

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 28, 2002 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]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes X No

The number of shares of the Registrant's common stock outstanding as of March 12, 2003 was 34,257,419 excluding 5,834,083 treasury shares. The aggregate market value of the 33,692,817 shares of common stock held by non-affiliates of the Registrant was \$781,336,426 at March 12, 2003 (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 28, 2002 (Part I and II); Registrant's Definitive Proxy Statement for the 2003 Annual Meeting of Stockholders, scheduled to be mailed on or about March 24, 2003 (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 operations are located throughout the United States, and in Canada, Mexico, and Great Britain.

The Company's businesses are managed and organized into two segments: Standard Products Division ("SPD") and Industrial Products Division ("IPD"). SPD manufactures and sells copper tube, copper and plastic fittings, and valves. Outside of the United States, SPD manufactures and sells copper tube in Europe. SPD sells these products to wholesalers in the HVAC (heating, ventilation, and air-conditioning), plumbing, and refrigeration markets, to distributors to the manufactured housing and recreational vehicle industries, and to building material retailers. 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. The majority of the Company's manufacturing facilities operated at moderate levels during 2002, and high levels in 2001, and 2000.

During 2002, the Company sold its wholly owned subsidiary, Utah Railway Company. Certain expenses related primarily to retiree benefits at inactive operations were formerly combined with the operations of Utah Railway Company under a third industry segment, Other Businesses. Following the sale of Utah Railway Company and its classification as discontinued operations, these expenses of inactive operations have been combined into the unallocated expenses classification.

Information concerning segments appears under "Note 15 - Industry Segments" in the Notes to Consolidated Financial Statements in Mueller's Annual Report to Stockholders for the year ended December 28, 2002. 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.

On September 27, 2002, the Company acquired certain assets of Colonial Engineering, Inc.'s Fort Pierce, Florida operations. These operations manufacture injected molded plastic pressure fittings for plumbing, agricultural, and industrial use including a line of PVC Schedule 40 and 80 and CPVC fittings.

During 1998, the Company acquired Halstead Industries, Inc. ("Halstead"). Halstead operates a tube mill in Wynne, Arkansas. Halstead also operated a line sets factory in Clinton, Tennessee, which was moved to Wynne, Arkansas in 2001. 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. Also in 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 December 2002, the Company initiated a plan to sell or liquidate its French manufacturing operations, Mueller Europe S. A. Subsequent to year-end, on March 3, 2003, Mueller Europe S.A. filed a petition for liquidation with the Commercial Court of Provins Province, France and, on March 4, the Court declared the entity to be in liquidation. The disposition of remaining assets and obligations of Mueller Europe S.A. is under the jurisdiction of the Court.

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, and Europe. As of the beginning of 2003, the Company also maintains a sales office in Hong Kong. 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 28, 2002 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 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, and medical instruments. The total amount of order backlog for IPD as of December 28, 2002 was not significant.

On August 21, 2002, the Company acquired 100 percent of the outstanding stock of Overstreet-Hughes, Co., Inc. Overstreet-Hughes, located in Carthage, Tennessee, manufactures precision tubular components and assemblies primarily for the OEM air-conditioning market.

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 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., a subsidiary of Olin Corporation, Extruded Metals Inc., and others both domestic and foreign. Outside of North America, IPD sells products through various channels.

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Labor Relations

At December 28, 2002, the Company employed approximately 3,600 employees at its ongoing operations, of which approximately 1,400 were represented by various unions. The union contract at the Company's U.K. operation is renewed annually. Other contracts expire on various dates through September 2005.

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 \$1.6 million in 2002, \$3.6 million in 2001, and \$2.0 million in 2000. Except as discussed below, the Company does not anticipate that it will need to make material expenditures for such compliance activities during the remainder of the 2003 fiscal year, or for the next two fiscal years.

Mining Remedial Recovery Company

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

Mammoth Mine Site

MRRC owns 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 modified the order extending MRRC's time to comply with water quality standards until December 1, 2003. In September 2002, the QCB adopted a new order requiring MRRC to adopt Best Management Practices (BMP) to control discharges of acid mine drainage. The new order extends the time to comply with water quality standards until September 2007. MRRC has agreed to implement BMP to reduce or prevent the discharge of acid mine drainage until

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such point as compliance with the order is achieved or, through the Use Attainability Analysis (UAA) process, succeed in modifying the designated, beneficial uses of the respective watercourses, allowing for the adoption of alternative receiving water limits. MRRC estimates it will spend between \$0.5 and \$1.0 million annually over the next several years to comply with the order.

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 had 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"). 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, were substantially concluded in the fourth quarter of 2002. Costs for remaining cleanup efforts are estimated to be between \$0.5 and \$1.0 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,

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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.

Other

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.

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 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 2002, 2001, or 2000. No material portion of the Registrant's business involves governmental contracts.

SEC Filings

We make available through our Internet Web site our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. To retrieve any of this information, you may access our Internet home page at www.muellerindustries.com, select Mueller Financials, and then select SEC Filings.

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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 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 and copper tube line sets.
Fