiary, a copy of any notice, summons, citation, directive, letter or other form of communication from any Governmental Agency or instrumentality, in any way concerning any action or omission on the part of Borrower or any Subsidiary in connection with any Environmental Protection Statute, or concerning the filing of a lien upon, against or in connection with Borrower or any Subsidiary, or any of their real or personal property, in connection with any Environmental Protection Statute, except where such action or omission by Borrower or any Subsidiary could not reasonably be expected to materially adversely impact the business, operations, properties or

condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole, or the ability of the Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents.

5.3.10 Copy of SEC Filings. Promptly after the sending or filing thereof, copies of all reports, proxy statements and financial statements which Borrower files with its shareholders or any securities exchange or the SEC, including, without limitation, all reports on Form 10-K, 10-Q, and 8-K. Such reports need not include exhibits. Borrower agrees to promptly provide Agent with exhibits specifically requested by Agent or any Bank.

5.3.11 Copy of Process From Governmental Authority. Promptly, and in any event within five (5) days of the receipt thereof by Borrower, a copy of a notice, summons, citation, directive, letter, complaint, or other form of communication from the U.S. Department of Labor, or any other Governmental Authority or instrumentality, or any other Person, in any way concerning any action or omission on the part of Borrower or any Subsidiary in connection with the payment of minimum and/or overtime wages to its employees, or concerning the filing of a lien upon, against or in connection with Borrower or any Subsidiary, or any of its real or personal property, in connection with the FLSA, except where such action or omission by Borrower or any Subsidiary could not reasonably be expected to materially adversely impact the business, operations, properties or

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condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole, or the ability of the Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents.

5.3.12 Notice Of Litigation. Promptly, upon Borrower's learning of any litigation or proceeding in which it or any Subsidiary is a party if an adverse decision in any such matter is reasonably likely to require it to pay more than Five Million (\$5,000,000) Dollars in excess of the amount of any insurance covering such claim, or deliver assets the value of which exceeds such sum or of the institution of any other suit or proceeding to which Borrower or any Subsidiary is a party that, by itself or together with any other such matters, might materially and adversely affect the operations, financial condition, property, or business prospects of the Borrower and its Subsidiaries, taken as a whole.

5.3.13 Other Information. Promptly, such other information and data with respect to Borrower or any Subsidiary as from time to time may be reasonably requested by any Bank.

5.3.14 Pro Forma Compliance Certificate. Not less than 30 days prior to the consummation of any proposed acquisition which, when aggregated with all other acquisitions consummated directly or indirectly by the Borrower since the date of the most recent Compliance Certificate furnished pursuant to Section 5.3.4 hereof, will result in a cumulative increase in the Borrower's Funded Debt as a result of all such acquisitions of \$25,000,000 or more, a proforma management compliance certificate certifying that all covenants set forth in Sections 5 and 6 hereof will be complied with as of the date of such acquisition(s).

5.3.15 Other Information. Such other information as any Bank may reasonably request.

5.4 Financial Covenants. Borrower will at all times comply with the following financial covenants:

5.4.1 Tangible Net Worth Requirements. Borrower will maintain a minimum consolidated Tangible Net Worth of Five Hundred Million Dollars (\$500,000,000) to be adjusted upward at the end of each fiscal quarter commencing January 1, 2001, by thirty-three percent (33%) of positive net income after taxes and before dividends for such quarter. Once adjusted upward, the Tangible Net Worth requirement set forth herein will not decrease downward except for the cash cost of repurchases of treasury stock at cost.

5.4.2 Funded Debt to Capitalization Ratio. Borrower will not permit the ratio of Borrower's Funded Debt to Capitalization to exceed 40.0%, on a consolidated basis.

5.4.3 Interest Coverage Ratio. Borrower will not permit the Interest Coverage Ratio to be less than 4.50 to 1.00, on a consolidated basis as calculated on a rolling four (4) quarter basis.

5.4.4 Cumulative Net Loss. Borrower, on a consolidated basis, shall not suffer a cumulative net loss, before income taxes, on a rolling four quarter basis.

5.5 Corporate Existence. Except as permitted under Section 6.3, Borrower will at all times preserve and keep in full force and effect its and each Restricted Subsidiary's corporate existence except for (i) Mining Remedial Recovery Corporation and its subsidiaries, the book value of which, when combined with other Restricted Subsidiaries made subject to this exception is less than \$5,000,000 in the aggregate, and (ii) individual Restricted Subsidiaries whose book value is less than \$1,000,000 and any rights material to its business and will maintain its and each Restricted Subsidiary's right to transact business in each jurisdiction where its assets or the nature of its activities makes such qualification necessary, except where the failure could not reasonably be expected to materially impact, adversely impact for business, operations, properties or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole, or the ability of Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents. Good standing certificates not delivered at closing pursuant to Section 3.3.2 shall be delivered to Agent by February 28, 2001.

5.6 Payment of Taxes and Claims. Borrower will pay all Taxes, assessments and other governmental charges imposed upon Borrower or any Restricted Subsidiary (other than Mining Remedial Recovery Corporation and its subsidiaries) before any penalty or interest accrues thereon; provided, however, that Borrower will not be required to pay any such Taxes, assessments, or charges if (a) the validity thereof will currently be contested in good faith by appropriate proceedings, (b) Borrower will have set aside on its books adequate reserves with respect to such Taxes, assessments, or charges and (c) Borrower gives notice in writing of such action to Agent and the Banks; provided that any such Taxes, assessments, or charges will be paid immediately upon the commencement of proceedings to foreclose any liens securing the same, or upon institution of distraint proceedings.

5.7 Insurance. Borrower will maintain and cause each Subsidiary to maintain, in full force and effect, adequate fire and extended risk coverage, business interruption, workers' compensation, public liability and such other insurance coverages as may be required by law and/or in such amounts as is customary in the case of entities of well-established reputation engaged in the same or similar business. Borrower will allow representatives of each Bank to meet with senior management of Borrower and any Subsidiary, from time to time as the Banks reasonably request in order to assess the adequacy of such insurance policies.

5.8 Compliance With Laws, etc. Borrower will exercise all due diligence in order to comply, in all material respects, with all Requirements of Laws, except where the lack of compliance could not reasonably be expected to materially adversely impact the business, operations, properties or condition (financial or otherwise) of Borrower and the Subsidiaries, taken as a whole, or the ability of Borrower to repay the Loan or observe and perform any of its obligations under the Loan Documents, including, without limitation, the following:

5.8.1 Workers Compensation Laws. Borrower will comply with all applicable workers' compensation laws, regulations and administrative rules, directives or requirements. Borrower will furnish Agent upon demand evidence in form and substance as Agent or its counsel may reasonably require in order to verify such compliance. In the event that Borrower is qualified to self-insure under such laws, regulations and administrative rules, directives or requirements, and that Borrower is not otherwise precluded from so self-insuring by the terms of this Agreement, Borrower will fully comply with all such laws, regulations, rules, directives and requirements pertaining to its self-insured status.

5.8.2 Pension Plans. Neither Borrower nor any of its pension plans will engage in any Prohibited Transaction; incur any "accumulated funding deficiency" (as such term is defined in Section 302 of ERISA) whether or not waived; or terminate any such pension plan in a manner which could result in the imposition of a lien on the property of Borrower, pursuant to Section 4068 of ERISA or any successor provision thereto.

5.8.3 FLSA Compliance. Borrower will comply with FLSA and will furnish Agent upon demand evidence in form and substance as Agent or its counsel will require to verify such compliance.

5.8.4 Environmental Compliance. Borrower will comply with all applicable Environmental Protection Statutes.

5.9 Payment of Indebtedness. Borrower and each of its majority owned Subsidiaries (except Mining Remedial Recovery Corporation and its subsidiaries and inter-company indebtedness) will pay all of its Indebtedness, promptly when due in accordance with the terms of such Indebtedness, except to the extent that failure to pay such Indebtedness would not constitute an Event of Default under Section 7.1.4 hereof.

5.10 Maintenance of Franchises, etc. Borrower and each Restricted Subsidiary will do or cause to be done all things necessary to preserve, renew and keep in full force and effect the rights, licenses, permits, franchises, agency agreements, and trade names material to the conduct of its business, and maintain and operate such businesses properly and efficiently, and in substantially the manner in which they are presently conducted and operated (subject to changes in the ordinary course of business), except where the failure to do so could not reasonably be expected to materially adversely impact the business, operations, properties or condition (financial or otherwise) of Borrower and the Subsidiaries, taken as a whole, or the ability of Borrower to repay the Loan or observe and perform any of its obligations under the Loan Documents.

5.11 Further Assurances. At any time or from time to time, upon the request of Agent, Borrower will execute and deliver such further documents and do such other acts and things as Agent may reasonably request in order to effect fully the purpose of this Agreement, the other Loan Documents and other agreements contemplated hereby and to provide for payment of and security for the Loan made hereunder in accordance with the terms of this Agreement.

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5.12 New Guaranties. If at the end of any Fiscal Year, the Restricted Subsidiaries do not meet the test set forth in the following sentence, additional Domestic Subsidiaries must, within sixty (60) days of the end of such most recent Fiscal Year, execute Guaranties so that the Domestic Subsidiaries that have executed guarantees meet such test. The test is that the Domestic Subsidiaries that have executed Guarantees must have (a) the net earnings, before taxes, which, together with their respective subsidiaries, and Borrower (but excluding Subsidiaries that are not Restricted Subsidiaries) for the most recent fiscal year of the Borrower constitute eighty percent (80%) percent or more of the consolidated net earnings of the Borrower and the Subsidiaries, as determined in accordance with GAAP, and (b) total assets, calculated in accordance with GAAP, which, together with their respective Subsidiaries and Borrower (but excluding Subsidiaries that are not Restricted Subsidiaries) for most recent fiscal year end of the Borrower, constitute eighty percent (80%) percent or more of the consolidated Total Assets of the Borrower and the Subsidiaries. The Guaranty shall be in the term of Exhibit 3.5.1(b) and the Subsidiaries executing the guaranty shall deliver with the executed guaranty certified copies of such Subsidiary's organizational documents, including resolutions authorizing the execution and delivery of such Guaranty, and together with an opinion of counsel for such Subsidiary in form and substance satisfactory to the Agent and its counsel. Notwithstanding the foregoing, no newly acquired Domestic Subsidiary shall be required to deliver such a guaranty so long as the giving of such a guaranty would constitute a default under the terms of any loan document between such acquired Domestic Subsidiary and a bona fide lending institution which was entered into prior to, but not in contemplation of, such acquisition.

6. NEGATIVE COVENANTS. Borrower covenants and agrees that, until all of the Obligations are satisfied and the Commitments hereunder have been terminated, Borrower will not, without the prior written consent of the Requisite Banks do any of the following:

6.1 Indebtedness. Except as set forth on Schedule 4.13 to this Agreement, Borrower will not, and will cause each of the Subsidiaries (but excluding any Subsidiary organized in Europe and any Subsidiary in which Borrower directly or indirectly owns less than a majority interest) not to, create, incur, assume, permit or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness except for (i) the Obligations, (ii) Indebtedness with respect to Permitted Liens, (iii) Indebtedness of Borrower and its wholly-owned Subsidiaries in an aggregate amount not to exceed Twenty-Five Million (\$25,000,000) Dollars and (iv) consolidating inter-company indebtedness as shown on consolidating financial statements delivered pursuant to Section 5.3.1 of this Agreement. Furthermore, Borrower and Restricted Subsidiaries, from and after the Closing Date, shall not make new loans or advances to transfer assets to, or make investments in Subsidiaries that are not Restricted Subsidiaries, net of repayments or advances from Subsidiaries that are not Restricted Subsidiaries, in excess of \$45,000,000.

6.2 Liens. Borrower will not, and will cause each Restricted Subsidiary not to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind of Borrower or any Subsidiary, whether now owned or hereafter acquired

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except (i) Permitted Liens, (ii) liens created by or resulting from any litigation or legal proceeding (including any regulatory enforcement actions) and against which adequate reserves under GAAP are being maintained which is currently being contested in good faith by appropriate proceedings, and, if the amount of any such Lien exceeds \$1,000,000 and the Requisite Banks so request, such Lien shall have been bonded over in a manner reasonably satisfactory to the Requisite Banks, (iii) Liens for taxes not delinquent or being contested in good faith, (iv) Liens created in connection with workers' compensation, unemployment insurance, and social security, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money), leases, statutory obligations, surety and appeal bonds, (v) other similar Liens incidental to the normal conduct of the ordinary course of business of the Borrower and the Subsidiaries in an aggregate amount not to exceed \$1,000,000, (vi) Liens existing on the Closing Date as set forth on Schedule 6.2 hereof, (vii) Liens representing the extension, renewal or replacement of a Lien under immediately preceding clause (vi) in respect of the same property of the same Subsidiary, and (viii) Liens securing indebtedness permitted under Section 6.1(iii) up to an aggregate amount of \$25,000,000.

6.3 Restriction on Fundamental Changes. Borrower will not, and will cause each Fundamental Subsidiary not to fundamentally change the nature of its business, enter into any merger, consolidation, reorganization or recapitalization, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell (other than in the ordinary course of its business), assign, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, property, assets or securities, whether now owned or hereafter acquired, or acquire by purchase or otherwise, all or substantially all the business, property, assets, securities or interest of any Person; provided that (a) a Domestic Subsidiary may merge or consolidate with Borrower, provided that the Borrower will be the surviving corporation; (b) a Domestic Subsidiary may merge or consolidate with another Domestic Subsidiary that is both a Fundamental Subsidiary and a Restricted Subsidiary; (c) a Domestic Subsidiary may sell, lease, transfer or otherwise dispose of any of its assets to Borrower or another Domestic Subsidiary that is both a Fundamental Subsidiary and a Restricted Subsidiary; (d) Borrower may acquire or form additional Subsidiaries; provided that each such newly formed Subsidiary is wholly-owned by Borrower (unless Borrower has obtained the prior written consent of the Requisite Banks to acquire or form a Subsidiary which will not be wholly-owned, which consent will not be unreasonably withheld); and further provided that each such newly formed Subsidiary becomes, on its formation, both a Restricted Subsidiary and a Fundamental Subsidiary; and (e) Borrower may dispose of any assets owned by any Subsidiary other than a Fundamental Subsidiary. On the closing of any transaction permitted by this Section 6.3, the test required by Section 5.12 must be met.

6.4 Environmental Statutes. Borrower will not, and will not permit any other Person to violate an Environmental Protection Statute, except where such violation could not reasonably be expected to materially adversely impact the business, operations, properties or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole, or the ability of the Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents.

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6.5 Conflicting Agreements. Borrower will not, and will cause each Subsidiary not to, enter into any agreement containing any material provisions which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

6.6 Misrepresentations. Borrower will not, and will cause each Subsidiary not to, furnish any Bank any certificate or other document that will contain any untrue statement of material fact or that will omit to state a material fact necessary to make it not misleading in light of the circumstances under which it was furnished. For purposes of the previous sentence the phrase "material fact," is a fact or facts which, taken as a whole, could reasonably be expected to adversely affect the business, operations, property or assets, the business prospects, or condition (financial or otherwise), of its Subsidiaries taken as a whole, or the ability of Borrower to repay the Loan or to observe and perform its obligations under the Loan Documents.

6.7 Violation of Regulations. Borrower will not make any investment of any nature which would result in the violation of Regulations U or X of the Board of Governors of the Federal Reserve System as the same may from time to time be amended or modified.

6.8 Subsidiary Distribution of Earnings. Borrower will not, and will cause each Subsidiary not to, enter into any agreement which could prohibit, or have the effect of prohibiting, the payment of dividends by or other distribution of the earnings of any Subsidiary to Borrower.

6.9 Scope of Business Activity. Borrower will not and will cause each Subsidiary not to engage in any business or activities other than those representing its respective, present business, provided that Borrower or any Subsidiary may acquire or commence new or additional related businesses which do not materially adversely affect the nature or operation of Borrower's or such Subsidiary's existing business.

6.10 Dividends and Distributions; Capital Structure. Borrower will not, and will cause each Subsidiary not to, pay or declare any dividends or other distributions upon its capital stock (except, in the case of the Subsidiaries, dividends or other distributions to such Subsidiary's parent corporation), or purchase or retire, or commit Borrower or any Subsidiary to purchase or retire, any of its capital stock at any time, during any period that Borrower is in default under Section 5.4 hereof or such distribution, purchase or retirement would render Borrower in default under Section 5.4 hereof.

7. EVENTS OF DEFAULT; ACCELERATION; REMEDIES.

7.1 Events of Default. The occurrence of any one or more of the following events, acts or occurrences will constitute an event of default (an "Event of Default") hereunder:

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7.1.1 Failure to Make Payments When Due. Borrower fails to pay any principal and/or interest owing under any Note when such amount is due (whether at stated maturity, as a result of a mandatory prepayment requirement, by acceleration, by notice of prepayment or otherwise) (and the continuation thereof for three (3) days beyond the date due, or Borrower fails to pay any other amounts (including, without limitation, interest, fees, costs and expenses) payable under this Agreement, and the continuation thereof for three (3) days beyond the date due, or any other Loan Document or in connection with any letter of credit issued hereunder, when such amounts are due.

7.1.2 Breach of Representation, Warranty or Certification. Any representation, warranty or certification made or furnished by Borrower or any Subsidiary under this Agreement, any other Loan Document or in any statement, document, letter or other writing or instrument furnished or delivered to any Bank pursuant to or in connection with this Agreement or other Loan Document or as an inducement to the Banks to enter into this Agreement, will, at any time, prove to have been materially false, incorrect or incomplete when made, effective or reaffirmed, as the case may be.

7.1.3 Default Under Loan Documents, etc. Borrower or any Subsidiary (to the extent such term, covenant, condition or agreement is applicable to such Subsidiary) fails to observe, or perform any term, covenant, condition, agreement set forth in Sections 5.1, 5.2, 5.4 (except 5.4.4), 5.5, 5.8, 6.1, 6.2, 6.3, 6.5, 6.6, 6.7, 6.8, 6.9 and 6.10.

7.1.4 Default on Other Agreements. (i) the Borrower or any Subsidiary shall fail to make any payment in respect of Indebtedness owing on any bond, debenture, note or other evidence of Indebtedness for borrowed money in an aggregate amount in excess of Fifteen Million (\$15,000,000) Dollars (other than the Notes) when due or within any applicable grace period; or (ii) any event or condition shall occur which results in the acceleration of the maturity of Indebtedness owing on any bond, debenture, note or other evidence of Indebtedness for borrowed money outstanding in an aggregate amount in excess of Fifteen Million (\$15,000,000) Dollars of the Borrower or any Subsidiary (including, without limitation, any required mandatory prepayment or "put" of such Indebtedness to the Borrower or any Subsidiary) or enables (or, with the giving of notice or lapse of time or both, would enable) the holders of such Indebtedness or commitment or any Person acting on such holders' behalf to accelerate the maturity thereof or terminate any such commitment (including, without limitation, any required mandatory prepayment or "put" of such Indebtedness to the Borrower or any Subsidiary).

7.1.5 Other Defaults Under Loan Documents. Borrower or any Subsidiary will default in the performance of or compliance with any term or covenant contained in this Agreement or the other Loan Documents (other than those referred to above in Sections 7.1.1, 7.1.2 or 7.1.3 of this Agreement or in the following sentence), and such default will continue unremedied for a period of thirty (30) days; provided, that the thirty (30) day time period will not start until Agent or any Bank provides Notice to Borrower in the case of defaults under Sections 5.3.1, 5.3.2, 5.3.3, 5.3.4, 5.3.5, 5.9, 5.10, 5.11 and 5.12. If the event described in Section 5.4.4 occurs, and in the fiscal quarter following such event (the "Following Quarter") Borrower, on a consolidated basis, suffers a net loss, before income taxes, an Event of Default shall occur as of the last day of the Following Quarter.

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7.1.6 Involuntary Bankruptcy; Appointment of Trustee, etc.

(a) If an involuntary case seeking the liquidation or reorganization of Borrower or any Restricted Subsidiary under any chapter of the federal Bankruptcy Code or any similar proceeding will be commenced against Borrower or any Restricted Subsidiary under any other applicable law and any one or more of the following events occur: (i) Borrower or such Subsidiary consents to the institution of the involuntary case, (ii) the petition commencing the involuntary case is not timely controverted; (iii) the petition commencing the involuntary case is not dismissed within sixty (60) days of its filing; (iv) an interim trustee is appointed to take possession of all or a substantial portion of the property and/or to operate all or any substantial portion of the business of Borrower or such Subsidiary; or (v) an order for relief will have been issued or entered therein.

(b) A decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, custodian, trustee or other officer having similar powers of Borrower or any Restricted Subsidiary to take possession of all or a substantial portion of the property and/or to operate all or a substantial portion of the business of Borrower or such Subsidiary will have been entered and, within sixty (60) days from the date of entry, is not vacated, discharged or bonded against, or any similar relief will be granted against Borrower or such Subsidiary under any applicable federal or state law, and, within sixty (60) days from the date of entry, is not vacated, discharged or bonded against.

7.1.7 Voluntary Bankruptcy; Appointment of Trustee, etc.

(a) Borrower or any Restricted Subsidiary will (i) institute a voluntary case seeking liquidation or reorganization under any chapter of the federal Bankruptcy Code; (ii) file a petition, answer or complaint or will otherwise institute any similar proceeding under any other applicable law, or will consent thereto; (iii) consent to the conversion of a voluntary case to an involuntary case; (iv) consent to the conversion of an involuntary case to a voluntary case, (v) consent or acquiesce to the appointment of a trustee, receiver, liquidator, sequestrator, custodian or other officer with similar powers to take possession of all or a substantial portion of the property and/or to operate all or a substantial portion of the business of Borrower or any Restricted Subsidiary; or (vi) make a general assignment for the benefit of creditors.

(b) The Board of Directors of Borrower or the governing body of any Restricted Subsidiary adopts any resolution or otherwise authorizes action to approve any of the foregoing; provided, that nothing herein shall be construed to prevent Arava Natural Resources Company, Inc., in its capacity as a shareholder of Mining Remedial Recovery Corporation, from adopting resolutions or authorizing action with respect to Mining Remedial Recovery Corporation and or its subsidiaries.

7.1.8 Judgments and Attachments.

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(a) Borrower or any Restricted Subsidiary will suffer any money judgment(s), fines or penalties not covered by insurance, writ(s) or warrant(s) of attachment or similar process(es) involving an amount, in the aggregate, in excess of Fifteen Million (\$15,000,000) Dollars and will not satisfy, discharge, vacate, bond or stay the same within a period of thirty (30) days or, in any event, within ten (10) days of the date of any proposed sale thereunder.

(b) A judgment creditor will obtain possession of any material portion of the properties or assets of Borrower or any Restricted Subsidiary by any means, including, without limitation, levy, distraint,

replevin or self-help.

7.1.9 Dissolution. Any order, judgment or decree will be entered against Borrower or any Restricted Subsidiary having assets in excess of \$1,000,000 decreeing the dissolution or division of it and such order will remain undischarged or unstayed for a period in excess of thirty (30) days.

7.1.10 Termination of Loan Documents, etc. Any of the Loan Documents will cease to be in full force and effect for any reason other than a release or termination thereof upon the full payment and satisfaction of the Obligations.

7.1.11 Environmental Violations. A breach of Sections 4.10, 5.8.4 or 6.4 will have occurred.

7.1.12 Change of Control. Any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 20% or more of the outstanding shares of the voting stock of the Borrower; or (ii) as of any date a majority of the Board of Directors of the Borrower consists of individuals who were not either (A) directors of the Borrower as of the corresponding date of the previous year, (B) selected or nominated to become directors by the Board of Directors of the Borrower of which a majority consisted of individuals described in clause (A), or (C) selected or nominated to become directors by the Board of Directors of the Borrower of which a majority consisted of individuals described in clause (A) and individuals described in clause (B).

7.2 Remedies; Termination of Commitments. Upon the occurrence of an Event of Default all Obligations will, at the request of the Requisite Banks, immediately be due and payable without presentment, demand, protest, notice or other requirements of any kind, all of which are hereby expressly waived by Borrower, and all commitments of the Banks hereunder will terminate, at the direction of the requisite Banks, without further action of any kind, provided, however, if any of the events described in Section 7.1.6 or 7.1.7 occurs, all Obligations and commitments of the Banks shall immediately terminate. Upon acceleration, Agent will proceed to protect, exercise and enforce the Banks' rights and remedies hereunder and under the other Loan Documents and any other rights and remedies as are provided by law or equity. If the Loan is then one which may be repaid is a Eurodollar Advance, the Banks shall pay the compensation set forth in Section 7.4 below. Agent may determine, in its sole discretion, the order and manner in which the Banks' rights and

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remedies are to be exercised, and all payments received by Agent will be applied as follows: first, to all costs and expenses incurred by Agent in collecting any Obligations by reason of such Event of Default; second, pro rata to accrued interest; third, pro rata to other Obligations; fourth, to a cash collateral account maintained at the Agent up to the aggregate face amount of all outstanding letters of credit issued hereunder to secure Borrower's reimbursement obligation in connection with such letters of credit; and fifth, to Borrower or as otherwise provided by any Requirement of Law. During the existence of any Event of Default, at the request of the Agent and/or the Requisite Banks, Borrower shall forthwith deposit into a cash collateral account with the Agent an amount of cash equal to the aggregate face amount of all outstanding letters of credit issued hereunder, to secure Borrower's reimbursement obligation in connection with such letters of credit.

7.3 Right of Set-Off. In addition to all other remedies available to the Banks, after any Event of Default, each Bank is hereby authorized at any time and from time to time, without further notice to Borrower, to set off and proportionately apply said amount between the other Banks, any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of Borrower, against any and all the obligations of Borrower, now or hereafter existing under any Loan Document.

7.4 Compensation. Upon the request of any Bank, delivered to the Borrower and the Agent, the Borrower shall pay to such Bank such amount or amounts as shall compensate such Lender for any loss, cost or expense incurred by such Bank as a result of:

(a) any payment or prepayment of a Eurodollar Loan on a date other than the last day of an Interest Period for such Loan; or

(b) any failure by the Borrower to prepay a Eurodollar Loan on the date for such prepayment specified in the relevant notice of prepayment hereunder; or

(c) any failure by the Borrower to borrow a Eurodollar Loan on the

date for the Borrowing of which such Eurodollar Loan is a part specified in the applicable Borrowing Notice delivered pursuant to Section 2.2.2;

such compensation to include, without limitation, an amount equal to the excess, if any, of (x) the amount of interest which would have accrued on the amount so paid or prepaid or not prepaid or borrowed for the period from the date of such payment, prepayment or failure to prepay or borrow to the last day of the then current Interest Period for such Eurodollar Loan (or, in the case of a failure to prepay or borrow, the Interest Period for such Eurodollar Loan which would have commenced on the date of such failure to prepay or borrow) at the applicable rate of interest for such Eurodollar Loan provided for herein over (y) the amount of interest (as reasonably determined by such Lender) such Lender would have paid on deposits in Dollars of comparable amounts having terms comparable to such period placed with it by leading lenders in the London interbank market (if such Loan is a Eurodollar Loan).

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8. THE AGENT AND RELATIONS AMONG BANKS, ETC.

8.1 Appointment. Each Bank hereby designates and appoints the Agent the limited administrative agent for all Banks under this Agreement and the other Loan Documents. Each Bank hereby irrevocably authorizes Agent on its behalf to take or refrain from taking any action, and to exercise or refrain from the exercise of any power, as is required or permitted by the Banks to be taken under the provisions of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto, subject only to the express limitations of this Agreement. The duties of Agent under this Agreement and the other Loan Documents are mechanical and administrative in nature, are limited to those expressly provided herein, and do not establish a fiduciary relationship as between the Agent and any Bank. In performing its function and duties under this Agreement and the other Loan Documents, Agent will act solely as an agent of Banks and assumes no obligation towards or relationship of agency or trust with Borrower. Agent may perform any of its duties under this Agreement or another Loan Document by or through its agents or employees.

8.2 Advances and Payments.

8.2.1 Advances: In General. All Advances will be made by Agent on behalf of the Banks on the requested Advance Date, except that the Ratable Share of any Bank which the Agent receives after 12:00 p.m. Eastern Time on the Advance Date, or at any time after the Advance Date, will be disbursed on the Business Day following its receipt. Nothing in this Agreement or any other Loan Document is to be construed to require Agent to advance funds on behalf of any Bank or to relieve any Bank from its obligation to make Advances or to prejudice any rights that Borrower may have against any Bank as a result of any default by that Bank hereunder.

8.2.2 Advances. In order to minimize transfers between the Agent and each Bank of funds representing the Bank's Ratable Share of an Advance, a Borrower payment, or (to the extent that Agent has not been promptly reimbursed by Borrower) other amounts for which the Agent is entitled to Bank reimbursement or indemnification, coincidental transfer and loan account adjustments may be made on a "net" basis. Not later than the Business Day immediately preceding an Advance Date or a date on which Bank reimbursement of the Agent is requested, Agent will advise each Bank by telephone or telecopy as to the purpose and aggregate amount to be disbursed or paid by Agent and the Advance Date or actual or anticipated payment date, as the case may be; the amount which is such Bank's Ratable Share thereof; and, if in order to cause all loan accounts maintained by Agent for such Bank to conform to its Ratable Share of the Loan, the amount which such Bank is requested to remit to Agent will be different, the identity of the loan account(s) requiring adjustment and the nature and amounts due to or from the Bank with respect thereto. All amounts which a Bank is required to remit to Agent will be made available to Agent by transfer of same day funds to the designated wire account of Agent not later than 12:00 p.m. Eastern Time on the Advance Date, as evidenced by a wire transfer number or actual receipt by Agent. Agent will have no liability to Borrower for the failure of any Bank to make an Advance on the Advance Date, and if any Advance Date is on a day when any of the Banks are not open for business, then each Bank shall transfer to Agent its Ratable Share on the next day such Bank is open for business.

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8.2.3 Distribution of Payments. All Loan payments in respect of Advances, interest, fees or expenses incurred by the Banks and required by Borrower to be reimbursed will be deemed paid when immediately available U.S. currency or its equivalent is paid in the amount required by Borrower

to Agent. On the Business Day Agent receives a Borrower payment, Agent will advise each Bank by telephone or telecopy of the aggregate amount and such Bank's Ratable Share of amounts actually received by Agent in respect of Advances, interest, fees, or, to the extent that the Banks previously have remitted to Agent therefor, reimbursements for other amounts for which Agent has required Bank reimbursement or indemnification. Agent will pay to such Bank on the same Business Day, by transfer to such Bank's wire account (as specified by such Bank on Exhibit 8.2.3 to this Agreement or as amended by such Bank from time to time after the date hereof) its Ratable Share, "netted" as permitted herein, of any such payment received by Agent not later than 12:00 p.m. (Eastern Time), and otherwise on the next Business Day.

8.2.4 Return of Payments. Any Agent payment to a Bank under this Agreement in the belief or expectation that a related payment has been or will be received by Agent from Borrower, which related payment in fact is not received by Agent, will entitle Agent to recover such amount from the Bank without set-off, counterclaim or deduction of any kind. If Agent determines at any time that an amount received by Agent under this Agreement must be returned to Borrower or paid to any other Person pursuant to any solvency law or otherwise, then, notwithstanding any other term or condition of this Agreement, Agent will not be required to distribute any portion thereof to any Bank. However, if Agent has previously distributed such amount, each Bank will repay to Agent on demand any portion of such amount that Agent has distributed to such Bank, together with interest at such rate, if any, as Agent is required to pay to Borrower or such other Person, without set-off, counterclaim or deduction of any kind by the Bank.

8.3 Dissemination of Information. Agent will distribute promptly to each Bank the executed promissory notes evidencing such Bank's Ratable Share of the Loans. Agent will have no duty or responsibility, either initially or on a continuing basis, to provide any Bank with any credit or other information with respect to Borrower (other than information or notices received by it in accordance herewith and only if not received by the Banks from Borrower), whether coming into its possession before the date of this Agreement or at any time or times thereafter. Agent will use its best efforts after written request therefor by any Bank, and only if not received by such Bank from Borrower, to distribute promptly to each Bank copies of every notice, request, communication, report or other information received by Agent from Borrower pursuant to this Agreement or another Loan Document; provided, that Agent will be liable to the Banks for any failure to do so only if such failure is attributable to Agent's gross negligence or willful misconduct, which will not include the Agent's failure to obtain any of the foregoing from Borrower.

8.4 Amendments, Consents and Waivers for Certain Actions. Agent is authorized and empowered on behalf of the Banks to amend or modify in writing any provision of this Agreement or another Loan Document which relates or pertains to the Borrower, or to consent to or waive Borrower's performance of any obligation on any Event of Default, only with the prior written consent of the Requisite Banks or all of the Banks, as the case may

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be. When Agent requests the consent of the Requisite Banks and does not receive a written denial thereof from any Bank within ten (10) Business Days after such Bank's receipt of such request, then such Bank will be deemed to have denied such consent. Borrower agrees that it will not assert any claim of amendment, modification, consent or waiver which is not in writing, which writing (i) references this Agreement or any of the other Loan Documents and (ii) is signed by the Requisite Banks or all of the Banks, as the case may be.

8.5 Exculpation. Agent and its officers, directors, employees and agents will be liable to any Bank only for the performance of their express obligations under this Agreement and the other Loan Documents and for their own gross negligence or willful misconduct in the performance of any action taken or omitted in connection therewith. If any apportionment or distribution of payments made by Agent in good faith is subsequently determined to have been made in error, Agent will not be liable therefor, but the sole recourse of any Bank to whom payment was due but not made will be to recover from other Banks any payment in excess of the amount to which they are determined to be entitled (and such other Banks hereby agree to return to such Bank any such erroneous payments received by them). The Agent shall use its best efforts to assist the Banks in determining when any such excess payment has been made and in facilitating the recovery thereof. In performing its functions and duties hereunder, Agent will exercise the same care which it would in dealing with loans for its own account. Agent will not be responsible to any Bank for the truth or completeness of any recitals, statements, representations or warranties herein, the execution, effectiveness, genuineness, validity, enforceability, collectability, or sufficiency of this Agreement or any other Loan Document or the transactions contemplated thereby, or the financial condition of Borrower. Agent will not be required to make any

inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or any other Loan Document, the financial condition of Borrower, or the existence or possible existence of any Event of Default. Agent at any time may request instructions from the Requisite Banks with respect to any action, inaction, failure or approval which, by the terms of this Agreement or any other Loan Document, Agent is permitted or required to take or to grant, and if such instructions are promptly requested, Agent may refrain from taking any action or withhold any approval and may refrain from any action or withhold any approval until it has received such instructions from the Requisite Banks. No Bank will have any right of action whatsoever against Agent as a result of Agent acting or refraining from acting in accordance with instructions of the Requisite Banks or all of the Banks, as the case may require.

8.6 Reliance. Agent may rely upon any written notices, statements, certificates, orders or other documents or any telephone message or other communication (including any writing, telecopy or telegram) believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person, and with respect to all matters pertaining to this Agreement or any other Loan Document, upon advice of legal counsel as to legal matters, independent accountants as to audit and accounting matters, and other experts selected by it, and when doing so will not be liable to any Bank for any action taken or omitted by Agent in good faith. If any written confirmation of a telephonic notice or instructions differs from the action taken by Agent in connection with such telephonic notice of instructions, Agent's records will govern absent manifest error.

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8.7 Credit Decisions. Each Bank acknowledges that, independently of Agent and each other Bank and based on the financial information received by it and such other documents, information, and independent investigation of the financial condition and affairs of Borrower as it has deemed appropriate, it has made and will continue to make its own appraisal of the creditworthiness of Borrower and credit decisions to participate in the Loans in accordance with this Agreement. Each Bank also acknowledges that, independently of Agent and each other Bank, and based on such other documents, information, and investigations as it deems appropriate at any time, it will continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any other Loan Document.

8.8 Indemnification.

8.8.1 Agent Indemnification. Each Bank agrees (which agreement shall survive any termination of this Agreement) to indemnify Agent according to such Bank's Ratable Share from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, excess Advances or payments of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against Agent in any way relating to or arising out of this Agreement or another Loan Document, including (without limitation) the reimbursement of Agent for all expenses (including reasonable attorneys' and paralegals' fees, the allocated expense of in-house attorneys and paralegals, and all out-of-pocket expenses) incurred by Agent under or in connection with this Agreement or another Loan Document or in enforcing the Obligations, in all cases as to which Agent is not reimbursed by Borrower, provided that no Bank will be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, Advances or payments as are determined by a court of competent jurisdiction in a final, non-appealable decision or order to have resulted solely from Agent's gross negligence, willful misconduct, violation of any relevant statute, law, ordinance, rule or regulation or violation of this Agreement or another Loan Document. Agent will not be required to take any action hereunder or under any other Loan Document, or to prosecute or defend any action or proceeding in respect of this Agreement or another Loan Document, unless it is indemnified to its satisfaction by the Banks against losses, costs, liabilities, and expenses. If any indemnity in favor of Agent is impaired, Agent may call for additional indemnity and cease to do the acts indemnified against until such additional indemnity is given.

8.8.2 Borrower Indemnification. The Borrower hereby agrees to indemnify the Agent, each Bank, their respective affiliates, and each of their directors, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor whether or not the Agent, any Bank or any affiliate is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Loan hereunder except to the extent that they are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the party seeking

indemnification. In no event will any Banks claim for indemnification, as damages, losses arising, in the ordinary course of each Banks' business, out of Loans for which the rate charged by Bank is less than the rate paid by such Bank for borrowed funds. The obligations of the Borrower under this Section 8.8.2 shall survive the termination of this Agreement.

8.9 Successor. Agent may resign as such at any time upon at least 30 days' prior notice to Borrower and all Banks, which resignation will be effective when a successor Agent is in place. If Agent resigns, the Requisite Banks may appoint another Person as a successor Agent which thereupon will become the Agent. If no successor to the Agent is appointed by the Requisite Banks and accepts such appointment within 30 days after the retiring Agent's notice of resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent, which will be one of the Banks or a commercial banking institution organized under the laws of the United States or a United States branch or agency of a commercial banking institution, and having a combined capital and surplus of at least \$250,000,000. Upon the acceptance by any successor an appointment as Agent hereunder, such successor Agent will be entitled to receive from the retiring Agent such documents of transfer and assignment as such successor Agent may reasonably request, and will thereupon succeed to, and become vested with all rights, powers, privileges, and duties of the retiring Agent, and the retiring Agent will be discharged from all duties and obligations arising under this Agreement and the other Loan Documents from and after the date on which its resignation is effective. After any retiring Agent's resignation or removal hereunder as Agent, the provision of this Agreement and the other Loan Documents will continue to bind and inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent. If the successor Agent is not one of the Banks, Borrower shall have right to reasonably approve such successor Agent.

8.10 Agent as a Bank. Agent, in its capacity as a Bank, will have the same rights, powers, duties and liabilities with respect to the Loans as any other Bank and may exercise the same as if it were not the Agent. Unless otherwise required by the context, the terms "Bank", "Banks" and "Requisite Banks" or any similar terms will include the Agent when acting in its individual capacity. Agent may lend money to, and generally engage in any kind of banking, trust or other business with Borrower to the same extent as any other financial institution.

8.11 Borrower Not A Beneficiary. The provisions of this Section 8 are solely for the benefit of Agent and the Banks and Borrower will have no rights as a third party beneficiary of any of the provisions hereof; provided, however, Borrower will be bound by the provisions hereof. Borrower will have no right against Agent acting in its capacity as Agent, for any claims of Borrower arising from this Agreement, all such claims being assertable only against the Banks.

8.12 Sharing Among Banks. Without affecting the rights of the Borrower hereunder, each of the Banks agrees with every other Bank that, in the event it shall receive payment on account of the Loan in excess of its pro rata portion, according to the principal amount of its participation in Advances then outstanding, of a payment due all of the Banks, whether such payment be voluntary, involuntary or by operation of law, by application of setoff of any indebtedness or otherwise, then such Bank shall promptly purchase from each of the other Banks, without recourse, for cash and at

face value, ratably in accordance with the principal amounts of the participations in Advances then outstanding, interest of the other Banks in the Loans in such an amount that each of the Banks shall have received payment pro rata on account of its participation in the Loans in accordance with the unpaid principal amount thereof then owing to it; provided, that if any such purchase be made by any Bank and if any such excess payment relating thereto or any part thereof is thereafter recovered from such Bank, appropriate adjustments in the related purchases from the other Banks shall be made by rescission and restoration of the purchase price as to the portion of such excess payment so recovered.

8.13 Assignments

8.13.1. Permitted Assignments. Any Bank may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more banks or other entities ("Purchasers") all or any part of its rights and obligations under the Loan Documents. Such assignment shall be substantially in the form of Exhibit 8.13.1 or in such other form as may be agreed to by the parties thereto. The consent of the Borrower and the Agent shall be required prior to an assignment becoming effective with respect to a Purchaser which is not a Bank or an affiliate thereof; provided, however, that if an Event of Default has occurred and is continuing, the consent of the Borrower shall not be required. Such consent

shall not be unreasonably withheld or delayed. Each such assignment with respect to a Purchaser which is not a Bank or an affiliate thereof shall (unless each of the Borrower and the Agent otherwise consents) be in an amount not less than the lesser of (i) \$10,000,000 or (ii) the remaining amount of the assigning Bank's outstanding Loans.

8.13.2. Effect; Effective Date. Upon (i) delivery to the Agent of an assignment, together with any consents required by Section 12.3.1, and (ii) payment of a \$5,000 fee to the Agent for processing such assignment (unless such fee is waived by the Agent), such assignment shall become effective on the effective date specified in such assignment. The assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Loans under the applicable assignment agreement constitutes "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Bank party to this Agreement and any other Loan Document executed by or on behalf of the Banks and shall have all the rights and obligations of a Bank under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower, the Banks or the Agent shall be required to release the transferor Bank with respect to the percentage of the Aggregate Loans assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 8.13.2, the transferor Bank, the Agent and the Borrower shall, if the transferor Bank or the Purchaser desires that its Loans be evidenced by Notes, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Bank and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective and outstanding Loans, as adjusted pursuant to such assignment.

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9. MISCELLANEOUS.

9.1 Costs and Attorneys' Fees. All fees, costs and expenses incurred by Agent in connection with the preparation, execution, delivery, performance and administration of the Loan Documents, any and all amendments, supplements and modifications thereof and the other instruments and documents to be delivered hereunder in connection with any matters contemplated by or arising out of this Agreement, whether (a) to commence, defend any action commenced by any party other than Borrower, or intervene in any litigation or to file a petition, complaint, answer, motion or other pleadings, (b) to take any other action in or with respect to any suit or proceedings (bankruptcy or otherwise), (c) to consult with officers of Agent or to advise Agent or (d) to enforce any rights of the Banks to collect any of the Obligations, including, without limitation, reasonable fees, costs and expenses of Agent's attorneys and paralegals, the allocated costs of Agent's internal counsel, together with interest thereon at the rate equal to 2% above the highest Effective Rate hereunder, will be part of the Obligations, payable on demand. Upon and during the continuance of an Event of Default, Borrower shall reimburse each Bank for such Bank's reasonable fees, costs and expenses incurred in connection with the enforcement of this Agreement and the other Loan Documents. All of the foregoing amounts may, at Agent's option, be charged as an Advance under the Loan.

9.2 Waivers, Modifications in Writing. No failure or delay on the part of Agent or any Bank in exercising any right, power or remedy hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for under this Agreement, in the Notes and in the other Loan Documents are cumulative and are not exclusive of any remedies that may be available to the Banks at law, in equity or otherwise. No amendment, modification, supplement, termination, consent or waiver of or to any provision of this Agreement, the Notes or the other Loan Documents, nor any consent to any departure therefrom, will in any event be effective unless the same will be in writing and signed by or on behalf of the Banks and Borrower.

9.3 Notices, etc. All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto will be in writing and (except for financial statements and other related informational documents to be furnished pursuant hereto which may be sent by first-class mail, postage prepaid), will be personally delivered or sent by registered or certified mail, postage prepaid or sent by nationally recognized overnight delivery service and, if mailed, will be deemed to be received for purposes of this Agreement three (3) Business Days after mailing by the sender or one (1) Business Day if sent by overnight delivery service. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 9.3,

notices, demands, instruments and other communications in writing will be given to or made upon the respective parties hereto as follows: if to Agent, at Agent's Address, with a copy to Agent's Counsel; if to Borrower, at Borrower's Address, with a copy to Borrower's Counsel and if to a Bank, the address that appears on the signature page to this Credit Agreement.

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9.4 Notice of Wrongful Act or Omission by Agent or Banks. No action will be commenced by Borrower against Agent or any Bank arising out of or attributable to any act or omission of Agent or any Bank unless a notice specifically describing the act or omission will have been given to Agent or such Bank thirty (30) days prior to such judicial action.

9.5 Agent's Failure to Advance. If Agent will be in breach of the Banks' obligation under this Agreement by reason of failure to make an Advance, notwithstanding Borrower's conformance with the provisions of hereof, Borrower's sole remedies on account thereof will be:

(a) to compel Agent to make the Advance which is determined to have been wrongfully withheld; and

(b) to recover actual and provable damages on account of such breach, and neither Agent nor any Bank will ever be liable to Borrower for consequential damages, whatever the nature of the breach by Agent or such Bank hereunder.

9.6 Headings. Section headings used in this Agreement are for convenience of reference only and will not constitute a part of this Agreement for any other purpose or affect the construction of this Agreement.

9.7 Execution in Counterparts. This Agreement may be executed in counterparts and by different parties on separate counterparts, both of which counterparts, when so executed and delivered, will be deemed to be an original and both of which counterparts, taken together, will constitute but one and the same agreement. This Agreement will become effective upon the execution of a counterpart hereof by each of the parties hereto.

9.8 Binding Effect; Assignment. This Agreement will be binding upon, and inure to the benefit of, Borrower and the Banks, and their respective successors and assigns; provided, however, that Borrower may not assign its rights hereunder or in connection herewith or any interest herein (voluntarily, by operation of law or otherwise) without the prior written consent of all of the Banks. This Agreement will not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and each of their respective successors and assigns.

9.9 Severability of Provisions. Any provision of this Agreement which is illegal, invalid, prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity, prohibition or unenforceability without invalidating or impairing the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

9.10 Changes in Accounting Principles. If any changes in accounting principles from those used in the preparation of the financial statements referred to in this Agreement are hereafter occasioned by the promulgation of rules, regulations, pronouncements or opinions of or required by the FASB or the American Institute of Certified Public Accountants (or successors thereto or agencies with similar functions), or there will occur any change in Borrower's fiscal or tax years and, as a result of any such changes, there will result in a change in the method of calculating any of the financial covenants, negative covenants, standards,

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or other terms or conditions found in this Agreement, then the parties hereto agree to enter into negotiations in order to amend such provisions so as to equitably reflect such changes with the desired result that the criteria for evaluating Borrower's financial condition will be the same after such changes as if such changes had not been made.

9.11 Survival of Agreements; Representations, Warranties, Indemnities and Covenants. All agreements, representations, warranties, indemnities and covenants made herein will survive the execution and delivery of this Agreement, the making of the Loans hereunder and the execution and delivery of the Notes.

9.12 Independence of Covenants. All covenants under this Agreement will each be given independent effect so that if a particular action or condition is not permitted by any such covenant, the fact that it would be permitted by another covenant, by an exception thereto, or be

otherwise within the limitations thereof, will not avoid the occurrence of an Event of Default or Unmatured Event of Default if such action is taken or condition exists.

9.13 Construction of Agreement. Neither this Agreement nor any uncertainty or ambiguity herein will be construed or resolved against any Bank, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties and their counsel and will be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

9.14 Complete Agreement. This Agreement, together with the exhibits and schedules to this Agreement, the Notes and the other Loan Documents, and the other agreements referred to herein or by their terms referring hereto, is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement.

9.15 Equitable Relief. Borrower recognizes that, in the event Borrower fails to perform, observe or discharge any of its Obligations under this Agreement, any remedy at law may prove to be inadequate relief to the Banks; therefore, Borrower agrees that the Banks will be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

9.16 No Fiduciary Relationship. No provision herein or in any of the other Loan Documents and no course of dealing between the parties will be deemed to create any fiduciary duty by Agent or the Banks to Borrower.

9.17 Choice of Law. The validity of this Agreement, its construction, interpretation and enforcement and the rights of the parties hereto will be determined under, governed by and construed in accordance with the internal laws of the State of Michigan, without regard to principles of conflicts of law.

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9.18 Venue; Jurisdiction. The parties agree that all actions or proceedings arising in connection with this Agreement, the Loan Documents, the letters of credit issued under this Agreement and the Loans may be tried and litigated in the federal courts of the United States of the Eastern District of Michigan. Borrower hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such courts. Borrower irrevocably consents to the service of process out of any such courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to Borrower, at its address set forth for notices in this Agreement, such service to become effective ten (10) days after such mailing. Nothing herein will affect the right of any Bank to serve process in any other manner permitted by law. Borrower irrevocably waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 9.18.

9.19 Other Waivers. Borrower hereby waives, to the extent permitted by applicable law, in connection with a "claim and delivery" action by any Bank or Agent on any Bank's behalf pursuant to Michigan Court Rule 3.105, the right to request that a court require any Bank to post a bond pursuant to Michigan Court Rule 3.105(E) (4) (c) (i).

9.20 Waivers Voluntary. The waivers contained in this Agreement are freely, knowingly and voluntarily given by each party, without any duress or coercion, after each party has had opportunity to consult with its counsel and has carefully and completely read all of the terms and provisions of this Agreement, specifically including the waivers contained in this Section 9. Neither the Banks nor Borrower will be deemed to have relinquished the waivers contained herein except by a writing signed by the party to be charged with having relinquished any such waiver.

9.21 Waiver of Jury Trial. Banks and Borrower acknowledge and agree that there may be a constitutional right to a jury trial in connection with any claim, dispute or lawsuit arising between them, but that such right may be waived. Accordingly, the parties agree that notwithstanding such constitutional right, in this commercial matter the parties believe and agree that it will be in their best interest to waive such right, and accordingly, hereby waive such right to jury trial, and further agree that the best forum for hearing any claim, dispute or lawsuit, if any, arising in connection with this Agreement, any Loan Document or the relationship between the Banks and Borrower, will be a court of competent jurisdiction sitting without a jury.

BORROWER ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY COUNSEL OF ITS CHOICE WITH RESPECT TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY, AND BORROWER ACKNOWLEDGES AND AGREES THAT (a) EACH OF THE WAIVERS SET FORTH HEREIN, WERE KNOWINGLY AND VOLUNTARILY MADE; (b) THE OBLIGATIONS OF THE BANKS HEREUNDER, INCLUDING THE OBLIGATION TO ADVANCE AND LEND FUNDS TO BORROWER IN ACCORDANCE HERewith, WILL BE STRICTLY CONSTRUED AND WILL BE EXPRESSLY SUBJECT TO SUCH BORROWER'S COMPLIANCE IN ALL RESPECTS WITH THE TERMS AND CONDITIONS HEREIN SET FORTH; AND (c) NO REPRESENTATIVE OF ANY BANK HAS WAIVED OR MODIFIED ANY OF THE PROVISIONS OF THIS AGREEMENT AS OF THE DATE HEREOF AND NO SUCH WAIVER OR MODIFICATION FOLLOWING THE DATE HEREOF WILL BE EFFECTIVE UNLESS MADE IN ACCORDANCE WITH SECTION 9.2 HEREOF.

[PURPOSELESSLY LEFT BLANK - SIGNATURES ON FOLLOWING PAGES]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first hereinabove set forth.

WITNESS: "BORROWER"
MUELLER INDUSTRIES, INC.
By: _____

Its: _____

"BANKS"

WITNESS: MICHIGAN NATIONAL BANK, a national
banking association
By: _____

Joseph A. Vito
Its: City Manager
Ratable Share: 20%
Line of Credit Commitment:
\$40,000,000
Address for Notice:
800 Military Street
Port Huron, MI 48060-5440
Attn: Joe Vito
City President

FIRST TENNESSEE
By: _____

Its: _____

Ratable Share: 12.5%
Line of Credit Commitment:
\$25,000,000
Address for Notice:
P.O. Box 84
Memphis, TN 38101
Attn: Philip E. Stevenson
Senior Vice President

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UNION PLANTERS BANK
By: _____

Its: _____

Ratable Share: 17.5%
Line of Credit Commitment:
\$35,000,000

Address for Notice:
6200 Poplar Avenue, HQ4
Memphis, TN 38119
Attn: Shea Buchignani
Assistant Vice President

SUN TRUST BANK

By: -----

Its: -----

Ratable Share: 17.5%
Line of Credit Commitment:
\$35,000,000
Address for Notice:
6410 Poplar Avenue, Suite 320
Memphis, TN 38119
Attn: Bryan W. Ford, CCM
Vice President

WACHOVIA BANK, N.A.

By: -----

Its: -----

Ratable Share: 12.5%
Line of Credit Commitment:
\$25,000,000
Address for Service:
191 Peachtree Street NE
Atlanta, GA 30303
Attn: Karin E. Reel
Vice President

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FIRST UNION

By: -----

Its: -----

Ratable Share: 20%
Line of Credit Commitment:
\$40,000,000
Address for Notice:
TN1227
150 Fourth Avenue North
Nashville, TN 37219
Attn: Andrew Tompkins
Vice President

"AGENT"

MICHIGAN NATIONAL BANK, a national
banking association

By: -----

Joseph A. Vito
Its: City Manager

EXHIBIT 2.3

LINE OF CREDIT NOTE

Amount: \$

Due Date: November 30, 2003

Dated as of November 29, 2000

FOR VALUE RECEIVED, MUELLER INDUSTRIES, INC., a Delaware corporation ("Borrower") promises to pay to the order of ----- ("Bank"), in immediately available United States funds, the principal sum of ----- MILLION ----- HUNDRED THOUSAND and no/100 (\$) Dollars or such lesser sum as will have been advanced by Bank to Borrower under this Note, pursuant to the terms of the Credit Agreement dated as of November 29, 2000, as from time to time amended, among Borrower, the Banks identified therein, and Michigan National Bank, as Agent, (the "Credit Agreement"), plus interest, per annum, at the Effective Rate (as hereafter defined). Except as otherwise defined herein, all capitalized terms used herein shall have the meanings set forth in the Credit Agreement, all of the terms and conditions of which are herein incorporated by this reference.

This Note is one of the Line of Credit Notes referred to in the Credit Agreement. Advances of principal, repayment, and readvances may be made under the Credit Agreement and this Note from time to time as provided therein, but the Bank may refuse to make advances or readvances during the existence of any Event of Default or Unmatured Event of Default or when the conditions precedent set forth in the Credit Agreement are not satisfied. No individual Advance will have a maturity date beyond the Line of Credit Maturity.

Advances under this Note shall bear interest as provided in the Credit Agreement (each, an "Effective Rate").

Interest and principal shall be paid on the dates and in the manner provided in the Credit Agreement. The outstanding principal balance of the Line of Credit Loan, together with accrued interest, will be due and payable in full at the Line of Credit Maturity.

Borrower may prepay, in whole or in part, but in an amount not less than Ten Million Dollars (\$10,000,000.00) at one (1) business day's notice, without premium or penalty, any Alternate Base Rate Advances under this Note at any time. Eurodollar Advances may only be prepaid at the end of an Interest Period and in the manner provided in the Credit Agreement. If at any time during the term of this Note, the Total Outstanding Amount will exceed \$200,000,000, Borrower will immediately, and in any event within two (2) Business Days, remit and pay to Agent such amounts as may be necessary to reduce the Total Outstanding Amount to \$200,000,000.

All Advances will be charged to an account in Borrower's name on Agent's books, and Agent will debit to such account the amount of each Advance when made and credit to such account the amount of each repayment thereunder. Agent will render Borrower, from time to time, a statement setting forth the debit balance in the loan account, which will be deemed to be correct and accepted by Borrower, unless Agent receives a written statement of exceptions within ten (10) days after such statement has been

rendered to Borrower. Such statement will be prima facie evidence of the correctness of the Advances owing to the Bank by Borrower hereunder, unless

there will be manifest error evident on its face. Similarly, each Bank is hereby authorized by Borrower to record in its books and records, the date, and amount and type of each Advance and the duration of the related Interest Period (if applicable), the amount of each payment or prepayment of principal thereon, which books and records shall constitute prima facie evidence of the information so recorded, provided, however, that failure of any Bank to record, or any error in recording, any such information shall not relieve Borrower of its obligation to repay the outstanding principal amounts of the Loan, all accrued interest thereon and other amounts payable with respect thereto in accordance with the terms of this Note and the Credit Agreement.

Both principal and interest are payable in immediately available United States funds to the Agent on behalf of the Bank at 800 Military Street, Port Huron, Michigan 48060, Attention: Joseph A. Vito, or at such other address as Agent may hereto specify to Borrower in writing.

Interest will be calculated on a daily, outstanding balance basis and will be computed for the actual number of days elapsed on the basis of a 360 day year. At no time will the interest charged hereunder be greater than the Maximum Rate. Payments received by Agent which would otherwise cause said interest rate to exceed such Maximum Rate will, to the extent of such excess, be deemed principal payments.

During the existence of any Event of Default, or after the Line of Credit Maturity, or after demand or acceleration of maturity, Borrower will be obligated to Bank and will pay Bank, in addition to the interest stated above, additional interest which will accrue at a default rate equal to two percent (2%) per annum of the outstanding principal balance hereof and which will be reflected in the statement of account sent to Borrower prior to each payment date.

If any required installment is not paid within ten (10) days after the date the same is due, upon Agent's demand Borrower will forthwith pay Bank a late charge equal to 5 cents (\$.05) for each dollar of the installment so overdue. The late charge will apply individually to all payments past due, and there will be no daily pro rata adjustment.

Any other provision of the Credit Agreement or any other Loan Document to the contrary notwithstanding, Borrower hereby grants Bank a right to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by Bank to or for the credit or the account of Borrower, against any and all the obligations of Borrower, now or hereafter existing under any Loan Document. Borrower agrees to pay all of Agent's costs incurred in the collection of this Note, including reasonable attorneys' fees.

Acceptance by Bank of any payment in an amount less than the amount then due will be deemed an acceptance on account only, and Borrower's failure to pay the entire amount then due will be and continue to be an event of default. Borrower waives presentment for payment, demand, notice of non-payment, notice of protest or protest of this Note. The liability of Borrower under this Note will be absolute and unconditional, without regard to the liability of any other party.

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Borrower expressly assumes all risk of loss or delay in the delivery of any payments by mail, and no course of conduct or dealing will affect Borrower's assumption of these risks.

Upon any occurrence of an Event of Default as defined in the Credit Agreement ("Event of Default"), Bank may, without further notice and without demand or presentation, declare the entire unpaid principal balance hereunder and all accrued interest, to be immediately due and payable, anything contained herein or in any document executed in connection herewith to the contrary notwithstanding.

Upon the occurrence of an Event of Default, neither the failure of the Bank promptly to exercise its right to declare the outstanding principal and accrued and unpaid interest hereunder to be immediately due and payable, nor failure to exercise any other right or remedy the Bank may have upon default, nor the acceptance by the Bank of late payments, nor the failure of the Bank to demand strict performance of any obligation of Borrower or of any other person who may be liable hereunder, will constitute a waiver of any such rights in connection with any future Event of Default.

Bank may hold and apply at any time after an Event of Default its own indebtedness or liability to Borrower in payment of any indebtedness hereunder.

Borrower and all endorsers, sureties and guarantors hereof, hereby jointly and severally waive presentment for payment, notice of non payment, notice of protest or protest of this Note, diligence in collection or

bringing suit, and hereby consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by Bank with respect to payment or any other provisions of this Note, and to the release of any collateral or any part thereof, with or without substitution and hereby waive any and all defenses of a surety. The liability of Borrower will be absolute and unconditional, without regard to the liability of any other party hereto.

Borrower, and any other person who may be liable hereunder in any capacity, agrees to pay all reasonable costs of collection, including reasonable attorney's fees and expenses, in case the principal on this Note or any payment of interest hereon is not paid on the respective dates due (whether by demand, maturity, acceleration or otherwise), or in case it becomes necessary to protect any security for this Note, whether suit is brought or not.

Any default in any of the conditions, covenants, obligations or agreements contained in any of the Loan Documents or any other instruments securing and/or evidencing this indebtedness will constitute an Event of Default under this Note. Reference is hereby made to the agreement(s) and document(s) described above for additional terms and conditions relating to this Note.

This Note, made in the State of Michigan, will be governed and construed according to the laws of the State of Michigan.

WITNESS:	MUELLER INDUSTRIES, INC.
- -----	By: -----
- -----	Its: Vice President

2001 BONUS PLAN FOR CERTAIN KEY EMPLOYEES

The Company has a discretionary bonus program under which exempt salaried employees (other than the CEO and Chairman) may be paid bonuses based on a percentage of base annual salary. The CEO and Chairman participate in this plan, however their bonuses are specifically determined by the board of directors. The bonus percent is based on a variety of guidelines including the performance levels of the respective business units measured by earnings before tax.

Mueller Industries, Inc.
Deferred Compensation Plan
Amendment and Restatement
Effective December 1, 2000

Purpose

The purpose of this Plan is to provide specified benefits to a select group of management or highly compensated employees who contribute materially to the continued growth, development and future business success of MUELLER INDUSTRIES, INC., a Delaware corporation, and its subsidiaries.

ARTICLE 1
Definitions

For purposes hereof, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

- 1.1 "Account Balance" shall mean, with respect to a Participant, his or her Elective Deferral Account. This account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to or in respect of a Participant pursuant to the Plan.
 - 1.2 "Annual Bonus" shall mean any compensation, in addition to Base Annual Salary, paid annually in respect of a Plan Year to a Participant as an employee under any Employer's annual bonus and incentive plans. An annual Bonus for a Plan Year may, but need not, be paid during such Plan Year.
 - 1.3 "Annual Deferral Amount" shall mean that portion of a Participant's Base Annual Salary and/or Annual Bonus that a Participant elects to have and is deferred, in accordance with Article 3, for any one Plan Year.
 - 1.4 "Base Annual Salary" shall mean the annual compensation (excluding bonuses, commissions, overtime, incentive payments, non-monetary awards, Directors Fees, and other fees) paid to a Participant for services rendered to any Employer, before reduction for compensation deferred pursuant to all qualified, non-qualified and Code Section 125 plans of any Employer.
 - 1.5 "Beneficiary" shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article 9, that are entitled to receive benefits under the Plan upon the death of a Participant.
 - 1.6 "Beneficiary Designation Form" shall mean the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate one or more Beneficiaries.
 - 1.7 "Board" shall mean the Board of Directors of the Company.
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- 1.8 "Change in Control" shall mean the first to occur of any of the following events:
 - (a) Any "person" (as that term is used in Section 13 and 14(d)(2) of the Securities Exchange Act of 1934 ("Exchange Act")), after the date hereof becomes the beneficial owner (as that term is used in Section 13(d) of the Exchange Act), directly or indirectly, of 50 percent or more of the Company's capital stock entitled to vote in the election of directors;
 - (b) During any period of two consecutive years, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's shareholders of each new director was approved by a vote of at least three-quarters of the directors still in office who were directors at the beginning of the period;
 - (c) Any consolidation or merger of the Company, other than a consolidation or merger of the Company in which the holders of the common stock of the company immediately prior to the consolidation or merger hold more than 50 percent of the common stock of the surviving corporation immediately after the consolidation or merger;
 - (d) The shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; or
 - (e) Substantially all of the assets of the Company are sold or

otherwise transferred to parties that are not within a "controlled group of corporations" (as defined in Section 1563 of the Code) in which the Company is a member.

- 1.9 "Claimant" shall have the meaning set forth in Section 13.1.
- 1.10 "Code" shall mean the Internal Revenue Code of 1986, as amended.
- 1.11 "Committee" shall mean the administrative committee appointed to manage and administer the Plan in accordance with its provisions pursuant to Article 12.
- 1.12 "Company" shall mean MUELLER INDUSTRIES, INC., a Delaware corporation.
- 1.13 "Deduction Limitation" shall mean the following described limitation on the annual benefit that may be distributed pursuant to the provisions of this Plan. The limitation shall be applied to distributions under this Plan as set forth in this Plan. If the Company determines in good faith prior to a Change in Control that there is a reasonable likelihood that any compensation paid to a Participant for a taxable year of the Company would not be deductible by the Company solely by reason of the limitation under Code Section 162(m), then to the extent deemed necessary by the Company to ensure that the entire amount of any distribution to the Participant pursuant to this plan prior to the Change in Control is deductible,

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the Company may defer all or any portion of the distribution. Any amounts deferred pursuant to this limitation shall continue to be credited with interest in accordance with Section 3.6 below. The amounts so deferred and interest thereon shall be distributed to the Participant or his or her Beneficiary (in the event of the Participant's death) at the earliest possible date, as determined by the Company in good faith, on which the deductibility of compensation paid or payable to the Participant for the taxable year of the Company during which the distribution is made will not be limited by Section 162(m), or if earlier, the effective date of a Change in Control.

- 1.14 "Deferral Amount" shall mean the sum of all of a Participant's Annual Deferral Amounts.
- 1.15 "Directors Fees" shall mean the annual cash fees paid by any Employer, including retainer fees and meetings fees, as compensation for serving on the Board of Directors of an Employer.
- 1.16 "Disability" shall mean a period of disability during which a Participant qualifies for benefits under the Participant's Employer's long-term disability plan, or, if a Participant does not participate in such a plan, a period of disability during which the Participant would have qualified for benefits under such a plan had the Participant been a participant therein, as determined in the sole and absolute discretion of the Committee.
- 1.17 "Enrollment Form" shall mean the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to make an election under the Plan.
- 1.18 "Elective Deferral Account" shall mean the sum of (i) a Participant's Deferral Amount, plus (ii) earnings based on the Participant's investment elections, net of all distributions from such account. This account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to the participant pursuant to the Plan.
- 1.19 "Employer" shall mean the Company and/or any of its subsidiaries that have been selected by the Board to participate in the Plan.
- 1.20 "Moody's Corporate Bond Rate" shall mean the arithmetic average of yields of representative bonds, including industrials, public utilities, Aaa, Aa, A and Baa bonds, published by Moody's Investors Service, Inc. or any successor to that service.
- 1.21 "Participant" shall mean any employee (i) who is selected to participate in the Plan, (ii) who elects to participate in the Plan, (iii) who signs an Enrollment Form and a Beneficiary Designation Form, (iv) whose signed Enrollment Form and Beneficiary Designation Form are accepted by the Committee, (v) who commences participation in the Plan, and (vi) whose Plan participation and eligibility have not terminated.

- 1.22 "Plan" shall mean the Company's Deferred Compensation Plan, which shall be evidenced by this instrument, as may be amended from time to time.
- 1.23 "Plan Year" shall be the calendar year, starting with 1996.
- 1.24 "Pre-Retirement Survivor Benefit" shall mean the benefit set forth in Article 6.
- 1.25 "Retirement," "Retire," "Retires," or "Retired" shall mean severance from employment or service with all Employers for any reason other than a leave of absence on or after the attainment of (a) age fifty (50) and the completion of ten (10) Years of Service, (b) age fifty-five (55) and the completion of five (5) Years of Service, (c) age sixty-five (65), whichever is earliest.
- 1.26 "Retirement Benefit" shall mean the benefit set forth in Article 5.
- 1.27 "Short-Term Payout" shall mean the payout set forth in Section 4.1
- 1.28 "Termination Benefit" shall mean the benefit set forth in Article 7.
- 1.29 "Termination of employment" shall mean the ceasing of employment with all Employers, voluntarily or involuntarily, for any reason other than Retirement, death or an authorized leave of absence.
- 1.30 "Trust" shall mean the trust established pursuant to that certain Trust Agreement, dated as of January 1, 1996, between the Company and the trustee named therein, as amended from time to time.
- 1.31 "Withdrawal Amount" shall mean all of a Participant's Account Balance calculated as if such Participant were receiving a lump sum Termination Benefit, less a penalty equal to 10 percent of the Account Balance determined immediately prior to the date of the Participant's election.
- 1.32 "Years of Service" shall mean the total number of years in which a Participant has been employed by or in the service of an Employer. For purposes of this definition only, a year of employment or service shall be a 365 day period (or 366 day period in the case of a leap year) that, for the first year of employment, commences on the Participant's date of hire (or engagement) and that, for any subsequent year, commences on an anniversary of that hiring date.

ARTICLE 2

Selection, Enrollment, Eligibility

- 2.1 Selection by Committee. Participation in the Plan shall be limited to employees of an Employer who are part of a select group of management or highly compensated employees. From the foregoing, the Committee shall select, in its sole and absolute discretion, employees to participate in the Plan.

- 2.2 Enrollment Requirements. As a condition to participation, each selected employee shall complete, execute and return to the Committee within 30 days of selection for participation, an Enrollment Form and a Beneficiary Designation Form. In addition, the Committee shall establish from time to time such other enrollment requirements as it determines in its sole and absolute discretion are necessary.
- 2.3 Eligibility; Commencement of Participation. An employee selected to participate herein shall commence participation on the first day of the Plan Year following the employee's completion of all enrollment requirements set forth herein and required by the Committee, including returning all required documents to the Committee and the Committee's acceptance of all submitted documents. Under no circumstances may participation commence in the middle of a Plan Year.

ARTICLE 3

Deferrals, Earnings, and Distributions

- 3.1 Minimum Deferral. For each Plan Year, a Participant may elect to defer Base Annual Salary and/or Annual Bonus payable in such Plan

Year. If no election is made, the amount deferred shall be zero.

- 3.2 Maximum Deferral. For each Plan Year, a Participant may elect to defer Base Annual Salary and/or Annual Bonus up to the following maximum amounts for each deferral elected:

Deferral	Maximum Amount
-----	-----
Base Annual Salary	100%
Annual Bonus	100%

- 3.3 Election to Defer; Effect of Enrollment Form. In connection with a Participant's commencement of participation in the Plan, the Participant shall make a deferral election by delivering to the Committee a completed and signed Enrollment Form, which election and form must be accepted by the Committee for a valid election to exist. For each succeeding Plan Year, a new Enrollment Form for that Plan Year must be delivered to the Committee, in accordance with its rules and procedures, before the end of the Plan Year preceding the Plan Year for which the election is made. If no Enrollment Form is timely delivered for a Plan Year, no Annual Deferral Amount shall be withheld for that Plan Year.
- 3.4 Withholding of Deferral Amounts. For each Plan Year, the Base Annual Salary portion of the Annual Deferral Amount shall be withheld each payroll period in equal amounts from the Participant's Base Annual Salary. The Annual Bonus portion of the Annual Deferral Amount shall be withheld at the time the Annual Bonus is or otherwise would be

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paid to the Participant. Each amount so withheld shall be credited to the Participant's Elective Deferral Account. A Participant shall at all times have a fully vested and nonforfeitable interest in his or her Elective Deferral Account.

- 3.5 Earnings Prior to Distribution. Prior to any distributions of benefits under Articles 4, 5, 6, or 7, earnings shall be credited to a Participant's Account Balance, based on the actual performance of the investments selected by said Participant. In the event of Retirement, death, or a Termination of Employment, earnings will be credited to the participant's Account Balance under this Section 3.5 to the end of the month in which such event occurs. If a distribution is made under this plan, the Account Balance shall be reduced as of the first day of the month in which the distribution is made.
- 3.6 Installment Distributions. In the event a benefit is paid in installments under articles 5, 6, or 7, earnings shall be credited daily on the undistributed portion of the Participant's Account Balance. The Participant shall receive installment distributions as follows:
- (a) Beginning with the month following the month during which the participant Retires, Dies, or experiences a Termination of Employment, and each month thereafter until the Participant's Account Balance is paid in full but not to exceed the number of months elected, the participant will receive a payment equal to the participant's Account Balance on the first day of the month divided by the number of months remaining in the period elected by the Participant.
- (b) Notwithstanding the above, the Participant may elect a level payment for a period not to exceed the following based on the number of months elected:

Number of Months Elected	Months of Level Payments Allowed
-----	-----
60 months (5 years)	24 months
120 months (10 years)	36 months
180 months (15 years)	60 months

The level payment shall be determined by the Participant's Account Balance at the beginning of the distribution period. Said level payment will be determined by amortizing the Participant's Account Balance as of the first day of the month during which distribution commences, using an applied calculation factor to be determined by the Committee from time to time but not to be less than the Moody's Corporate Bond Rate in effect for October (as published in

the immediately following November) of the year preceding commencement of the distribution.

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Beginning with the month following the end of the period of level payments, if elected by the participant pursuant to this Section 3.6(b), the method of determining subsequent months' distributions will be in accordance with Section 3.6(a), and the Participant's Account Balance shall be reflective of the actual existing Account Balance beginning with commencement of installment distributions and as determined by the actual experience of the investments as selected by the participant from time to time.

- 3.7 FICA Taxes. For each Plan Year in which an Annual Deferral Amount is being withheld, the Participant's Employer(s) shall ratably withhold from that portion of the Participant's Base Annual Salary and/or Annual Bonus that is not being deferred, the Participant's share of FICA and Medicare taxes on deferred amounts. If necessary, the Annual Deferral Amount shall be reduced (a) in order to meet any group benefit or similar commitment and/or applicable state withholding taxes to be paid out of the Participant's Based Annual Salary and/or Annual Bonus, and (b) in order to comply with this Section.

ARTICLE 4

Short-Term Payout; Withdrawal Election

- 4.1 Short-Term Payout. Subject to the Deduction Limitation, in connection with each election to defer an Annual Deferral Amount, a Participant may elect to receive a future "Short-Term Payout" from the Plan with respect to that Annual Deferral Amount. The Short-Term Payout shall be a lump sum payment in an amount that is equal to the Annual Deferral Amount plus interest credited on that amount based on the performance of the investments selected by said Participant. Subject to the other terms and conditions of this Plan, each Short-Term Payout elected shall be paid within 60 days of the first day of the elected Plan Year that is 3 or more years after the first day of the Plan Year in which the Annual Deferral Amount is actually deferred. Notwithstanding the foregoing, should an event occur that triggers a benefit under Article 5, 6, or 7, any Annual Deferral Amount, plus interest thereon, that is subject to a Short-Term Payout election under this Section 4.1 shall not be paid in accordance with Section 4.1, but shall be paid in accordance with the other applicable Article.
- 4.2 Withdrawal Election. A Participant may elect, at any time, to withdraw the Withdrawal Amount, as defined in Section 1.31. No partial withdrawals shall be allowed. The Participant shall make this election by giving the Committee advance written notice of the election in the form determined from time to time by the Committee. Once the Withdrawal Amount is paid, the Participant shall be suspended from eligibility to participate in the Plan until the beginning of the third Plan Year following the date such amount is paid, and the Participant may only resume participation at such time or a later Plan Year by completing again the enrollment requirements specified in Article 2 hereof.

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ARTICLE 5

Retirement Benefit

- 5.1 Retirement Benefit. Subject to the Deduction Limitation, a Participant who retires shall receive, as a Retirement Benefit, his or her Account Balance with interest credited in accordance with Section 3.5 hereof.
- 5.2 Payment of Retirement Benefits. A Participant, in connection with his or her commencement of participation in the Plan, shall elect on an Enrollment Form to receive the Retirement Benefit in a lump sum or in monthly payments over a period of 60, 120 or 180 months (as determined in accordance with Section 3.6 above). If no election is made payments shall be made over a 180 month period. The Participant may change this election to an allowable alternative payout period by

submitting a new Enrollment Form to the Committee, provided that any such Enrollment Form is submitted at least two (2) years prior to the Participant's Retirement. The Enrollment Form most recently accepted by the Committee, which meets the requirement of the preceding sentence, shall govern the payout of the Retirement Benefit. The lump sum payment shall be made, or installment payments shall commence, no later than 60 days from the date the Participant Retires.

- 5.3 Death Prior to Completion of Retirement Benefits. If a Participant dies after Retirement but before the Retirement Benefit is paid in full, the Participant's unpaid Retirement Benefit payments shall continue and shall be paid to the Participant's Beneficiary (a) over the remaining number of months and in the same amounts as that benefit would have been paid to the Participant had the participant survived, or (b) in a lump sum, if requested by the beneficiary and allowed at the sole and absolute discretion of the Committee. The lump sum payment will be the Participant's Account Balance at the time of his or her death, or, if later, at the time the lump sum payment is actually made.

ARTICLE 6 Pre-Retirement Survivor Benefit

- 6.1 Pre-Retirement Survivor Benefit. Subject to the Deduction Limitation, if a Participant dies before he or she Retires or has a Termination of Employment, the Participant's Beneficiary shall receive a Pre-Retirement Survivor Benefit equal to the participant's Account Balance with interest credited in accordance with Section 3.5 hereof.
- 6.2 Payment of Pre-Retirement Survivor Benefits. The Pre-Retirement Survivor Benefit shall be paid in the payment period previously elected by the Participant for the payment of the Retirement Benefit, or, if no election was made, monthly for 15 years. However, the Pre-Retirement Survivor Benefit payment may be made as a lump sum at the request of the Beneficiary and at the sole and absolute discretion of the Committee. The first (or only payment, if made in lump sum) shall be made within 60 days of the Committee's receiving proof of the Participant's death.

-8- ARTICLE 7 Termination Benefit

- 7.1 Termination Benefits. Subject to the Deduction Limitation, if a Participant experiences a Termination of Employment prior to his or her Retirement, the Participant shall receive a Termination Benefit, which shall be equal to the Participant's Account Balance with interest credited in accordance with Section 3.5 hereof.
- 7.2 Payment of Termination Benefit. A Participant, in connection with his or her commencement of participation in the Plan, shall elect on an Enrollment Form to receive the Termination Benefit in a lump sum or in monthly payments over a period of 60, 120, or 180 months (as determined in accordance with Section 3.6 above). The Participant may change the selection to an allowable alternative pay out period by submitting a new Enrollment Form to the Committee, provided that any such Enrollment Form is submitted at least two (2) years prior to the Participant's Termination of Employment. The Enrollment Form most recently accepted by the Committee, which meets the requirement of the preceding sentence, shall govern the payout of the Termination Benefit. The lump sum payment shall be made, or installment payments shall commence, no later than 60 days from the date of the Participant's Termination of Employment.
- 7.3 Death Prior to Completion of Termination Benefits. If a Participant dies after Termination of Employment but before the Termination Benefit is paid in full, the Participant's unpaid termination benefit payments shall continue and shall be paid to the Participant's beneficiary (a) over the remaining number of months and in the same amounts as the benefit would have been paid to the Participant had the Participant survived, or (b) in a lump sum, if requested by the beneficiary and allowed at the sole and absolute discretion of the committee. The lump sum payment will be the Participant's Account Balance at the time of his or her death, or, if later, at the time the lump sum payment is actually made.

ARTICLE 8 Disability Waiver and Benefit

- 8.1 Disability Waiver.

- (a) Eligibility. By participating in the Plan, all Participants are eligible for this waiver.
- (b) Waiver of Deferral; Credit for Plan Year of Disability. A Participant who is determined by the Committee to be suffering from a Disability shall be excused from fulfilling that portion of the Annual Deferral Amount commitment that would otherwise have been withheld from a participant's Base Annual Salary and/or Annual Bonus for the Plan Year during which the Participant first suffers a Disability. During the period of Disability, the Participant shall not be allowed to make any additional deferral elections.

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- (c) Return to Work. If a Participant returns to employment with an Employer after a Disability ceases, the Participant may elect to defer an Annual Deferral Amount for the Plan Year following his or her return to employment or service and for every Plan Year thereafter while a Participant in the Plan; provided such deferral elections are otherwise allowed and an Election Form is delivered to and accepted by the Committee for each such election in accordance with Section 3.3 above.
- 8.2 Benefit Eligibility. A Participant suffering a Disability shall, for benefit purposes under this Plan, but subject to Section 8.1 above, continue to be considered to be employed and shall be eligible for the benefits provided for in Articles 4, 5, 6, and 7 in accordance with the provisions of those Articles. Employee shall be considered an active employee for purposes of Section 1.32 hereof during a Disability. Notwithstanding the above, the Committee shall have the right, in its sole and absolute discretion and for purposes of this Plan only, to terminate a Participant's employment at any time after such Participant is determined to be permanently and totally disabled under the Participant's employer's long-term disability plan or would have been determined to be permanently and totally disabled had he or she participated in such plan. In such case, the participant's Termination Benefit under Article 7 hereof shall, if payable in installments, be computed in accordance with Section 3.6 hereof.

ARTICLE 9 Beneficiary Designation

- 9.1 Beneficiary. Each Participant shall have the right, at any time to designate his or her Beneficiary (both primary as well as contingent) to receive any benefits payable under the Plan to a Beneficiary upon the death of a Participant. The Beneficiary designated under this Plan may be the same as or different from the Beneficiary designation under any other plan of an Employer in which the Participant participates.
- 9.2 Beneficiary Designation; Change; Spousal Consent. A Participant shall designate his or her Beneficiary by completing and signing the Beneficiary Designation Form, and returning it to the committee or its designated agent. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation form and the Committee's rules and procedures, as in effect from time to time. Where required by law or by the Committee, in its sole and absolute discretion, if the Participant names someone other than his or her spouse as a Beneficiary, a spousal consent, in the form designated by the Committee, must be signed by the Participant's spouse and returned to the Committee. Upon the acceptance by the Committee of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Committee shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Committee prior to his or her death.

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- 9.3 Acknowledgment. No designation or change in designation of a Beneficiary shall be effective until received, accepted and acknowledged in writing by the Committee or its designated agent.
- 9.4 No Beneficiary Designation. If a Participant fails to designate a Beneficiary as provided in Sections 9.1, 9.2, and 9.3 above, or, if all designated Beneficiaries predecease the Participant, then the Participant's designated Beneficiary shall be his or her surviving

spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan shall be paid to the Participant's estate.

- 9.5 Doubt as to Beneficiary. If the Committee has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Committee shall have the right, exercisable in its sole and absolute discretion, to cause the participant's Employer to withhold such payments until this matter is resolved to the Committee's satisfaction.
- 9.6 Discharge of Obligations. The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge all Employers and the Committee from all Further obligations under this Plan with respect to the Participant, and that Participant's Plan Agreement shall terminate upon such full payment of benefits.

ARTICLE 10 Leave of Absence

- 10.1 Paid Leave of Absence. If a Participant is authorized by the Participant's Employer for any reason to take a paid leave of absence from the employment of the Employer, the Participant shall continue to be considered actively employed by the Employer for purposes of Section 1.32 hereof and the Annual Deferral Amount shall continue to be withheld during such paid leave of absence in accordance with Section 3.3.
- 10.2 Unpaid Leave of Absence. If a Participant is authorized by the Participant's Employer for any reason to take an unpaid leave of absence from the employment of the Employer, the Participant shall continue to be considered actively employed by the Employer for purposes of Section 1.32 hereof, but the Participant shall be excused from making deferrals until the earlier of the date the leave of absence expires or the date the Participant returns to paid employment status. Upon such expiration or return, deferrals shall resume for the remaining portion of the Plan Year in which the expiration or return occurs, based on the deferral election, if any, made for that Plan Year. If no election was made for that Plan Year, no deferral shall be withheld.

-11- ARTICLE 11 Termination, Amendment or Modification

- 11.1 Termination. Any Employer reserves the right to terminate the Plan at any time with respect to Participants employed by the Employer. Upon the termination of the Plan, the Participant's Account Balance shall be paid out as though the Participant had experienced a Termination of Employment on the date of Plan termination, or, if Plan termination occurs after the date upon which the Participant was eligible to Retire, the Participant had Retired on the date of Plan termination, or, if Plan termination occurs after the Participant Retired or had a Termination of Employment and commenced (but not completed) distribution hereunder, benefits shall continue to the Participant pursuant to the terms hereof without regard to the Plan termination.
- 11.2 Amendment. Any Employer may, at any time, amend or modify the Plan in whole or in part with respect to that Employer; provided, however, that no amendment or modification shall be effective to decrease a Participant's Account Balance, calculated as though the Participant had experienced a Termination of Employment as of the effective date of the amendment or modification, or, if the amendment or modification occurs after the date upon which the Participant was eligible to Retire, the Participant had Retired as of the effective date of the amendment or modification. In addition, no amendment or modification of the Plan shall affect the right of any Participant or Beneficiary who was eligible to or did Retire or who did have a Termination of Employment on or before the effective date of such amendment or modification to received benefits over the time period he or she elected in accordance with Section 5.2 hereof.
- 11.3 Interest Rate in the Event of a Change in Control and Interest. In connection with a Termination of employment or a Plan termination, amendment or modification under Sections 11.1 and 11.2 above,

occurring within two (2) years following a Change in Control, the interest rate for an installment payment shall in all events be determined in accordance with Section 3.6 hereof.

- 11.4 Effect of Payment. The full payment of the applicable benefit under Articles 4, 5, 6, or 7 of the Plan shall completely discharge all obligations to a Participant under this Plan and the Participant's Plan agreement shall terminate.

ARTICLE 12 Administration

- 12.1 Committee Duties. This Plan shall be administered by a Committee, to be known as the Mueller Deferred Compensation Plan Committee, which shall consist of individuals approved by the Board. The initial members shall include the Chairman of the Board, and the Chief Executive Officer and Chief Financial Officer of the Company. Members of the Committee may be Participants under this Plan. The Committee shall also have the discretion and authority to make, amend, interpret, and enforce all appropriate rules and regulations

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for the administration of this Plan and decide or resolve any and all questions including interpretations of this Plan, as may arise in connection with the Plan. Any committee member must recuse himself or herself on any matter of personal interest to such member that comes before the Committee.

- 12.2 Agents. In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit and may from time to time consult with counsel who may be counsel to any Employer.
- 12.3 Binding Effect of Decisions. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.
- 12.4 Indemnity of Committee. All Employers shall indemnify and hold harmless the members of the Committee against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan to the fullest extent permitted by applicable law.
- 12.5 Employer Information. To enable the Committee to perform its functions, each Employer shall supply full and timely information to the Committee on all matters relating to the compensation of its Participants, the date and circumstances of the Retirement, Disability, Death or Termination of Employment of its Participants, and such other pertinent information as the Committee may reasonably require.

ARTICLE 13 Claims Procedure

- 13.1 Presentation of Claim. Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Committee a written claim for a determination with respect to the amounts distributable to such Claimant, from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within 60 days after such notice was received by the Claimant. All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.
- 13.2 Notification of Decision. The Committee shall consider a Claimant's claim within 60 days of the making of the claim, and shall notify the Claimant in writing:
- (a) That the Claimant's requested determination has been made, and that the claim has been allowed in full; or

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- (b) That the Committee has reached a conclusion contrary, in whole

or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:

- (i) the specific reasons(s) for the denial of the claim, or any part of it;
- (ii) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;
- (iii) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and
- (iv) an explanation of the claim review procedure set forth in Section 13.3. below.

13.3 Review of Denied Claim. Within 60 days after receiving a notice from the Committee that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Committee a written request for a review of the denial of the claim. Thereafter, but not later than 30 days after the review procedure begins, the Claimant (or the Claimant's duly authorized representative):

- (a) may review pertinent documents;
- (b) may submit written comments or other documents; and/or
- (c) may request a hearing, which the Committee, in its sole discretion, may grant.

13.4 Decision on Review. The Committee shall render its decision on review promptly, and not later than 60 days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Committee's decision must be rendered within 120 days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain.

- (a) Specific reasons for the decision;
- (b) Specific reference(s) to the pertinent Plan provisions upon which the decision was based; and
- (c) Such other matters as the Committee deems relevant.

13.5 Legal Action. A Claimant's compliance with the foregoing provisions of the Article 13 is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits under this Plan.

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ARTICLE 14
Trust

14.1 Establishment of Trust. The Company shall establish the Trust. While no Employer guarantees the level of funding, it is the Employers' intention that sufficient assets be transferred to the Trust so that the value of the Trust at all times equals or exceeds the aggregate value of Account Balances.

14.2 Interrelationship of the Plan and the Trust. The provisions of the Plan shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the participant and the creditors of the Employers to the assets transferred to the Trust. The Employers shall at all times remain liable to carry out their obligations under the Plan. The Employers' obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust.

ARTICLE 15
Miscellaneous

15.1 Unsecured General Creditor. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable right, interest or claim in any specific property or assets of an Employer. Any and all of an Employer's assets shall be, and remain, the general unpledged and unrestricted assets of the Employer. An Employer's

obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

- 15.2 Employer's Liability. An Employer's liability for the payment of benefits shall be defined only by the Plan. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan.
- 15.3 Nonassignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage, or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt, the amounts, if any payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgements, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.
- 15.4 Coordination with Other Benefits. The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Participant's Employer. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

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- 15.5 Not a Contract of Employment. The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between any Employer and the Participant. Such employment is hereby acknowledged to be an "at will" employment relationship that can be terminated at any time for any reason, with or without cause, unless expressly provided in a written employment agreement. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of any Employer, either as an employee or a director, or to interfere with the right of any Employer to discipline or discharge the Participant at any time.
- 15.6 Furnishing Information. A Participant or his or her Beneficiary will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be reasonably requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.
- 15.7 Terms. Whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be in all cases where they would so apply. The masculine pronoun shall be deemed to include the feminine and vice versa, unless the context clearly indicates otherwise.
- 15.8 Captions. The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 15.9 Governing Law. Subject to ERISA, the provisions of this Plan shall be construed and interpreted according to the laws of the State of Tennessee.
- 15.10 Notice. Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to:

Director of Human Resources
MUELLER INDUSTRIES, INC.
8285 Tournament Drive, Suite 150
Memphis, TN 38125

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. The committee may from time to time change its address for the purpose of notice or filing required or permitted to be given to the Committee under this Plan by giving written notice to the Participants specifying a new address.

Any such notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the

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- 15.11 Successors. The provisions of this Plan shall bind and inure to the benefit of the Participant's Employer and its successors and assigns and the Participant, the Participant's Beneficiaries, and their permitted successors and assigns.
- 15.12 Spouse's Interest. The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.
- 15.13 Validity. In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted.
- 15.14 Incompetent. If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.
- 15.15 Distribution in the Event of Taxation. If, for any reason, all or any portion of a Participant's benefit under this Plan becomes taxable to the Participant prior to receipt, a participant may petition the Committee for a distribution of assets sufficient to meet the participant's tax liability (including additions to tax, penalties and interest). Upon the grant of such a petition, which grant shall not be unreasonably withheld, a participant's employer shall distribute to the participant immediately available funds in an amount equal to that Participant's federal, state and local tax liability associated with such taxation (which amount shall not exceed the Participant's vested Account Balance), which liability shall be measured by using that Participant's then current highest federal, state and local marginal tax rate, plus the rates or amounts for the applicable additions to tax, penalties and interest. If the petition is granted, the tax liability distribution shall be made within 90 days of the date when the participant's petition is granted. Such a distribution shall reduce the benefits to be paid under this Plan.

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- 15.16 Legal Fees to Enforce Rights After Change in Control. The Company is aware that upon the occurrence of a Change in Control, the Board (which might then be composed of new members) or a shareholder of the Company, or of any successor corporation might then cause or attempt to cause the Company or such successor to refuse to comply with its obligations under the Plan and might cause or attempt to cause the Company to institute, or may institute, litigation seeking to deny Participants the benefits intended under the Plan. In these circumstances, the purpose of the Plan could be frustrated. Accordingly, if, following a Change in Control, it should appear to any Participant that the Company or the Committee has failed to comply with any of its obligations under the Plan or any agreement thereunder or, if the Company or any other person takes any action to declare the Plan void or unenforceable or institutes any litigation or other legal action designed to deny, diminish or to recover from any Participant or Beneficiary the benefits intended to be provided, then the Company irrevocably authorizes such person to retain counsel of his or her choice at the expense of the Company to represent such person in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company, the

Committee, or any director, officer, shareholder or other person affiliated with the Company or any successor thereto in any jurisdiction

IN WITNESS WHEREOF, the Company has signed this amended and restated Plan document as of December 1, 2000.

MUELLER INDUSTRIES, INC.
A Delaware Corporation

By:/S/John P. Fonzo
Its:Vice President

MUELLER INDUSTRIES, INC.
2000 ANNUAL REPORT

Looking Ahead

Mueller Industries, Inc. (NYSE:MLI) is America's leading manufacturer of copper tube and fittings; brass and copper alloy rod, bar, and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; plastic fittings and valves; refrigeration valves and fittings; and fabricated tubular products. Ranked among the top 50 of all North American metals companies, Mueller's operations are located throughout the United States and in Mexico, Canada, France, and the United Kingdom. The Company also owns a short line railroad in Utah.

One commentator recently had this to say about Mueller: "Following a long period of heavy reinvestment, current management has clearly established Mueller as the industry's low-cost producer. Management is capitalizing on its strengths to increase customer service and has become a key supplier to virtually all major distributors."

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MUELLER INDUSTRIES, INC.

Financial Highlights

(Dollars in thousands, except per share data)

<TABLE>

<CAPTION>

	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>
Summary of Operations					
Net sales	\$ 1,206,168	\$ 1,168,744	\$ 929,391	\$ 888,997	\$ 718,312
Product shipments (in millions of pounds)	785.9	815.2	644.6	545.3	447.0
Net income	\$ 92,690	\$ 99,279	\$ 75,445	\$ 69,770	\$ 61,173
Diluted earnings per share	\$ 2.43	\$ 2.51	\$ 1.90	\$ 1.78	\$ 1.57
Significant Year-End Data					
Cash and cash equivalents	\$ 100,268	\$ 149,454	\$ 80,568	\$ 69,978	\$ 96,956
Ratio of current assets to current liabilities	3.4 to 1	2.9 to 1	2.7 to 1	3.1 to 1	3.5 to 1
Long-term debt (including current portion)	\$ 106,884	\$ 149,870	\$ 194,549	\$ 72,093	\$ 59,650
Debt as a percent of total capitalization	14.8%	20.8%	27.9%	14.7%	14.6%

Stockholders' equity	\$ 614,105	\$ 569,430	\$ 502,122	\$ 418,040	\$ 348,082
Book value per share	\$ 18.41	\$ 16.31	\$ 14.02	\$ 11.94	\$ 9.98
Capital expenditures	\$ 63,458	\$ 40,115	\$ 55,440	\$ 36,865	\$ 18,868

</TABLE>

-2-

In The Year 2000:

- * "American Metal Market" magazine ranked Mueller number one among all North American metals companies for return on assets.
- * Mueller posted its ninth consecutive year of increased operating income, and set a new Company record for pretax earnings.
- * The Company reduced its long-term debt by 29 percent from 1999 levels, and restructured its bank credit facility to reduce its borrowing rate on funded debt by 85 basis points.
- * Mueller's debt-to-total capitalization improved more than 25 percent, dropping from 20.8 percent in 1999 to 14.8 percent.

For additional information, see the Ten-Year Review on page 8.

Industry Accolades

The year 2000 was a year of accolades for Mueller Industries, Inc. For the first time in its history, the firm moved into the ranks of the "Fortune" 1000. It was chosen by "Forbes" magazine for its "Platinum 400", a list of, as "Forbes" puts it, "exceptional big corporations that pass a stringent set of hurdles measuring both long and short-term growth and profitability." Mueller was also recognized by "CFO" magazine as one of the top four firms in the metals industry for tax efficiency, and ranked number one in return on assets in the industry trade journal "American Metal Market". In light of all these accomplishments, it was no surprise when, in early 2001, Mueller President and CEO Bill O'Hagan was named "Copper Man of the Year" by the Copper Club, an international industry association.

LETTER TO STOCKHOLDERS, CUSTOMERS, AND EMPLOYEES

Mueller achieved many important goals in the year 2000, which will result in opportunities for growth and profit enhancement in the years ahead.

Net sales totaled \$1.21 billion in 2000, up from \$1.17 billion in 1999. Net income was \$92.7 million in 2000 compared with \$99.3 million in 1999. Net income in 2000 was affected by a significant rise in the tax rate applicable to Mueller's earnings, from 31.9 percent in 1999 to 36.9 percent in 2000. The tax rate increase was due primarily to having recognized the majority of various historical tax benefits in prior years. Income before income taxes increased in 2000 to \$146.9 million compared with \$145.7 million in 1999.

The year 2000 began strongly, and in the first two quarters, Mueller achieved record results in virtually every category: net sales, operating income, net income, and earnings per share. In the second half of the year business slowed, reflecting the reduced momentum in the economy as a whole. An added factor in the latter half of the year was the increase in raw material and energy costs, which affected our margins. Nonetheless, Mueller set a record for operating income and pretax earnings in 2000, and enjoyed a solid and productive year.

U.S. Copper Tube Business Had an Excellent Year

Our major initiative in 2000 was to complete a capital improvement program at our copper tube mill in Wynne, Arkansas. This program, budgeted at \$24 million, had the objective of reducing the mill's conversion costs to a world-class level, by installing state-of-the-art extrusion and finishing equipment. We are pleased to report that the program was completed on time and under budget.

Our new copper refining and casting facility located in Fulton, Mississippi operated very well during the year. This facility gives Mueller the flexibility of using the most economical mix of copper scrap and copper cathode. During the year the price differential between scrap and cathode was a favorable factor in reducing the impact of higher metal costs.

Overall, our U.S. copper tube business had a strong year as demand for tube remained high and margins were satisfactory. Also, Mueller's copper tube line sets business had an outstanding year with record sales and profits.

Fittings Business Had A Solid Year

Our copper and plastic fittings business in 2000 fell shy of the results achieved in 1999. Pounds of product sold and shipped declined slightly and profit margins also declined, more so in plastic than in copper fittings.

Good progress was made in upgrading our distribution systems and integrating our supporting information systems. Also, we made substantial investments to improve our cold-header operations, including the installation of a new copper rod upcaster. In 2001, we expect to make additional investments in the fittings business to further reduce costs and improve efficiencies. We believe our fittings manufacturing operations are currently among the best in the world.

European Modernization Plan to be Completed in 2001

Mueller's European copper tube business operated at a loss in 2000, although the loss decreased from the prior year. Obviously, we are not satisfied with these results and have taken initiatives to improve this situation. In 2000, Mueller launched a \$40 million capital program to significantly reduce conversion costs at our Bilston, England copper tube facility. The program includes increasing casting capacity, and installing a new extrusion press (similar to the presses used in our U.S. tube operations) and drawing equipment. We expect to complete this project by the end of 2001. The benefits from this program should commence soon

thereafter. We are confident that the European copper tube market will be a rewarding venue for Mueller when our conversion costs are reduced to planned levels.

Highlights of Industrial Products

Industrial products operating earnings increased about 2 percent in 2000 compared with 1999. Sales increased 4.2 percent due to the acquisition of two small companies.

In our principal industrial products business, brass rod, competitive pressures increased as the year progressed. This adversely affected margins. Much the same can be said of our other businesses in the industrial sector. Nonetheless, the Industrial Products Division achieved the best earnings result in its history.

During the year, we made substantial progress in the installation of a new horizontal continuous caster in our Port Huron, Michigan brass rod plant. Additional improvements will be made to drawing equipment and similar processes in 2001. In addition, a new automated lube system was added to our aluminum impacts plant in Marysville, Michigan. These investments continue to drive down our manufacturing costs.

Other Developments

B&K, our subsidiary that imports and distributes residential and commercial plumbing products, had a challenging year in 2000. Customer service was affected by the introduction of a new information system, and profit margins generally declined from the levels of a year ago. We believe these factors are now behind us and look forward to B&K making progress in 2001.

Utah Railway's operating income increased by 10 percent in 2000, but the closure of a large customer's coal mine late in the year reduced fourth quarter earnings. We are endeavoring to secure replacement business.

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Stock Repurchase Program

Since Mueller's stock repurchase program commenced in October 1999, the company has acquired 2.3 million shares at an average price of \$26.98 per share. The Board of Directors has authorized the repurchase of a total of 10 million shares, subject to management's discretion. There is no assurance that additional shares will be repurchased since such decisions are based on competing alternate uses of available funds.

Mueller's Financial Position is Strong

We have always placed a high priority on maintaining a strong balance sheet. A strong balance sheet is our best defense and it is our best offense.

We ended 2000 with \$100.3 million in cash and a low 14.8 percent debt-to-total capitalization ratio. Our current ratio is an excellent 3.4 to 1. Cash flow continues to be strong and we are capable of funding our capital improvement programs and our share buy-back program from internal sources.

Moreover, toward year-end Mueller restructured and increased its bank credit facility to \$200 million. By doing so, we reduced our borrowing rate on funded debt by 85 basis points. The terms of this credit facility are comparable to a single A credit rating which reflects the underlying strength of our financial position.

Business Outlook for 2001

The economic indicators for the housing and construction market are more difficult to assess today than at any time in the past 10 years.

The single most important indicator, interest rates, has recently declined and it is likely that the Federal Reserve Bank will continue to ease interest rates. Thirty-year mortgage rates have also declined from a high of 8.7 percent in May 2000, to less than 7.0 percent recently. This should provide a strong stimulus to the housing market as it makes purchasing a home more affordable. In addition, the supply of unsold new homes is at a near record low.

On the other hand, the growth rate of the U.S. economy has clearly slowed and there is ample evidence of cutbacks in manufacturing and retail activity. Consumer confidence has declined. And imports have been attracted by the strength of the U.S. dollar.

That being said, we are cautiously optimistic about 2001. Even an economic slowdown has its benefits in terms of added opportunities to find fairly priced acquisitions and to fine tune our operations. We believe that Mueller will emerge from any economic slowdown stronger than ever before.

In Closing, A Word of Thanks

Mr. Gary S. Gladstein, a CPA with broad experience in financial markets, was appointed a director in June 2000. Mr. Gladstein has also been appointed Chairman of Mueller's Audit Committee. He previously served as a director from 1990 to 1994.

Sincerely,

/S/WILLIAM D. O'HAGAN
William D. O'Hagan
President and Chief Executive Officer

[PHOTO]

Harvey L. Karp, Chairman of the Board, and William D. O'Hagan,
President and Chief Executive Officer

MUELLER INDUSTRIES, INC.
Ten-Year Review
Selected Financial Data
(Dollars in thousands, except per share data)
<TABLE>
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	5-YEAR COMPOUND GROWTH	2000	1999	1998	1997	
1996						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA						

Net sales		\$ 1,206,168	\$ 1,168,744	\$ 929,391	\$ 888,997	\$
718,312						
Cost of goods sold		925,311	886,531	720,293	704,801	
554,570						
-----		-----	-----	-----	-----	-
Gross profit	16.8%	280,857	282,213	209,098	184,196	
163,742						
Depreciation and amortization		37,457	36,986	24,899	20,998	
18,472						
Selling, general, and administrative expense		94,754	97,301	75,390	63,489	
54,808						
-----		-----	-----	-----	-----	-
Operating income	18.4%	148,646	147,926	108,809	99,709	
90,462						
Interest expense		(9,287)	(11,681)	(5,839)	(4,968)	
(5,346)						
Environmental reserves		(2,049)	-	(2,133)	(3,100)	
(2,045)						
Other income, net		9,603	9,464	8,503	9,180	
5,341						
-----		-----	-----	-----	-----	-
Income before income taxes	17.9%	146,913	145,709	109,340	100,821	
88,412						
Income tax expense		(54,223)	(46,430)	(33,895)	(31,051)	
(27,239)						
-----		-----	-----	-----	-----	-
Net income	15.7%	\$ 92,690	\$ 99,279	\$ 75,445	\$ 69,770	\$
61,173						
=====		=====	=====	=====	=====	
Adjusted weighted average shares (000)		38,096	39,605	39,644	39,250	
38,993						
Diluted earnings per share		\$ 2.43	\$ 2.51	\$ 1.90	\$ 1.78	\$
1.57						
=====		=====	=====	=====	=====	
BALANCE SHEET DATA						
Cash and cash equivalents		\$ 100,268	\$ 149,454	\$ 80,568	\$ 69,978	\$
96,956						
Current assets		405,171	440,746	382,324	309,051	
274,712						
Working capital		287,322	287,685	239,750	208,494	
195,756						
Total assets		910,276	904,080	874,694	610,776	
509,357						
Current liabilities		117,849	153,061	142,574	100,557	
78,956						
Debt		106,884	149,870	194,549	72,093	
59,650						
Stockholders' equity		614,105	569,430	502,122	418,040	
348,082						
SELECTED OPERATING DATA						
Cash provided by operations	16.6%	\$ 118,474	\$ 164,755	\$ 102,681	\$ 52,930	\$
78,700						
Capital expenditures		\$ 63,458	\$ 40,115	\$ 55,440	\$ 36,865	\$
18,868						
Number of employees		4,291	4,356	4,788	3,378	
2,339						
Current ratio		3.4 to 1	2.9 to 1	2.7 to 1	3.1 to 1	3.5
to 1						
Return on average equity		15.7%	18.5%	16.4%	18.2%	
19.3%						
Debt to total capitalization		14.8%	20.8%	27.9%	14.7%	
14.6%						
Outstanding shares (000)		33,358	34,919	35,808	35,017	
34,870						
Book value per share		\$ 18.41	\$ 16.31	\$ 14.02	\$ 11.94	\$
9.98						
=====		=====	=====	=====	=====	

</TABLE>

MUELLER INDUSTRIES, INC.
Ten-Year Review (continued)
Selected Financial Data
(Dollars in thousands, except per share data)

<TABLE>

<CAPTION>

	1995	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA					
Net sales	\$ 678,838	\$ 550,003	\$ 501,885	\$ 517,339	\$ 441,431
Cost of goods sold	549,884	448,467	403,775	429,707	388,863
	-----	-----	-----	-----	-----
Gross profit	128,954	101,536	98,110	87,632	52,568
Depreciation and amortization	15,452	12,689	14,160	12,505	13,294
Selling, general, and administrative expense	49,491	44,895	45,923	45,809	40,912
	-----	-----	-----	-----	-----
Operating income	64,011	43,952	38,027	29,318	(1,638)
Interest expense	(4,168)	(6,718)	(5,759)	(5,694)	(6,114)
Environmental reserves	(1,421)	(2,914)	(1,060)	-	(2,700)
Other income, net	6,127	6,504	2,235	675	(39,283)
	-----	-----	-----	-----	-----
Income before income taxes	64,549	40,824	33,443	24,299	(49,735)
Income tax expense	(19,726)	(12,898)	(12,307)	(7,633)	5,994
	-----	-----	-----	-----	-----
Net income	\$ 44,823	\$ 27,926	\$ 21,136	\$ 16,666	\$ (43,741)
	=====	=====	=====	=====	=====
Adjusted weighted average shares (000)	38,298	39,560	41,772	40,220	38,984
Diluted earnings per share	\$ 1.17	\$ 0.71	\$ 0.51	\$ 0.41	\$ (1.12)
	=====	=====	=====	=====	=====

BALANCE SHEET DATA

Cash and cash equivalents	\$ 48,357	\$ 34,492	\$ 77,336	\$ 44,459	\$ 7,541
Current assets	211,038	183,551	194,411	182,381	152,108
Working capital	143,154	116,330	146,981	120,855	62,625
Total assets	450,835	430,755	369,743	372,547	334,786
Current liabilities	67,884	67,221	47,430	61,526	89,483
Debt	75,902	94,736	62,711	69,477	67,410
Stockholders' equity	285,875	241,948	222,114	204,421	152,609

SELECTED OPERATING DATA

Cash provided by operations	\$ 54,968	\$ 21,963	\$ 50,987	\$ 38,714	\$ 5,618
Capital expenditures	\$ 40,980	\$ 48,152	\$ 11,083	\$ 10,952	\$ 11,825
Number of employees	2,274	2,256	2,010	2,055	2,452
Current ratio	3.1 to 1	2.7 to 1	4.1 to 1	3.0 to 1	1.7 to 1
Return on average equity	17.0%	12.0%	9.9%	9.3%	N/A
Debt to total capitalization	21.0%	28.1%	22.0%	25.4%	30.6%
Outstanding shares (000)	34,699	34,796	38,333	40,000	40,000
Book value per share	\$ 8.24	\$ 6.95	\$ 5.79	\$ 05.11	\$ 3.82
	=====	=====	=====	=====	=====

</TABLE>

[GRAPH]

Net Sales

<TABLE>

(\$ millions)

<CAPTION>

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
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Net Sales	\$441	\$517	\$502	\$550	\$679	\$718	\$889	\$929	\$1,169	\$1,206

</TABLE>

[GRAPH]

Net Income

<TABLE>

(\$ millions)

<CAPTION>

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net Income	\$ (44)	\$17	\$21	\$28	\$45	\$61	\$70	\$75	\$99	\$93

</TABLE>

[GRAPH]

Total Assets

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(\$ millions)										
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<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Total Assets	\$335	\$373	\$370	\$431	\$451	\$509	\$611	\$875	\$904	\$910
</TABLE>										

[GRAPH]										
Stockholders' Equity										
<TABLE>										
(\$ millions)										
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	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Stockholders' Equity	\$153	\$204	\$222	\$242	\$286	\$348	\$418	\$502	\$569	\$614
</TABLE>										

[GRAPH]										
Debt-to-Total Capitalization										
<TABLE>										
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	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Debt-to-Total Capitalization	30.6%	25.4%	22.0%	28.1%	21.0%	14.6%	14.7%	27.9%	20.8%	14.8%
</TABLE>										

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STANDARD PRODUCTS DIVISION

Appropriate for a year that began a new decade, a new century, and a new millennium, the year 2000 was one that pointed toward the future at Mueller Industries. And nowhere in the Company was that focus more evident than in Mueller's Standard Products Division. Net sales for the division advanced nearly 3 percent over 1999, and 41 percent ahead of net sales two years ago. Sharply higher raw materials costs in the second half of the year, including increased copper and plastic resin costs, coupled with higher energy costs, put pressure on operating margins. However, the division's operating income dipped less than 1 percent compared to the record year it posted in 1999, and still reflected a 55 percent increase over operating income two years before.

Copper Tube Mill Modernized

More importantly, during the year the Company made significant capital investments in certain operations of the Standard Products Division, assuring its ability to remain competitive and continue to grow its share of the copper tube, copper fittings, and plastic fittings markets both in the United States and abroad. At Mueller's Wynne, Arkansas copper tube mill, some \$22 million was invested in 2000 to update the extrusion, drawing, and finishing equipment employed at the mill. This project, finished on time and under budget last year, was designed to improve productivity and reduce staffing costs, as well as improve the mill's conversion costs and yield. Already the mill has reduced staff by 20 percent, and is achieving production which formerly took six to seven days in only five days. Additional benefits are expected from the Wynne mill as it completes the transition to the new equipment and processes.

Moving Forward in Europe

In Europe, where Mueller is seeking to replicate its domestic success in plant modernization and cost reduction, the Company launched its most ambitious capital program yet. Some \$40 million is being invested in Mueller's copper tube mill in Bilston, England. The Bilston project includes the installation of new casting, extrusion, and drawing equipment, and poses the challenge of operating the existing production lines while installing the new equipment. Former Mueller director, now Vice President and General Manager of European Operations, Bob Pasquarelli is directing that effort, and focusing his team on building a state-of-the-art manufacturing infrastructure from which Mueller can better penetrate the European markets.

INDUSTRIAL PRODUCTS DIVISION

There's an ancient proverb that says a journey of a thousand miles must begin with a single step. Mueller's Industrial Products Division launched its voyage into the new century with small advances in net sales and earnings. Net sales increased 4 percent over 1999, and operating income was up 2 percent over the previous year. However, the division simultaneously initiated a number of significant steps during the year, each designed to enhance its agility in moving forward in the future.

Acquisitions Expand Product Line

In the first half of the year, Mueller made two acquisitions to add depth and breadth to the Industrial Products Division. Micro Gauge, Inc. and its related business, Microgauge Machining, Inc., with sales in the \$13-14 million range, were acquired for just over \$9 million. Micro Gauge specializes in the manufacture of high volume automotive parts, and complements Mueller's impact extrusion line. By acquiring Micro Gauge, Mueller brought in-house the specialty machining capabilities that it had previously outsourced to Micro Gauge.

The second acquisition was Propipe Technologies, Inc., a fabricator of gas train manifold systems, which was purchased for approximately \$6 million. With 1999 sales in the \$7-8 million range, Propipe's products augment and extend Mueller's Lincoln Brass product line, and are used by such well-known customers as Frigidaire, Trane, and Lennox. Both the Micro Gauge and Propipe acquisitions were fully assimilated in the 2000 fiscal year.

Capital Investments Enhance Productivity

Capital investments in the Industrial Products Division last year were not limited to acquisitions. A major move forward began at the Port Huron, Michigan brass rod mill, where Mueller initiated the installation of a new horizontal continuous caster. This \$10 million investment replaces higher cost technology and is expected to increase casting capacity, improve yield, and reduce conversion costs.

Also, an automated lube line was added at the division's Marysville, Michigan plant at a cost of approximately \$2 million. This addition, which lubricates parts before they are formed, has significantly improved production in Mueller's impact extrusion operation, producing, in one shift, output comparable to that of three shifts prior to installation.

So, in its relentless quest to drive down manufacturing costs, and maximize its service to its customers by extending its product lines, upgrading distribution systems and rationalizing production, Mueller made meaningful strides in 2000. The century may have only begun, but Mueller is looking far ahead, to an even more productive future.

COMPANY OVERVIEW

Standard Products Division

U.S. Copper Tube

PLANTS:

- Fulton, Mississippi
- Wynne, Arkansas
- Clinton, Tennessee

PRODUCTS AND APPLICATIONS

- Water tube, in straight lengths and coils for plumbing and construction
- Dehydrated coils and nitrogen-charged straight lengths for refrigeration and air-conditioning
- Industrial tube, in straight lengths and level-wound coils, for fittings, redraw, etc.
- Line sets for controlling the flow of refrigerant gases

CUSTOMERS

- Plumbing wholesalers, home centers, and hardware wholesalers

- and co-ops
- Air-conditioning and refrigeration wholesalers and OEMs
- Mueller's copper fitting plants and OEMs
- Wholesalers and OEMs
- Copper Fittings
 - PLANTS
 - Fulton, Mississippi
 - Covington, Tennessee
 - Port Huron, Michigan
 - Strathroy, Ontario, Canada
 - PRODUCTS AND APPLICATIONS
 - Over 1,500 wrot copper elbows, tees and adapters, and assorted cast copper fittings for plumbing, heating, air-conditioning, and refrigeration
 - CUSTOMERS
 - Plumbing and air-conditioning wholesalers, home centers, hardware wholesalers and co-ops, and OEMs
- Plastic Fittings
 - PLANTS
 - Kalamazoo, Michigan
 - Cerritos, California
 - Upper Sandusky, Ohio
 - PRODUCTS AND APPLICATIONS
 - A broad line of over 1,000 PVC and ABS plastic fittings and valves for drainage, waste and ventilation, in housing and commercial construction, recreational vehicles, and manufactured housing
 - CUSTOMERS
 - Plumbing wholesalers, home centers, hardware wholesalers and co-ops, and distributors to the manufactured housing and recreational vehicle industry
- European Copper Tube
 - PLANTS
 - Bilston, Great Britain
 - Longueville, France
 - PRODUCTS AND APPLICATIONS
 - Copper tube in various lengths, diameters and hardnesses for plumbing, refrigeration, and heating
 - Industrial tube for redraw, copper fittings, etc.

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- CUSTOMERS
 - Builders' merchants, plumbing, refrigeration, and heating wholesalers
 - OEMs
- Industrial Products Division
 - Brass Rod
 - PLANTS
 - Port Huron, Michigan
 - PRODUCTS AND APPLICATIONS
 - A broad range of rounds, squares, hexagons, and special shapes in free machining, thread rolling, and forging alloys for numerous end products, including plumbing brass, valves and fittings, and industrial machinery and equipment
 - CUSTOMERS
 - OEMs, contract machining companies and distributors
 - Engineered Products
 - PLANTS
 - Port Huron, Michigan
 - Marysville, Michigan
 - Brighton, Michigan
 - Hartsville, Tennessee
 - Jacksboro, Tennessee
 - Waynesboro, Tennessee
 - Middletown, Ohio
 - North Wales, Pennsylvania
 - Salisbury, Maryland
 - PRODUCTS AND APPLICATIONS
 - Brass and aluminum hot metal forgings in assorted alloys for plumbing brass, valves and fittings, and industrial machinery and equipment
 - Cold-formed aluminum and copper products for automotive, industrial, and recreational components
 - High volume machining of aluminum, steel, brass and cast iron, forgings, impacts, and castings for automotive applications
 - Valves and custom OEM products for refrigeration and air-conditioning applications
 - Custom valve and other metal assemblies for the gas appliance and barbecue grill markets
 - Shaped and formed tube, produced to tight tolerances, for baseboard heating, appliances, medical instruments, etc.;
 - coaxial cables
 - CUSTOMERS
 - OEMs
- Other Businesses
 - Utah Railway Company, established in 1912, hauls coal to connections

with national carriers, power plants and to other destinations. Utah Railway Company also provides train switching services in Utah's central corridor.

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FINANCIAL REVIEW

Overview

Mueller Industries, Inc. is a leading manufacturer of copper tube and fittings; brass and copper alloy rod, bar and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; plastic fittings and valves; refrigeration valves and fittings; and fabricated tubular products. Mueller's plants are located throughout the United States and in Canada, France, and Great Britain. The Company also owns a short line railroad in Utah.

The Company's businesses are managed and organized into three segments: (i) Standard Products Division (SPD); (ii) Industrial Products Division (IPD); and (iii) Other Businesses. SPD manufactures and sells copper tube, and copper and plastic fittings and valves. Outside of the United States, SPD manufactures copper tube in Europe and copper fittings in Canada. SPD sells these products to wholesalers in the HVAC (heating, ventilation, and air-conditioning), plumbing and refrigeration markets, and to distributors to the manufactured housing and recreational vehicle industries. IPD manufactures and sells brass and copper alloy rod, bar, and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; refrigeration valves and fittings; fabricated tubular products; and gas valves and assemblies. IPD sells its products primarily to original equipment manufacturers (OEMs), many of which are in the HVAC, plumbing and refrigeration markets. Other Businesses is composed primarily of Utah Railway Company. SPD and IPD account for more than 98 percent of consolidated net sales and more than 86 percent of consolidated total assets.

New housing starts and commercial construction are important determinants of the Company's sales to the HVAC, refrigeration, and plumbing markets because the principal end use of a significant portion of the Company's products is in the construction of single and multi-family housing and commercial buildings.

Profitability of certain of the Company's product lines depends upon the "spreads" between the cost of raw material and the selling prices of its completed products. The open market prices for copper cathode and scrap, for example, influence the selling price of copper tubing, a principal product manufactured by the Company. The Company attempts to minimize the effects of fluctuations in material costs by passing through these costs to its customers. Spreads fluctuate based upon competitive market conditions.

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Results of Operations

2000 PERFORMANCE COMPARED WITH 1999

Consolidated net sales in 2000 were \$1,206.2 million or 3.2 percent higher than \$1,168.7 million in 1999. Pounds of product sold totaled 785.9 million in 2000 or 3.6 percent less than the 815.2 million pounds sold in 1999. The decrease in pounds sold was a result of production interruptions in the first quarter and the slower economic environment in the second half of the year. Net selling prices generally fluctuate with changes in raw material prices; therefore, pounds sold is an additional measurement of the

Company's performance. The COMEX average copper price in 2000 was approximately 16.4 percent higher than the 1999 average. This change impacts the Company's net sales and cost of goods sold.

Cost of goods sold increased \$38.8 million to \$925.3 million in 2000. This increase is primarily attributable to higher raw material costs, mostly copper. Gross profit was 23.3 percent of net sales in 2000 compared with 24.1 percent in 1999. The decline in gross profit is attributable to lower volumes and increases in raw material and energy costs in the second half of 2000.

Depreciation and amortization increased to \$37.5 million in 2000 compared with \$37.0 million in 1999. This increase was due to acquisitions in 2000 and capital expenditures in recent years.

Selling, general, and administrative expense decreased to \$94.8 million in 2000 reflecting lower volume.

Interest expense decreased to \$9.3 million in 2000 from \$11.7 million in 1999. The Company capitalized interest of \$1.2 million for major capital improvement projects in 2000 compared with \$0.4 million in 1999. The provision for environmental reserves totaled \$2.0 million in 2000 whereas none was required in 1999. Other income increased to \$9.6 million in 2000 from \$9.5 million in 1999.

The Company provided \$54.2 million for income taxes in 2000, of which \$8.9 million was deferred. Current income tax expense of \$45.3 million increased from 1999 primarily due to the 1999 realization of an ordinary loss as a consequence of the sale of natural resource property. The 36.9 percent effective tax rate for 2000, compared with the 1999 rate of 31.9 percent, reflects the Company having recognized the majority of historical tax benefits in prior years.

The Company's employment was 4,291 at the end of 2000 compared with 4,356 at the 1999 year-end.

Standard Products Division

Net sales by SPD were \$882.4 million in 2000 compared with \$858.5 million in 1999 for a 2.8 percent increase. Operating income was \$128.5 million in 2000 compared with \$129.1 million in 1999. Higher raw material and energy costs were factors in reducing margins and operating income. During 2000, operating income was reduced by a \$2.1 million charge for expected severance and termination costs associated with our European modernization program.

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Industrial Products Division

IPD's net sales were \$302.5 million in 2000 compared with \$290.3 million in 1999. During 2000, the Company completed two acquisitions: (i) Micro Gauge, Inc. and a related business, Microgauge Machining, Inc., a specialized machining operation and (ii) Propipe Technologies, Inc., a fabricator of gas train manifold systems. Operating income was \$30.6 million in 2000 compared with \$29.9 million in 1999. Increased volume and lower manufacturing costs accounted for the profit improvement.

Other Businesses

Utah Railway Company hauled 6.0 million tons of coal in 2000, 12.6 percent more than in 1999. During 2000, a fire occurred at one of the coal mines served by Utah Railway; future shipments will likely be impacted. Segment revenue totaled \$24.7 million in 2000 compared with \$22.3 million in 1999. Operating income was \$3.4 million in 2000 compared with \$3.3 million in 1999.

1999 PERFORMANCE COMPARED WITH 1998

Consolidated net sales in 1999 were \$1,168.7 million or 25.7 percent higher than \$929.4 million in 1998. Pounds of product sold totaled 815.2 million in 1999 or 26.5 percent more than the 644.6 million pounds sold in 1998. These increases were due primarily to acquisitions which occurred during 1998. The COMEX average copper price in 1999 was approximately 4 percent lower than the 1998 average.

During 1998, the Company completed three acquisitions: (i) Halstead Industries, Inc. (Halstead), which operates a copper tube mill in Wynne, Arkansas and a line sets factory in Clinton, Tennessee; (ii) B&K Industries, Inc. (B&K), based in Elk Grove Village, Illinois, a significant importer and distributor of residential and commercial plumbing products in the United States that sells through all major distribution channels including hardware co-ops, home centers, plumbing wholesalers, hardware

wholesalers, OEMs, and manufactured housing wholesalers; and (iii) Lincoln Brass Works, Inc., which produces custom valve assemblies, custom metal assemblies, gas delivery systems, and tubular products, primarily for the gas appliance market, at two manufacturing facilities in Tennessee.

Businesses acquired in 1998 accounted for approximately \$341.8 million of the Company's 1999 net sales and those acquired in 1997 added approximately \$148.8 million. The Halstead acquisition was completed in the fourth quarter of 1998 and the other two acquisitions were completed in the third quarter of 1998. Core product lines that existed prior to the 1998 acquisitions accounted for the balance of the Company's 1999 growth.

Cost of goods sold increased \$166.2 million, to \$886.5 million in 1999. This increase was primarily attributable to acquisitions and higher sales of core products. Gross profit was 24.1 percent of net sales in 1999 compared with 22.5 percent in 1998 and cost of sales improved accordingly. This improvement resulted from lower manufacturing costs, continued higher yields from production, reduced metal costs, and improved spreads in certain products, particularly copper tube.

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Depreciation and amortization increased to \$37.0 million in 1999 compared with \$24.9 million in 1998. This increase was due to 1998 acquisitions and capital expenditures in recent years, which totaled \$40.1 million in 1999 and \$55.4 million in 1998.

Selling, general, and administrative expense increased to \$97.3 million in 1999. When measured on a basis of cost per pound of product sold, these expenses averaged 11.9 cents a pound in 1999 and 11.7 cents a pound in 1998. Approximately 66 percent of the \$21.9 million increase was attributable to businesses acquired in 1998.

Interest expense increased to \$11.7 million in 1999 from \$5.8 million in 1998. The 1999 increase resulted primarily from funds borrowed in the fourth quarter of 1998 to purchase Halstead and from certain debt assumed by the Company in the acquisition of B&K. The Company capitalized interest of \$0.4 million for major capital improvement projects in 1999 compared with \$0.8 million in 1998. The provision for environmental reserves totaled \$2.1 million in 1998 whereas none was required in 1999. Other income increased to \$9.5 million in 1999 from \$8.5 million in 1998.

The Company provided \$46.4 million for income taxes in 1999, of which \$31.3 million was deferred. Current income tax expense of \$15.1 million decreased from 1998 primarily due to realization of an ordinary loss of approximately \$70 million as a consequence of the sale of Alaska Gold Company, offset by increased taxable income. The 31.9 percent effective tax rate for 1999, which is comparable to the 1998 rate of 31.0 percent, reflects the recognition of certain tax attributes discussed in Note 6 and certain favorable state tax credits, including IRB financings.

The Company's employment was 4,356 at the end of 1999 compared with 4,788 at the 1998 year-end.

Standard Products Division

Net sales by SPD were \$858.5 million in 1999 compared with \$624.4 million in 1998 for a 37 percent increase. Operating income was \$129.1 million in 1999 compared with \$83.0 million in 1998. The profit improvement resulted from increased volume, lower manufacturing costs, and improved spreads in certain products, particularly copper tube.

Industrial Products Division

IPD's net sales were \$290.3 million in 1999 compared with \$274.6 million in 1998. Due to the lower cost of raw materials, the average selling price for finished product was approximately 7 percent lower in 1999 compared with 1998 levels. Operating income was \$29.9 million in 1999 compared with \$28.3 million in 1998. Increased volume and lower manufacturing costs accounted for the profit improvement.

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Other Businesses

Utah Railway Company hauled 5.3 million tons of coal in 1999, slightly less than in 1998. Revenue totaled \$22.1 million in 1999 compared with

\$23.5 million in 1998. This decrease was due to production interruptions caused by a fire at one of the coal mines served by Utah Railway Company. Alaska Gold Company's net sales were \$0.2 million in 1999 compared with \$8.2 million in 1998. On April 26, 1999, the Company sold 100 percent of its interest in Alaska Gold Company.

Liquidity and Capital Resources

The Company's cash and cash equivalents balance decreased to \$100.3 million at year-end. Major components of the 2000 change included \$118.5 million of cash provided by operating activities, \$78.0 million of cash used in investing activities and \$88.7 million of cash used in financing activities.

Net income of \$92.7 million in 2000 was the primary component of cash provided by operating activities. Depreciation and amortization of \$37.5 million and deferred income taxes of \$8.9 million were the primary non-cash adjustments. Major changes in working capital included a \$15.9 million decrease in receivables, a \$22.8 million increase in inventories, and a \$11.6 million decrease in current and other liabilities.

The major components of net cash used in investing activities during 2000 included \$63.5 million for capital expenditures and \$15.2 million for business acquisitions. Capital expenditures were primarily related to improvements in manufacturing processes.

Net cash used in financing activities totaled \$88.7 million. During 2000, the Company paid \$133.0 million for debt repayments offset by \$90.0 million of proceeds from the issuance of long-term debt. The Company repurchased 1.9 million shares of its common stock at a cost of \$48.4 million.

In November 2000, the Company entered into a \$200 million unsecured line-of-credit (Credit Facility) which expires in November 2003. At year-end, the Company had borrowings of \$90.0 million against the Credit Facility, the proceeds of which were used to repay a term note. These transactions lowered the Company's borrowing rate by 85 basis points effective in early 2001. Additionally, approximately \$6.1 million in letters of credit are backed by the Credit Facility at the end of 2000. At December 30, 2000, the Company's total debt was \$106.9 million or 14.8 percent of its total capitalization.

Covenants contained in the Company's financing obligations require, among other things, the maintenance of minimum levels of working capital, tangible net worth, and debt service coverage ratios. The Company is in compliance with all of its debt covenants.

The Company is investing \$10.0 million at its Port Huron, Michigan brass rod mill, the majority of which was funded at year-end. This investment, which is expected to be completed during 2001, will increase our casting capacity, improve yield, and reduce conversion costs.

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The Company also is investing approximately \$40.0 million for the modernization of its European factories. This investment will upgrade the casting, extrusion and drawing processes at these operations. The project is expected to be completed near the end of 2001.

Management believes that cash provided by operations and currently available cash of \$100.3 million will be adequate to meet the Company's normal future capital expenditure and operational needs. The Company's current ratio is 3.4 to 1 at December 30, 2000.

On October 18, 1999, the Company's Board of Directors authorized the repurchase of up to four million shares of the Company's common stock from time-to-time over the next year through open market transactions or through privately negotiated transactions. During 2000, this authorization was expanded and extended to repurchase up to a total of ten million shares through October 2001. The Company will have no obligation to purchase any shares and may cancel, suspend, or extend the time period for the purchase of shares at any time. The purchases will be funded primarily through existing cash and cash from operations. The Company may hold such shares in treasury or use a portion of the repurchased shares for employee benefit plans, as well as for other corporate purposes. Through December 30, 2000, the Company has repurchased approximately 2.3 million shares under this authorization.

Environmental Matters

The Company ended 2000 with total environmental reserves of approximately \$9.9 million. Based upon information currently available, management believes that the outcome of pending environmental matters will

not materially affect the overall financial position and results of operations of the Company.

Market Risk

The Company is exposed to market risk from changes in foreign exchange, interest rates, raw material costs, and energy costs. To reduce such risks, the Company may periodically use financial instruments. All hedging transactions are authorized and executed pursuant to policies and procedures. Further, the Company does not buy or sell financial instruments for trading purposes. A discussion of the Company's accounting policies for management of market risk is included in the Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements.

Interest Rates

At December 30, 2000 and December 25, 1999, the fair value of the Company's debt was estimated at \$107.1 million and \$150.3 million, respectively, using yields obtained for similar types of borrowing arrangements and taking into consideration the underlying terms of the debt. Such fair value exceeded the carrying value of debt at December 30, 2000 by \$0.3 million and at December 25, 1999 by \$0.4 million. Market risk is estimated as the potential change in fair value resulting from a hypothetical 10 percent decrease in interest rates and amounted to \$0.2 million at December 30, 2000 and \$0.4 million at December 25, 1999.

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The Company had \$90.5 million of variable-rate debt outstanding at December 30, 2000 and \$119.0 million at December 25, 1999. At these borrowing levels, a hypothetical 10 percent increase in interest rates would have had an unfavorable impact on the Company's pretax earnings and cash flows of \$0.6 million in 2000 and \$0.8 million in 1999. The primary interest rate exposure on floating-rate debt is based on LIBOR.

Foreign Currency Exchange Rates

Foreign currency exposures arising from transactions include firm commitments and anticipated transactions denominated in a currency other than an entity's functional currency. The Company and its subsidiaries generally enter into transactions denominated in their respective functional currencies. Foreign currency exposures arising from transactions denominated in currencies other than the functional currency are not material; however, the Company may utilize certain forward fixed-rate contracts to hedge such transactional exposures. At year-end, the Company held open forward contracts to deliver the equivalent of approximately \$1.6 million in other currencies. Gains and losses with respect to these positions are reflected in earnings upon completion of the transaction.

The Company's primary foreign currency exposure arises from foreign-denominated revenues and profits and their translation into U.S. dollars. The primary currencies to which the Company is exposed include the Canadian dollar, the British pound sterling, the French franc, and the Mexican peso. The Company generally views as long-term its investments in foreign subsidiaries with a functional currency other than the U.S. dollar. As a result, the Company generally does not hedge these net investments. The net investment, excluding U.S. dollar denominated loans and advances, in foreign subsidiaries translated into U.S. dollars using the year-end exchange rates was \$6.1 million at December 30, 2000 and \$16.5 million at December 25, 1999. The potential loss in value of the Company's net investment in foreign subsidiaries resulting from a hypothetical 10 percent adverse change in quoted foreign currency exchange rates at December 30, 2000 and December 25, 1999 amounted to \$4.5 million and \$3.5 million, respectively. This change would be reflected in the equity section of the Company's Consolidated Balance Sheet.

Cost of Raw Materials and Energy

Copper and brass represent the largest components of the Company's variable cost of production. The cost of these materials is subject to global market fluctuations caused by factors beyond the Company's control. Significant increases in the cost of metal, to the extent not reflected in prices for the Company's finished products, could materially and adversely affect the Company's business, results of operations and financial condition.

The Company occasionally enters into forward fixed-price arrangements with certain customers. The Company may utilize futures or option contracts to hedge risks associated with forward fixed-price arrangements. The Company may also utilize futures or option contracts to manage price risk associated with inventory. The total amount of such contracts was approximately 0.5 million pounds at December 30, 2000 and includes varying maturity dates in 2001. Gains or losses with respect to these positions are reflected in earnings upon the sale of inventory. Periodic value fluctuations of the contracts generally offset the value fluctuations of the underlying fixed-price transactions or inventory.

Futures contracts may also be used to manage price risk associated with natural gas purchases. Gains and losses with respect to these positions are reflected in earnings upon consumption of natural gas. Periodic value fluctuations of the contracts generally offset the value fluctuations of the underlying natural gas prices. At year-end, the Company held open hedge forward contracts to purchase approximately \$2.8 million of natural gas over the next 18 months.

Recently Issued Accounting Standards

During 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). This statement requires companies to record derivative instruments on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the value of a derivative would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. In June 1999, the FASB issued Statement No. 137, which delayed the effective date of SFAS No. 133 to the Company's fiscal year 2001. Additionally, in June 2000, the FASB issued Statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" (SFAS No. 138), which amends SFAS No. 133 and must be adopted concurrently with the Company's adoption of SFAS No. 133. The adoption of SFAS No. 133 and SFAS No. 138 will not have a significant effect on earnings or the financial position of the Company.

Cautionary Statement Regarding Forward-Looking Information

This Annual Report contains various forward-looking statements and includes assumptions concerning the Company's operations, future results and prospects. These forward-looking statements are based on current expectations and are subject to risk and uncertainties. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Mueller provides the following cautionary statement identifying important economic, political, and technological factors, among others, the absence of which could cause actual results or events to differ materially from those set forth in or implied by the forward-looking statements and related assumptions.

Such factors include: (i) the current and projected future business environment, including interest rates and capital and consumer spending; (ii) a strong domestic housing industry environment; (iii) fluctuations in commodity prices (including prices of copper and other raw materials); (iv) competitive factors and competitor responses to Mueller initiatives; (v) successful implementation and completion of major capital projects; (vi) stability of government laws and regulations, including taxes; and (vii) continuation of the environment to make acquisitions, domestic and foreign, including regulatory requirements and market values of candidates.

Mueller Industries, Inc.
Consolidated Statements of Income
Years Ended December 30, 2000, December 25, 1999, and December 26, 1998

<TABLE>

(In thousands, except per share data)

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Net sales	\$ 1,206,168	\$ 1,168,744	\$ 929,391
Cost of goods sold	925,311	886,531	720,293
	-----	-----	-----
Gross profit	280,857	282,213	209,098
Depreciation and amortization	37,457	36,986	24,899
Selling, general, and administrative expense	94,754	97,301	75,390
	-----	-----	-----
Operating income	148,646	147,926	108,809
Interest expense	(9,287)	(11,681)	(5,839)
Environmental reserves	(2,049)	-	(2,133)
Other income, net	9,603	9,464	8,503
	-----	-----	-----
Income before income taxes	146,913	145,709	109,340
Income tax expense	(54,223)	(46,430)	(33,895)
	-----	-----	-----
Net income	\$ 92,690	\$ 99,279	\$ 75,445
	=====	=====	=====
Weighted average shares for basic earnings per share	34,305	35,594	35,452
Effect of dilutive stock options	3,791	4,011	4,192
	-----	-----	-----
Adjusted weighted average shares for diluted earnings per share	38,096	39,605	39,644
	-----	-----	-----
Basic earnings per share	\$ 2.70	\$ 2.79	\$ 2.13
	=====	=====	=====
Diluted earnings per share	\$ 2.43	\$ 2.51	\$ 1.90
	=====	=====	=====

See accompanying notes to consolidated financial statements.

</TABLE>

Mueller Industries, Inc.
Consolidated Balance Sheets
As of December 30, 2000 and December 25, 1999

<TABLE>

(In thousands)

<CAPTION>

	2000	1999
<S>	<C>	<C>
Assets		
Current assets		
Cash and cash equivalents	\$ 100,268	\$ 149,454
Accounts receivable, less allowance for doubtful accounts of \$5,612 in 2000 and \$5,367 in 1999	152,157	167,858
Inventories	142,325	119,644
Current deferred income taxes	4,101	-
Other current assets	6,320	3,790
	-----	-----
Total current assets	405,171	440,746
Property, plant, and equipment, net	379,885	347,846
Goodwill, net	102,673	94,530
Other assets	22,547	20,958
	-----	-----
Total Assets	\$ 910,276	\$ 904,080
	=====	=====

See accompanying notes to consolidated financial statements.

</TABLE>

Mueller Industries, Inc.
Consolidated Balance Sheets (continued)
As of December 30, 2000 and December 25, 1999

<TABLE>

(In thousands, except share data)

<CAPTION>

	2000	1999
<S>	<C>	<C>
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 5,909	\$ 31,012
Accounts payable	43,733	49,958
Accrued wages and other employee costs	26,994	30,182
Other current liabilities	41,213	41,909
	-----	-----

Total current liabilities	117,849	153,061
Long-term debt, less current portion	100,975	118,858
Pension liabilities	5,688	6,624
Postretirement benefits other than pensions	8,485	6,967
Environmental reserves	9,862	12,965
Deferred income taxes	39,362	24,275
Other noncurrent liabilities	13,653	11,546
	-----	-----
Total liabilities	295,874	334,296
	-----	-----
Minority interest in subsidiaries	297	354
Stockholders' equity		
Preferred stock - shares authorized 4,985,000; none outstanding	-	-
Series A junior participating preferred stock - \$1.00 par value; shares authorized 15,000; none outstanding	-	-
Common stock - \$.01 par value; shares authorized 100,000,000; issued 40,091,502 in 2000 and 1999; outstanding 33,358,061 in 2000 and 34,918,646 in 1999	401	401
Additional paid-in capital, common	260,979	259,977
Retained earnings	465,167	372,477
Cumulative translation adjustments	(11,826)	(8,112)
Treasury common stock, at cost	(100,616)	(55,313)
	-----	-----
Total stockholders' equity	614,105	569,430
	-----	-----
Commitments and contingencies	-	-
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 910,276	\$ 904,080
	=====	=====

See accompanying notes to consolidated financial statements.
</TABLE>

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Mueller Industries, Inc.
Consolidated Statements of Cash Flows
Years Ended December 30, 2000, December 25, 1999, and December 26, 1998

<TABLE>

(In thousands)

<CAPTION>

<S>	2000 <C>	1999 <C>	1998 <C>
Operating activities:			
Net income	\$ 92,690	\$ 99,279	\$ 75,445
Reconciliation of net income to net cash provided by operating activities:			
Depreciation	32,601	31,130	24,076
Amortization	4,856	5,856	823
Provision for doubtful accounts receivable	663	1,503	556
Minority interest in subsidiaries, net of dividend paid	(57)	-	(337)
Deferred income taxes	8,912	31,257	4,870
Income tax benefit from exercise of stock options	1,402	-	3,771
Gain on disposal of properties	(413)	(1,847)	(2,156)
Changes in assets and liabilities, net of businesses acquired:			
Receivables	15,862	(15,339)	12,973
Inventories	(22,835)	12,992	(4,875)
Other assets	621	14,973	(3,219)
Current liabilities	(11,597)	622	(6,016)
Other liabilities	(43)	(14,657)	(3,165)
Other, net	(4,188)	(1,014)	(65)
	-----	-----	-----
Net cash provided by operating activities	118,474	164,755	102,681
	-----	-----	-----
Investing activities:			
Acquisition of businesses	(15,245)	(675)	(158,514)
Capital expenditures	(63,458)	(40,115)	(55,440)
Proceeds from sales of properties	683	7,137	2,559
Escrowed IRB proceeds	-	6,022	14,739
Note receivable	-	4,484	(4,484)
	-----	-----	-----
Net cash used in investing activities	(78,020)	(23,147)	(201,140)

Financing activities:			
Proceeds from issuance of long-term debt	90,000	125,000	-
Repayments of long-term debt	(132,986)	(29,819)	(19,396)
Proceeds from the sale of treasury stock	2,708	1,093	3,513
Acquisition of treasury stock	(48,411)	(29,669)	-
Net (repayments) borrowings on lines of credit	-	(139,840)	125,451
Net cash (used in) provided by financing activities	(88,689)	(73,235)	109,568

See accompanying notes to consolidated financial statements.

</TABLE>

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Mueller Industries, Inc.

Consolidated Statements of Cash Flows (continued)

Years Ended December 30, 2000, December 25, 1999, and December 26, 1998

<TABLE>

(In thousands)

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Effect of exchange rate changes on cash	(951)	513	(519)
(Decrease) increase in cash and cash equivalents	(49,186)	68,886	10,590
Cash and cash equivalents at the beginning of the year	149,454	80,568	69,978
Cash and cash equivalents at the end of the year	\$ 100,268	\$ 149,454	\$ 80,568

For supplemental disclosures of cash flow information, see Notes 1, 4, 6, and 12.

See accompanying notes to consolidated financial statements.

</TABLE>

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Mueller Industries, Inc.

Consolidated Statements of Stockholders' Equity

Years Ended December 30, 2000, December 25, 1999, and December 26, 1998

(In thousands)

<TABLE>

<CAPTION>

Common Stock Number	Additional Paid-In	Retained	Cumulative Translation	Treasury Stock Number
------------------------	-----------------------	----------	---------------------------	--------------------------

	of Shares	Amount	Capital	Earnings	Adjustments	of Shares	Cost
Total	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 27, 1997	40,000	\$ 200	\$ 253,928	\$ 197,753	\$ (3,232)	4,982	\$ (30,609)
\$ 418,040							
Comprehensive income:							
Net income	-	-	-	75,445	-	-	-
75,445							
Other comprehensive income:							
Foreign currency translation	-	-	-	-	(85)	-	-
(85)							

Comprehensive income							
75,360							
Issuance of shares under							
incentive stock option plan	-	-	(765)	-	-	(698)	4,278
3,513							
Par value of shares issued in							
connection with a two-for-							
one stock split	-	200	(200)	-	-	-	-
-							
Issuance of shares for							
business acquisition	92	1	2,837	-	-	-	-
2,838							
Note receivable from officer	-	-	(1,400)	-	-	-	-
(1,400)							
Tax benefit related to							
employee stock options	-	-	3,771	-	-	-	-
3,771							
-----	-----	---	-----	-----	-----	-----	-----
-							
Balance, December 26, 1998	40,092	401	258,171	273,198	(3,317)	4,284	(26,331)
502,122							
Comprehensive income:							
Net income	-	-	-	99,279	-	-	-
99,279							
Other comprehensive income:							
Foreign currency translation	-	-	-	-	(4,795)	-	-
(4,795)							

Comprehensive income							
94,484							
Issuance of shares under							
incentive stock option plan	-	-	406	-	-	(115)	687
1,093							
Repurchase of common stock	-	-	-	-	-	1,004	
(29,669) (29,669)							
Proceeds from payment on							
note receivable from officer	-	-	1,400	-	-	-	-
1,400							
-----	-----	---	-----	-----	-----	-----	-----
-							
Balance, December 25, 1999	40,092	401	259,977	372,477	(8,112)	5,173	(55,313)
569,430							
Comprehensive income:							
Net income	-	-	-	92,690	-	-	-
92,690							
Other comprehensive income:							
Foreign currency translation	-	-	-	-	(3,714)	-	-
(3,714)							

Comprehensive income							
88,976							
Issuance of shares under							
incentive stock option plan	-	-	(400)	-	-	(295)	3,108
2,708							
Repurchase of common stock	-	-	-	-	-	1,856	
(48,411) (48,411)							
Tax benefit related to							
employee stock options	-	-	1,402	-	-	-	-
1,402							
-----	-----	---	-----	-----	-----	-----	-----
-							
Balance, December 30, 2000	40,092	\$ 401	\$ 260,979	\$ 465,167	\$ (11,826)	6,734	\$ (100,616)
\$ 614,105							
=====	=====	===	=====	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.
</TABLE>

Note 1 - Summary of Significant Accounting Policies

Nature of Operations

The principal business of Mueller Industries, Inc. is the manufacture and sale of copper tube and fittings; brass and copper alloy rod, bar, and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; plastic fittings and valves; refrigeration valves and fittings; fabricated tubular products; and gas valves and assemblies. The Company markets its products to the HVAC, plumbing, refrigeration, hardware, and other industries. During 2000, the Company operated 22 factories in eight states, Canada, Great Britain, and France and had distribution facilities nationwide and sales representation worldwide. The Company also operates a short line railroad through its subsidiary, Utah Railway Company.

Principles of Consolidation

The consolidated financial statements include the accounts of Mueller Industries, Inc. and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The minority interest represents separate private ownership of 25 percent of Ruby Hill Mining Company and 19 percent of Richmond-Eureka Mining Company.

Inventories

The Company's inventories are valued at the lower of cost or market. The material component of its U.S. copper tube and copper fittings inventories is valued on a last-in, first-out (LIFO) basis. Other inventories, including the non-material components of U.S. copper tube and copper fittings, are valued on a first-in, first-out (FIFO) basis. Inventory costs include material, labor costs, and manufacturing overhead.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives ranging from 20 to 40 years for buildings and five to 20 years for machinery and equipment.

Intangible Assets

The excess of the cost over the fair value of net assets of businesses acquired is recorded as goodwill and is amortized on a straight-line basis over 20 to 25 years. The cost of other acquired intangibles is amortized on a straight-line basis over their estimated useful lives. Accumulated amortization as of December 30, 2000 and December 25, 1999 was \$12.6 million and \$7.7 million, respectively. The Company continually evaluates the carrying value of long-lived assets. Any impairments would be recognized when the expected future undiscounted cash flows derived from such long-lived assets are less than their carrying value.

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Revenue Recognition

Revenue is recognized when products are shipped or services are performed.

Stock-Based Compensation

The Company accounts for employee stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB No. 25) and related interpretations as permitted by Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123).

Earnings Per Share

Basic earnings per share is computed based on the average number of common shares outstanding. Diluted earnings per share reflects the increase in average common shares outstanding that would result from the assumed exercise of outstanding stock options calculated using the treasury stock method.

Income Taxes

The Company accounts for income taxes using the liability method required by Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes".

Cash Equivalents

Temporary investments with maturities of three months or less are considered to be cash equivalents. These investments are stated at cost. At December 30, 2000 and December 25, 1999, temporary investments consisted of certificates of deposit, commercial paper, bank repurchase agreements, and U.S. and foreign government securities which totaled \$105.3 million and \$157.0 million, respectively. These carrying amounts approximated fair value.

Concentrations of Credit and Market Risk

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers comprising the Company's customer base, and their dispersion across different industries, including HVAC, plumbing, refrigeration, hardware, automotive, OEMs, and others.

The Company minimizes its exposure to base metal price fluctuations through various strategies. Generally, it prices an equivalent amount of copper raw material, under flexible pricing arrangements it maintains with its suppliers, at the time it determines the selling price of finished products to its customers.

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Forward fixed-price arrangements may be entered into with certain customers. The Company may utilize futures or option contracts to hedge risks associated with forward fixed-price arrangements. Also, the Company may utilize futures or option contracts to manage price risk associated with inventory. Gains or losses with respect to these positions are reflected in earnings upon the sale of inventory. Periodic value fluctuations of the contracts generally offset the value fluctuations of the underlying fixed-price transactions or inventory. At year-end, the Company held open hedge forward contracts to deliver approximately \$0.4 million of copper.

Futures contracts may also be used to manage price risk associated with natural gas purchases. Gains and losses with respect to these positions are reflected in earnings upon consumption of natural gas. Periodic value fluctuations of the contracts generally offset the value fluctuations of the underlying natural gas prices. At year-end, the Company held open hedge forward contracts to purchase approximately \$2.8 million of natural gas over the next 18 months.

The Company's sales are principally denominated and collected in the U.S. dollar. Certain sales are collected in other currencies. The market risk regarding currency exchange rate fluctuations may be hedged using forward contracts. At year-end, the Company held open forward contracts to deliver the equivalent of approximately \$1.6 million in other currencies. Gains and losses with respect to these positions are reflected in earnings upon collection of receivables.

Foreign Currency Translation

For foreign subsidiaries, the functional currency is the local currency. Balance sheet accounts are translated at exchange rates in effect at the end of the year and income statement accounts are translated at average exchange rates for the year. Translation gains and losses are included as a separate component of stockholders' equity. Transaction gains and losses included in the Consolidated Statements of Income were not significant.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Standards

During 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). This statement requires companies to record derivative instruments on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the value of a derivative would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. In June 1999, the FASB issued Statement No. 137, which delayed the effective date of SFAS No. 133 to the Company's fiscal year 2001. Additionally, in June 2000, the FASB issued Statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" (SFAS No. 138), which amends SFAS No. 133 and must be adopted concurrently with the Company's adoption of SFAS No. 133. The adoption of SFAS No. 133 and SFAS No. 138 will not have a significant effect on earnings or the financial position of the Company.

Reclassifications

Certain amounts in the 1999 and 1998 consolidated financial statements have been reclassified to conform to the 2000 presentation.

Note 2 - Inventories

<TABLE>
(In thousands)
<CAPTION>

	2000	1999
<S>	<C>	<C>
Raw material and supplies	\$ 25,073	\$ 28,337
Work-in-process	30,395	14,423
Finished goods	86,857	76,884
	-----	-----
Inventories	\$ 142,325	\$ 119,644
	=====	=====

</TABLE>

Inventories valued using the LIFO method totaled \$37.3 million at December 30, 2000 and \$29.0 million at December 25, 1999. The approximate FIFO cost of such inventories was \$39.9 million at December 30, 2000 and \$29.9 million at December 25, 1999.

Note 3 - Property, Plant, and Equipment, Net

<TABLE>
(In thousands)
<CAPTION>

	2000	1999
<S>	<C>	<C>
Land and land improvements	\$ 9,162	\$ 8,495
Buildings	73,268	70,996
Machinery and equipment	419,290	383,164
Construction in progress	47,552	25,817
	-----	-----
	549,272	488,472
Less accumulated depreciation	(169,387)	(140,626)
	-----	-----
Property, plant, and equipment, net	\$ 379,885	\$ 347,846
	=====	=====

</TABLE>

Note 4 - Long-Term Debt

<TABLE>
(In thousands)
<CAPTION>

<S>	2000 <C>	1999 <C>
Line-of-credit at floating rate, matures November 2003	\$ 90,000	\$ -
Floating rate unsecured notes, due through 2003	-	118,421
8.38% Unsecured note payable, due through 2000	-	3,571
7.54% Unsecured note payable, due through 2000	-	1,000
1993 Series IRBs with interest at 6.95%, due 2000	-	2,857
1994 Series IRBs with interest at 8.825%, due through 2001	1,286	3,857
1997 Series IRBs with interest at 7.39%, due through 2014	13,625	17,125
1997 Series IRBs with interest at 7.31%, due through 2009	1,005	1,465
Other, including capitalized lease obligations	968	1,574
	-----	-----
	106,884	149,870
Less current portion of long-term debt	(5,909)	(31,012)
	-----	-----
Long-term debt	\$ 100,975	\$ 118,858
	=====	=====

</TABLE>

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On November 30, 2000, the Company executed a Credit Agreement (the Agreement) with a syndicate of six banks establishing an unsecured \$200 million revolving credit facility (the Credit Facility) which matures in November 2003. Borrowings under the Credit Facility bear interest, at the Company's option, at (i) LIBOR plus a variable premium or (ii) the larger of Prime, or the Federal Funds rate plus .50 percent. LIBOR advances may be based upon the one, two, three, or six-month LIBOR. The variable premium over LIBOR is based on certain financial ratios, and can range from 25 to 40 basis points. At year-end the premium was 32.5 basis points, but dropped to 25 basis points subsequent to year-end. Additionally, a facility fee is payable quarterly on the total commitment and varies from 12.5 to 22.5 basis points based upon the Company's capitalization ratios. When funded debt is 50 percent or more of the commitment, a utilization fee is payable quarterly on the average loan balance outstanding and varies from 0 to 20 basis points based upon the capitalization ratio. Proceeds from the initial draw on the Credit Facility were used to pay off existing notes. Availability of funds under the Credit Facility is reduced by the amount of certain outstanding letters of credit, which totaled approximately \$6.1 million at December 30, 2000.

Borrowings under the above Agreement require the Company, among other things, to maintain certain minimum levels of net worth and meet certain minimum financial ratios. The Company is in compliance with all debt covenants.

During fiscal 1999, the Company executed an Amended and Restated Credit Agreement (the 1999 Agreement) with its syndicate of banks, which established an unsecured, \$125 million term note. Proceeds from this note paid down the \$120 million balance under an existing line-of-credit. The 1999 Agreement required quarterly principal payments on the term note of approximately \$3.3 million plus interest. Interest on the note was based on the 90-day LIBOR interest rate plus a premium of 110 to 130 basis points as determined by certain financial ratios. The proceeds from the initial draw on the Credit Facility and existing cash were used to pay off this term note in 2000.

Aggregate annual maturities of the Company's debt are \$5.9 million, \$3.9 million, \$93.5 million, \$2.7 million, and \$0.1 million for the years 2001 through 2005 respectively, and \$0.8 million thereafter. Interest paid in 2000, 1999, and 1998 was \$10.6 million, \$12.4 million, and \$6.3 million, respectively. During 2000, 1999, and 1998, the Company capitalized interest of \$1.2 million, \$0.4 million, and \$0.8 million, respectively, related to its major capital improvement programs. Using a discounted cash flow analysis, the fair value of the Company's debt approximated book value at the end of 2000 and 1999, based on the estimated current incremental

borrowing rates for similar types of borrowing arrangements.

Note 5 - Stockholders' Equity

In 1998, the Company declared a two-for-one stock split effected in the form of a 100 percent stock dividend. All presentations of share data herein, including earnings per share, have been restated to reflect the split for all periods presented.

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On November 10, 1994, the Company declared a dividend distribution of one Right for each outstanding share of the Company's common stock. Each Right entitles the holder to purchase one unit consisting of one-thousandth of a share of Series A Junior Participating Preferred Stock at a purchase price of \$160 per unit, subject to adjustment. The Rights will not be exercisable, or transferable apart from the Company's common stock, until 10 days following an announcement that a person or affiliated group has acquired, or obtained the right to acquire, beneficial ownership of 15 percent or more of its common stock other than pursuant to certain offers for all shares of the Company's common stock that have been determined to be fair to, and in the best interest of, the Company's stockholders. The Rights, which do not have voting rights, will be exercisable by all holders (except for a holder or affiliated group beneficially owning 15 percent or more of the Company's common stock, whose Rights will be void) so that each holder of a Right shall have the right to receive, upon the exercise thereof, at the then current exercise price, the number of shares of the Company's common stock having a market value of two times the exercise price of the Rights. All Rights expire on November 10, 2004, and may be redeemed by the Company at a price of \$0.01 at any time prior to either their expiration or such time that the Rights become exercisable.

In the event that the Company is acquired in a merger or other business combination, or certain other events occur, provision shall be made so that each holder of a Right (except Rights previously voided) shall have the right to receive, upon exercise thereof at the then current exercise price, the number of shares of common stock of the surviving company which at the time of such transaction would have a market value of two times the exercise price of the Right.

On October 18, 1999, the Company's Board of Directors authorized the repurchase of up to four million shares of the Company's common stock from time-to-time over the next year through open market transactions or through privately negotiated transactions. During 2000, this authorization was expanded to purchase up to 10 million shares and extended through October 2001. The Company will have no obligation to purchase any shares and may cancel, suspend, or extend the time period for the purchase of shares at any time. The purchases will be funded primarily through existing cash and cash from operations. The Company may hold such shares in treasury or use a portion of the repurchased shares for employee benefit plans, as well as for other corporate purposes. Through December 30, 2000, the Company has repurchased approximately 2.3 million shares under this authorization.

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Note 6 - Income Taxes

The components of income before income taxes were taxed under the following jurisdictions:

<TABLE>

(In thousands)

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Domestic	\$ 156,150	\$ 154,765	\$ 108,135
Foreign	(9,237)	(9,056)	1,205

Income before income taxes	\$ 146,913	\$ 145,709	\$ 109,340
	=====	=====	=====

</TABLE>

Income tax expense consists of the following:

<TABLE>

(In thousands)

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Current tax expense:			
Federal	\$ 42,479	\$ 12,052	\$ 24,882
Foreign	816	1,692	2,400
State and local	2,016	1,429	1,743
	-----	-----	-----
Current tax expense	45,311	15,173	29,025
	-----	-----	-----
Deferred tax expense:			
Federal	8,412	30,570	4,226
Foreign	-	-	595
State and local	500	687	49
	-----	-----	-----
Deferred tax expense	8,912	31,257	4,870
	-----	-----	-----
Income tax expense	\$ 54,223	\$ 46,430	\$ 33,895
	=====	=====	=====

</TABLE>

U.S. income and foreign withholding taxes are provided on the earnings of foreign subsidiaries that are expected to be remitted to the extent that taxes on the distribution of such earnings would not be offset by foreign tax credits.

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The difference between the reported income tax expense and a tax determined by applying the applicable U.S. federal statutory income tax rate to income before income taxes is reconciled as follows:

<TABLE>

(In thousands)

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Expected income tax expense	\$ 51,420	\$ 50,998	\$ 38,269
State and local income tax, net of federal benefit	1,810	1,616	1,182
Foreign income taxes	3,493	4,371	2,119
Valuation allowance	(3,923)	(8,220)	(5,481)
Other, net	1,423	(2,335)	(2,194)
	-----	-----	-----
Income tax expense	\$ 54,223	\$ 46,430	\$ 33,895
	=====	=====	=====

</TABLE>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

<TABLE>

(In thousands)

<CAPTION>

	2000	1999
<S>	<C>	<C>
Deferred tax assets:		
Accounts receivable	\$ 1,961	\$ 1,229
Inventories	1,140	1,326
Pension, OPEB, and accrued items	9,649	9,011
Other reserves	10,392	9,679
Net operating loss carryforwards	30,653	34,137
Capital loss carryforwards	760	16,181
Foreign tax credits	359	1,109
Alternative minimum tax credit		

carryforwards	4,026	4,026
	-----	-----
Total deferred tax assets	58,940	76,698
Less valuation allowance	(31,626)	(48,652)
	-----	-----
Deferred tax assets, net of valuation allowance	27,314	28,046
	-----	-----
Deferred tax liabilities:		
Property, plant, and equipment	60,566	51,373
Other	2,009	1,629
	-----	-----
Total deferred tax liabilities	62,575	53,002
	-----	-----
Net deferred tax liability	\$ (35,261)	\$ (24,956)
	=====	=====

</TABLE>

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As of December 30, 2000, the Company had recognized domestic net operating loss carryforwards (NOLs) of \$50.0 million, of which \$43.2 million expire in 2005 and \$6.8 million expire in 2006. Annual limitations on these NOLs are approximately \$17.3 million in 2001, and approximately \$14.4 thereafter. During 2000, 1999, and 1998, the Company recognized \$3.8 million, \$2.3 million, and \$4.1 million, respectively, of NOL tax attributes, reducing the deferred income tax provision in each year. In addition, the Company has alternative minimum tax credit carryforwards of approximately \$4.0 million which are available to reduce future federal regular income taxes, if any, over an indefinite period.

As of December 30, 2000, the Company had foreign net operating loss carryforwards (foreign NOLs) available to offset \$39.7 million of foreign subsidiary income. These foreign NOLs have not been recognized and expire as follows: \$0.7 million in 2001, \$2.0 million in 2002, and \$2.3 million in 2005. The remaining \$34.7 million of foreign NOLs are available to offset foreign subsidiary income over an indefinite period.

The sale of Alaska Gold Company during April 1999, resulted in the realization of an ordinary federal tax loss of approximately \$70 million of which \$45 million has been recognized. The Internal Revenue Service agreed to allow this loss as part of the comprehensive closing agreement, which concluded the audit of the years 1993 through 1995. For financial reporting purposes, additional recognition may occur in future periods.

Income taxes paid were approximately \$43.6 million in 2000, \$13.5 million in 1999, and \$26.8 million in 1998.

Note 7 - Other Current Liabilities

<TABLE>
(In thousands)
<CAPTION>

	2000	1999
	<C>	<C>
<S>		
Accrued discounts and allowances	\$ 19,956	\$ 14,850
Accrued severance and related costs	2,187	1,558
Freight settlements due to other railroads	1,882	3,191
Income taxes payable	4,615	2,884
Other	12,573	19,426
	-----	-----
Other current liabilities	\$ 41,213	\$ 41,909
	=====	=====

</TABLE>

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Note 8 - Employee Benefits

The Company sponsors several qualified and nonqualified pension plans and other postretirement benefit plans for certain of its employees. The following tables provide a reconciliation of the changes in the plans'

benefit obligations and the fair value of the plans' assets over the two-year period ending December 30, 2000, and a statement of the plans' funded status as of December 30, 2000 and December 25, 1999:

<TABLE>

(In thousands)

<CAPTION>

<S>	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
	<C>	<C>	<C>	<C>
Change in benefit obligation:				
Obligation at beginning of year	\$ 104,676	\$ 80,227	\$ 8,223	\$ 8,041
Service cost	2,620	3,180	16	19
Interest cost	7,193	6,834	621	647
Participant contributions	400	443	-	-
Plan amendments	562	3,656	-	(120)
Actuarial (gain) loss	(3,970)	4,012	(359)	803
Business acquisitions	185	12,496	-	-
Benefit payments	(5,316)	(5,371)	(505)	(1,167)
Settlement	(55)	(101)	-	-
Foreign currency translation adjustment	(2,878)	(700)	-	-
	-----	-----	-----	-----
Obligation at end of year	\$ 103,417	\$ 104,676	\$ 7,996	\$ 8,223
	=====	=====	=====	=====
Change in fair value of plan assets:				
Fair value of plan assets at beginning of year	\$ 123,979	\$ 92,011	\$ -	\$ -
Actual return on plan assets	8,970	21,915	-	-
Employer contributions	1,702	2,087	505	1,167
Participant contributions	400	443	-	-
Business acquisitions	-	13,663	-	-
Benefit payments	(5,316)	(5,371)	(505)	(1,167)
Settlement	(55)	(101)	-	-
Foreign currency translation adjustment	(2,997)	(668)	-	-
	-----	-----	-----	-----
Fair value of plan assets at end of year	\$ 126,683	\$ 123,979	\$ -	\$ -
	=====	=====	=====	=====

</TABLE>

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<TABLE>

(In thousands)

<CAPTION>

<S>	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
	<C>	<C>	<C>	<C>
Funded status:				
Funded (underfunded) status at end of year	\$ 23,266	\$ 19,303	\$ (7,996)	\$ (8,223)
Unrecognized prior service cost	4,909	5,176	(104)	(112)
Unrecognized gain	(28,604)	(26,348)	(705)	(370)
	-----	-----	-----	-----
Net amount recognized	\$ (429)	\$ (1,869)	\$ (8,805)	\$ (8,705)
	=====	=====	=====	=====

</TABLE>

The following table provides the amounts recognized in the Consolidated Balance Sheets as of December 30, 2000 and December 25, 1999:

<TABLE>

(In thousands)

<CAPTION>

<S>	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
	<C>	<C>	<C>	<C>
Prepaid benefit cost	\$ 4,809	\$ 3,697	\$ -	\$ -
Accrued benefit liability	(5,238)	(5,566)	(8,805)	(8,705)
	-----	-----	-----	-----
Net amount recognized	\$ (429)	\$ (1,869)	\$ (8,805)	\$ (8,705)

</TABLE>

The components of net periodic benefit costs are as follows:

<TABLE>

(In thousands)

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Pension Benefits:			
Service cost	\$ 2,620	\$ 3,180	\$ 2,384
Interest cost	7,193	6,834	5,305
Expected return on plan assets	(9,614)	(8,146)	(6,838)
Amortization of prior service cost	875	869	568
Amortization of net gain	(1,701)	(933)	(1,462)
	-----	-----	-----
Net periodic benefit cost (income)	\$ (627)	\$ 1,804	\$ (43)
	=====	=====	=====

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</TABLE>

<TABLE>

(In thousands)

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Other Benefits:			
Service cost	\$ 16	\$ 19	\$ 14
Interest cost	621	647	633
Amortization of prior service cost	(8)	(8)	-
Amortization of net gain	(25)	(23)	(34)
	-----	-----	-----
Net periodic benefit cost	\$ 604	\$ 635	\$ 613
	=====	=====	=====

</TABLE>

The prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Gains and losses in excess of 10 percent of the greater of the benefit obligation or the market-related value of assets are amortized over the average remaining service period of active participants.

The assumptions used in the measurement of the Company's benefit obligations are as follows:

<TABLE>

<CAPTION>

	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
Weighted average assumptions:				
Discount rate	6.50%-7.75%	6.50%-7.75%	7.5%-8.50%	7.5%-8.50%
Expected return on plan assets	7.00%-9.00%	7.25%-8.50%	N/A	N/A
Rate of compensation increases	3.25%	3.50%	N/A	N/A

</TABLE>

Only one pension plan uses the rate of compensation increase in its benefit formula. All other pension plans are based on length of service.

The annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) is assumed to range from 7.7 to 8.1 percent for 2001, gradually decrease to 6.25 percent for 2003, and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. For example, increasing the assumed health care cost trend rates by one percentage point would increase the accumulated postretirement benefit obligation by \$559 thousand and the service and interest cost components of net periodic postretirement benefit costs by \$48 thousand for 2000. Decreasing the assumed health care cost trend rates by one percentage point in each year would decrease the accumulated postretirement benefit obligation and the service and interest cost components of net periodic postretirement benefit costs for 2000 by

\$509 thousand and \$43 thousand, respectively.

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The Company sponsors voluntary employee savings plans that qualify under Section 401(k). Compensation expense for the Company's matching contribution to the 401(k) plans was \$2.0 million in 2000, \$1.5 million in 1999, and \$1.2 million in 1998.

In October 1992, the Coal Industry Retiree Health Benefit Act of 1992 (the Act) was enacted. The Act mandates a method of providing for postretirement benefits to UMWA current and retired employees, including some retirees who were never employed by the Company. In October 1993, beneficiaries were assigned to the Company and the Company began its mandated contributions to the UMWA Combined Benefit Fund, a multiemployer trust. Beginning in 1994, the Company was required to make contributions for assigned beneficiaries under an additional multiemployer trust created by the Act, the UMWA 1992 Benefit Plan. The ultimate amount of the Company's liability under the Act will vary due to factors which include, among other things, the validity, interpretation, and regulation of the Act, its joint and several obligation, the number of valid beneficiaries assigned, and the extent to which funding for this obligation will be satisfied by transfers of excess assets from the 1950 UMWA pension plan and transfers from the Abandoned Mine Reclamation Fund. Nonetheless, the Company believes it has an adequate reserve for this liability, which is classified as other noncurrent liabilities.

The Company maintains a nonqualified, deferred compensation plan, which permits certain management employees to annually elect to defer, on a pretax basis, a portion of their compensation. The deferred benefit to be provided is based on the amount of compensation deferred, Company match, and earnings on the deferrals. The expense associated with the deferred compensation plan was \$0.2 million, \$0.5 million, and \$0.5 million in 2000, 1999, and 1998, respectively. The Company has invested in certain assets to assist in funding this plan. The fair value of these assets, included in other assets, was \$5.1 million and \$3.8 million at December 30, 2000 and December 25, 1999, respectively.

The Company makes contributions to certain multiemployer defined benefit pension plan trusts that cover union employees based on collective bargaining agreements. Contributions by employees are not required nor are they permitted. Pension expense under the multiemployer defined benefit pension plans was \$0.3 million for 2000, 1999, and 1998.

Note 9 - Commitments and Contingencies

The Company is subject to environmental standards imposed by federal, state, local, and foreign environmental laws and regulations. It has provided and charged to income \$2.0 million in 2000 and \$2.1 million in 1998 for pending environmental matters. The basis for the provision is updated information and results of ongoing remediation and monitoring programs. Management believes that the outcome of pending environmental matters will not materially affect the financial condition or results of operations of the Company.

The Company is involved in certain litigation as a result of claims that arise in the ordinary course of business, which management believes will not have a material adverse effect on the Company's financial condition or results of operations.

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The Company leases certain facilities and equipment under operating leases expiring on various dates through 2008. The lease payments under these agreements aggregate to approximately \$4.7 million in 2001, \$3.5 million in 2002, \$3.2 million in 2003, \$3.1 million in 2004, \$2.0 million in 2005, and \$4.4 million thereafter. Total lease expense amounted to \$9.2 million in 2000, \$11.3 million in 1999 and \$8.8 million in 1998.

Note 10 - Other Income, Net

<TABLE>

(In thousands)

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Rent and royalties	\$ 799	\$ 1,026	\$ 1,420
Interest income	8,391	6,591	5,127
Gain on disposal of properties, net	413	1,847	2,156
Minority interest in income of subsidiaries	-	-	(200)
	-----	-----	-----
Other income, net	\$ 9,603	\$ 9,464	\$ 8,503

</TABLE>

Note 11 - Stock Options

The Company follows APB No. 25 in accounting for its employee stock options. Under APB No. 25, no compensation expense is recognized because the exercise price of the Company's incentive employee stock options equals the market price of the underlying stock on the date of grant.

Under existing plans, the Company may grant options to purchase shares of common stock at prices not less than the fair market value of the stock on the date of the grant. Generally, the options vest annually in 20 percent increments over a five-year period beginning one year from the date of the grant. Any unexercised options expire after not more than ten years. No options may be granted after ten years from the date of plan adoption.

Additionally, the Company has granted stock options to key executives as retention incentives and inducements to enter into employment agreements with the Company. Generally, these special grants have terms and conditions similar to those granted under the Company's other stock option plans.

On June 15, 1998, the Company loaned \$4.5 million, on a full recourse basis, to an officer. The officer used \$1.4 million of the proceeds to exercise options to purchase Company stock. That portion of the loan was classified as a reduction of additional paid-in capital, while the remaining balance of the loan was included in other assets in the Company's 1998 consolidated financial statements. The loan was paid in full during 1999. The loan was secured by common stock of the Company.

The income tax benefit associated with the exercise of stock options reduced income taxes payable, classified as other current liabilities, by \$1.4 million in 2000 and \$3.8 million in 1998. Such benefits are reflected as additions directly to additional paid-in capital.

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A summary of the Company's stock option activity and related information follows:

<TABLE>

(Shares in thousands)

<CAPTION>

	Options	Weighted Average Exercise Price
<S>	<C>	<C>
Outstanding at December 27, 1997	5,521	\$ 5.11
Granted	403	20.62
Exercised	(698)	5.05
Expired, cancelled, or surrendered	(54)	15.20

Outstanding at December 26, 1998	5,172	6.22
Granted	158	34.25
Exercised	(121)	10.60
Expired, cancelled, or surrendered	(10)	19.65

Outstanding at December 25, 1999	5,199	6.94
Granted	150	24.42
Exercised	(311)	10.07
Expired, cancelled, or surrendered	(16)	24.70

Outstanding at December 30, 2000	5,022	\$ 7.22
	=====	

</TABLE>

<TABLE>

(Shares in thousands)

<CAPTION>

	Options	Weighted Average Exercise Price
<S>	<C>	<C>
Options exercisable at:		
December 26, 1998	4,194	\$ 3.46
December 25, 1999	4,410	4.17
December 30, 2000	4,377	4.75

</TABLE>

Exercise prices for stock options outstanding at December 30, 2000, ranged from \$2.06 to \$37.04. Of the 5.0 million stock options that are outstanding at year-end, 3.6 million are owned by Mr. Harvey L. Karp and expire one year after Mr. Karp's separation from employment with the Company. Mr. Karp's options have an exercise price of \$2.06 per share. The weighted average remaining life of the remaining 1.4 million shares is 6.91 years, and the weighted average exercise price of these shares is \$20.27. The weighted average fair value per option granted was \$12.60 in 2000,

\$17.71 in 1999, and \$8.69 in 1998.

As of December 30, 2000, the Company had reserved 3.8 million shares of its common stock for issuance pursuant to certain stock option plans. Additionally, the Company had reserved 15 thousand shares of preferred stock for issuance pursuant to the shareholder rights plan.

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Pro forma information regarding net income and earnings per share is required by SFAS No. 123, and has been determined as if the Company had accounted for its employee stock options under the fair value method. The fair value for these options at the date of grant was estimated using the following weighted average assumptions for the years 2000, 1999, and 1998: weighted average expected life of the options of six years; and no dividend payments. The weighted average risk free interest rate used in the model was 5.00 percent for 2000, 6.84 percent for 1999, and 4.85 percent for 1998. The volatility factor of the expected market value of the Company's common stock was 0.479 in 2000, 0.433 in 1999, and 0.344 in 1998.

The pro forma information is determined using the Black-Scholes option valuation model. Option valuation models require highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting periods. The Company's pro forma information follows:

<TABLE>

(In thousands, except per share data)

<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Net income	\$ 92,690	\$ 99,279	\$ 75,445
SFAS No. 123 pro forma compensation expense	(2,257)	(1,879)	(1,316)
	-----	-----	-----
SFAS No. 123 pro forma net income	\$ 90,433	\$ 97,400	\$ 74,129
	=====	=====	=====
Pro forma earnings per share:			
Basic	\$ 2.64	\$ 2.74	\$ 2.09
Diluted	\$ 2.39	\$ 2.47	\$ 1.88
	=====	=====	=====

</TABLE>

Because SFAS No. 123 applies only to stock-based compensation awards for 1995 and later years, the pro forma disclosures under SFAS No. 123 are not likely to be indicative of future disclosures until the disclosures reflect all outstanding, nonvested awards.

Note 12 - Acquisitions

On April 20, 2000, Mueller acquired Micro Gauge, Inc. and a related business, Microgauge Machining Inc., (collectively Micro Gauge) for approximately \$9.1 million. These acquisitions bring to our Industrial Products Division specialized machining capabilities which were previously outsourced to Micro Gauge. In addition, on June 28, 2000, the Company acquired Propipe Technologies, Inc., a fabricator of gas train manifold systems, for approximately \$6.1 million.

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On September 30, 1999, the Company's subsidiary, Utah Railway Company, purchased the stock of the Salt Lake City Southern Railroad Company, Inc. (SLCS) for \$675 thousand. SLCS operates pursuant to an easement on approximately 25 miles of track, owned by the Utah Transit Authority, from downtown Salt Lake City to near Draper, Utah.

During the second half of 1998, the Company completed three acquisitions. Halstead Industries, Inc. (Halstead), which operates a copper tube mill in Wynne, Arkansas, and a line sets facility in Clinton, Tennessee, was acquired for approximately \$95 million cash. The Company also paid off existing bank debt of Halstead for approximately \$24.8 million. The Company acquired B&K Industries, Inc., an importer and distributor of residential and commercial plumbing products, for approximately \$33.5 million, of which approximately 90 percent was paid in cash and the remainder paid in shares of Mueller common stock. Also, the

Company acquired Lincoln Brass Works, Inc. (Lincoln), which produces custom control valve assemblies, as well as custom metal assemblies, gas delivery systems, and tubular products primarily for the gas appliance market with manufacturing facilities in Jacksboro, Tennessee and Waynesboro, Tennessee, for a nominal consideration plus the pay off of existing bank debt of approximately \$7.5 million.

Each of the acquisitions was accounted for using the purchase method of accounting. Therefore, the results of operations of the acquired businesses were included in the consolidated financial statements of the Company from their respective acquisition dates. The purchase price for these acquisitions, which was financed by available cash balances and credit facilities, has been allocated to the assets of the acquired businesses based on their respective fair market values.

The total fair value of assets acquired in 2000 and 1998 was \$19.1 million and \$240.1 million, respectively. Liabilities assumed in these acquisitions were \$3.9 million in 2000 and \$78.7 million in 1998. The excess of the purchase price over the net assets acquired in 2000 and 1998 was \$7.4 million and \$99.3 million, respectively, which is being amortized over 25 years. The final assessment of fair values of the assets and reserves associated with the Halstead and Lincoln acquisitions was completed during 1999. The determination of final fair values resulted in adjustments consisting of changes from initially recorded values. These adjustments increased working capital by \$0.9 million and goodwill and other assets by \$16.4 million, and decreased property, plant, and equipment by \$30.4 million and other liabilities by \$13.0 million.

Pro forma consolidated results of operations as if the 1998 acquisitions had occurred at the beginning of 1998 include net sales of \$1,168.1 million, net income of \$71.4 million, basic earnings per share of \$2.01, and diluted earnings per share of \$1.80. This information combines the historical results of operations of the Company and the acquired businesses after the effects of estimated purchase accounting adjustments. The pro forma information does not purport to be indicative of the results that would have been obtained if the operations had actually been combined during the period presented and is not necessarily indicative of operating results to be expected in future periods. The effects of the 2000 and 1999 acquisitions on the consolidated financial statements are not significant and have been excluded from the pro forma presentation.

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Note 13 - Industry Segments

The Company's three reportable segments include its Standard Products Division (SPD), its Industrial Products Division (IPD), and Other Businesses. These segments are classified primarily by the markets for their products. Performance of segments is generally evaluated by their operating income.

SPD manufactures copper tube and fittings, plastic fittings, and line sets. These products are manufactured in the U.S., Canada, and Europe and are sold primarily to wholesalers.

IPD manufactures brass rod, impact extrusions, and forgings as well as a variety of end-products including plumbing brass; automotive components; valves and fittings; and specialty copper, copper-alloy, and aluminum tubing. These products are sold primarily to OEM customers.

The Other Businesses segment is comprised primarily of a short line railroad.

Summarized segment and geographic information is shown in the following tables. Geographic sales data indicates the location from which products are shipped. Unallocated expenses include general corporate expenses, plus certain charges or credits not included in segment activity.

Segment Information:

<TABLE>

(In thousands)

<CAPTION>

		2000	1999	1998
<S>		<C>	<C>	<C>
Net sales:				
Standard Products Division	\$	882,407	\$ 858,525	\$ 624,437
Industrial Products Division		302,523	290,270	274,597
Other Businesses		24,667	22,263	31,637
Elimination of intersegment sales		(3,429)	(2,314)	(1,280)
		-----	-----	-----
	\$	1,206,168	\$ 1,168,744	\$ 929,391
		=====	=====	=====

Depreciation and amortization:			
Standard Products Division	\$ 26,246	\$ 26,495	\$ 15,713
Industrial Products Division	8,791	7,936	5,948
Other Businesses	783	787	1,699
General corporate	1,637	1,768	1,539
	-----	-----	-----
	\$ 37,457	\$ 36,986	\$ 24,899
	=====	=====	=====

</TABLE>

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Segment Information (continued):

<TABLE>			
(In thousands)			
<CAPTION>			
	2000	1999	1998
<S>	<C>	<C>	<C>
Operating income:			
Standard Products Division	\$ 128,466	\$ 129,141	\$ 83,010
Industrial Products Division	30,604	29,935	28,325
Other Businesses	3,377	3,297	5,661
Unallocated expenses	(13,801)	(14,447)	(8,187)
	-----	-----	-----
	\$ 148,646	\$ 147,926	\$ 108,809
	=====	=====	=====
Expenditures for long-lived assets:			
Standard Products Division	\$ 43,581	\$ 31,089	\$ 198,135
Industrial Products Division	34,380	5,063	16,735
Other Businesses	74	960	4,782
	-----	-----	-----
	\$ 78,035	\$ 37,112	\$ 219,652
	=====	=====	=====
Segment assets:			
Standard Products Division	\$ 621,370	\$ 599,596	\$ 610,914
Industrial Products Division	164,210	136,586	144,004
Other Businesses	30,014	40,088	50,446
General corporate	94,682	127,810	69,330
	-----	-----	-----
	\$ 910,276	\$ 904,080	\$ 874,694
	=====	=====	=====

</TABLE>

Geographic Information:

<TABLE>			
(In thousands)			
<CAPTION>			
	2000	1999	1998
<S>	<C>	<C>	<C>
Net sales:			
United States	\$ 1,053,399	\$ 1,015,968	\$ 754,024
Foreign	152,769	152,776	175,367
	-----	-----	-----
	\$ 1,206,168	\$ 1,168,744	\$ 929,391
	=====	=====	=====
Long-lived assets:			
United States	\$ 455,356	\$ 425,214	\$ 448,852
Foreign	49,749	38,120	43,518
	-----	-----	-----
	\$ 505,105	\$ 463,334	\$ 492,370
	=====	=====	=====

</TABLE>

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Note 14 - Quarterly Financial Information (Unaudited)

<TABLE>
(In thousands, except per share data)
<CAPTION>

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
------------------	-------------------	------------------	-------------------

<S> 2000	<C>	<C>	<C>	<C>
Net sales	\$ 302,350	\$ 328,583	\$ 295,979	\$ 279,256
Gross profit (1)	75,836	80,790	61,916	62,315
Net income	26,566	29,762	19,307	17,055
Basic earnings per share	0.76	0.86	0.56	0.51
Diluted earnings per share	0.69	0.78	0.50	0.46

1999				
Net sales	\$ 287,840	\$ 293,342	\$ 287,880	\$ 299,682
Gross profit (1)	66,100	73,002	71,539	71,572
Net income	21,683	25,445	26,340	25,811
Basic earnings per share	0.61	0.71	0.74	0.74
Diluted earnings per share	0.55	0.64	0.66	0.66

<FN>

(1) Gross profit is net sales less cost of goods sold, which excludes depreciation and amortization.

</TABLE>

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Report of Independent Auditors

The Stockholders of Mueller Industries, Inc.

We have audited the accompanying consolidated balance sheets of Mueller Industries, Inc. as of December 30, 2000 and December 25, 1999, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 30, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mueller Industries, Inc. at December 30, 2000 and December 25, 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 30, 2000, in conformity with accounting principles generally accepted in the United States.

/S/ERNST & YOUNG LLP

Memphis, Tennessee
February 9, 2001

CAPITAL STOCK INFORMATION

The high, low, and closing prices of Mueller's common stock on the New York Stock Exchange for each fiscal quarter of 2000 and 1999 were as follows:

<TABLE>			
<CAPTION>			
<S>	High	Low	Close
<C>	<C>	<C>	<C>
2000			
Fourth quarter	\$ 26.938	\$ 20.063	\$ 26.813
Third quarter	32.250	22.063	22.563
Second quarter	34.250	26.000	26.500
First quarter	36.625	26.188	28.313
1999			
Fourth quarter	\$ 36.938	\$ 28.313	\$ 32.875
Third quarter	35.625	28.000	28.375
Second quarter	33.875	21.125	32.500
First quarter	27.000	19.375	22.625
</TABLE>			

As of March 6, 2001, the number of holders of record of Mueller's common stock was approximately 2,800. On March 6, 2001, the closing price for Mueller's common stock on the New York Stock Exchange was \$31.55.

The Company has paid no cash dividends on its common stock and presently does not anticipate paying cash dividends in the near future.

Selected Financial Data

<TABLE>

(In thousands, except per share data)

<CAPTION>

	2000 (1)	1999 (1)	1998 (1)	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>
For the fiscal year:					
Net sales	\$ 1,206,168	\$ 1,168,744	\$ 929,391	\$ 888,997	\$ 718,312
Operating income	148,646	147,926	108,809	99,709	90,462
Net income	92,690	99,279	75,445	69,770	61,173
Diluted earnings per share (2)	2.43	2.51	1.90	1.78	1.57

At year-end:

Total assets	910,276	904,080	874,694	610,776	509,357
Long-term debt	100,975	118,858	174,569	53,113	44,806

<FN>

- (1) Includes the effects of acquisitions described in Note 12 to the consolidated financial statements.
- (2) In 1998, the Company declared a two-for-one stock split effected in the form of a 100 percent dividend. Diluted earnings per share has been restated to reflect the split for all periods presented.

</TABLE>

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CORPORATE INFORMATION

Board of Directors

Harvey L. Karp	Chairman of the Board, Mueller Industries, Inc.
Gary S. Gladstein (1) (2)	Senior Consultant, Soros Fund Management LLC
Robert B. Hodes(1) (3)	Counsel, Willkie Farr & Gallagher
G.E. Manolovici(1) (2) (3)	Private Investor
William D. O'Hagan	President and Chief Executive Officer, Mueller Industries, Inc.

- (1) Member of the Audit Committee
- (2) Member of the Compensation Committee
- (3) Member of the Nominating Committee

Executive Officers

Harvey L. Karp	Chairman of the Board
----------------	-----------------------

William D. O'Hagan	President and Chief Executive Officer
Lee R. Nyman	Senior Vice President Manufacturing/Engineering
Kent A. McKee	Vice President and Chief Financial Officer
Roy C. Harris	Vice President and Chief Information Officer
John P. Fonzo	Vice President, General Counsel and Secretary

Other Officers and Management

Robert L. Fleeman	Vice President, International Sales
Tommy L. Jamison	Vice President, Strategic Engineering Service
Michael E. Stoll	Vice President, Purchasing
Richard W. Corman	Corporate Controller
James E. Browne	Assistant Secretary

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Standard Products Division

Larry D. Birch	Vice President, Sales-Corporate Accounts
Gregory L. Christopher	Vice President, Sales and Supply Chain Management
Bruce R. Clements	Vice President, Manufacturing, Copper Tube
Daniel R. Corbin	Vice President, Manufacturing, Plastics
John B. Hansen	Vice President, Marketing
Robert A. Haskins	Vice President, Sales
Louis F. Pereira	General Manager, Canadian Operations
Peter D. Berkman	President, B&K Industries
Robert J. Pasquarelli	Vice President and General Manager, European Operations

Industrial Products Division

James H. Rourke	Group Vice President and General Manager
Gerald J. Leary	Vice President and General Manager, Engineered Products
William F. Navarre	Vice President, Manufacturing

Other Businesses

Gary L. Barker	President, Utah Railway Company
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Stockholder Information

Annual Meeting

The Annual Meeting of Stockholders will be held at the Company's Headquarters at 8285 Tournament Drive, Suite 150, Memphis, TN 38125, 10:00 a.m. local time, May 10, 2001.

Common Stock

Mueller common stock is traded on the NYSE - Symbol MLI.

Form 10-K

Copies of the Company's Annual Report on Form 10-K are available upon written request:

c/o Mueller Industries, Inc.
8285 Tournament Drive, Suite 150
Memphis, TN 38125
Attention: Investor Relations

Independent Auditors

Ernst & Young LLP
Memphis, Tennessee

Transfer Agent and Registrar

Continental Stock Transfer & Trust Co.
2 Broadway
New York, NY 10004

Stockholder Inquiries

To notify the Company of address changes or lost certificates, stockholders can call Continental Stock Transfer & Trust Co. at (212) 509-4000.

MUELLER INDUSTRIES, INC.
List of Subsidiaries

Subsidiary*	State or Country of Incorporation
Mueller Brass Co.	
(Assumed name: Mueller Brass Products)	Michigan
Mueller Industrial Realty Co.	Michigan
Itawamba Industrial Gas Company, Inc.	Mississippi
Streamline Copper & Brass Ltd.	Canada
Mueller Plastics Holding Company, Inc.	Ohio
Mueller Plastics Corporation, Inc.	Delaware
MPC Foundry, Inc.	Delaware
MPC Machine Shop, Inc.	Delaware
Mueller Brass Forging Company, Inc.	Delaware
Mueller Copper Fittings Company, Inc.	Delaware
Mueller Fittings Company, Inc.	Michigan
Mueller Copper Tube Company, Inc.	Delaware
Mueller East, Inc.	Delaware
Mueller Formed Tube Company, Inc.	Delaware
Mueller Impacts Company, Inc.	Delaware
Mueller Line Set Inc.	Delaware
Mueller Press Company, Inc.	Mississippi
Mueller Refrigeration Products Company, Inc.	Delaware
Mueller Refrigeration Company, Inc.	Michigan
Mueller LBHC, Inc. (3)	Delaware
Lincoln Brass Works, Inc.	Michigan
Mueller Refrigeration Holding Co., Inc.	Delaware
Mueller Streamline Co.	Delaware
Precision Tube Company, Inc.	Pennsylvania
Mueller Tool and Machine, Inc.	Delaware
Mueller Casting Company, Inc.	Delaware
Micro Gauge, Inc.	Michigan
Microgauge Machining, Inc.	Michigan
Propipe Technologies, Inc.	Ohio
WTC Holding Company, Inc.	Michigan
Mueller Europe, Ltd.	United Kingdom
DENO Investment Company, Inc.	Michigan
Mueller de Mexico (1)	Mexico
DENO Holding Company, Inc.	Michigan
DENO Acquisition	France
Mueller Europe, S.A. (2)	France
B & K Industries, Inc.	Illinois
Mueller Copper Tube Products, Inc.	Delaware
Mueller Streamline FSC Ltd.	Virgin Islands
Arava Natural Resources Company, Inc.	Delaware
United States Fuel Company	Nevada
King Coal Company	Utah

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List of Subsidiaries (continued)

Subsidiary*	State or Country of Incorporation
Utah Railway Company	Utah
Salt Lake City Southern Railroad Company, Inc.	Delaware
Canco Oil & Gas Ltd.	Alberta, Canada
Aegis Oil & Gas Leasing Ltd.	Alberta, Canada
Bayard Mining Corporation	Delaware
Washington Mining Company	Maine
Amwest Exploration Company	Delaware
USSRAM Exploration Company	Maine
Richmond-Eureka Mining Company (81%)	Maine
Ruby Hill Mining Company (75%)	Maine
White Knob Mining Company	Idaho
Arava Exploration Company	Colorado
Summit Systems, Inc.	Delaware
Kennet Company Limited	Bermuda
Mining Remedial Recovery Company	Delaware
Carpentertown Coal & Coke Company	Pennsylvania
USS Lead Refinery, Inc.	Maine
Leon Water Enterprises, Inc. (50%)	Texas
Macomber Construction Company	Ohio
Macomber Incorporated	Ohio
Macomber Building and Land Corporation	Delaware
MLI Financial Corporation	Delaware

* All subsidiaries are 100% owned, except as shown.

- (1) Owned by DENO Investment Company (99.8%) and Mueller Streamline Co. (.2%).
- (2) Less than 1% of the outstanding common stock of Mueller Europe, S.A. is owned by third parties.

Consent of Independent Auditors

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Mueller Industries, Inc. of our report dated February 9, 2001, included in the 2000 Annual Report to Stockholders of Mueller Industries, Inc.

Our audits also included the consolidated financial statement schedule of Mueller Industries, Inc. listed in Item 14(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the Registration Statements (Forms S-8 No. 333-52325, No. 33-54705, No. 33-41478 and No. 33-47307) pertaining to the 1998 Stock Option Plan, 1994 Stock Option Plan and 1994 Non-Employee Director Stock Option Plan, 1991 Employee Stock Purchase Plan and the 1991 Incentive Stock Option Plan of Mueller Industries, Inc., respectively, of our report dated February 9, 2001, with respect to the consolidated financial statements of Mueller Industries, Inc. incorporated by reference in its Annual Report (Form 10-K) for the year ended December 30, 2000, and the related financial statement schedule included therein filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Memphis, Tennessee
March 23, 2001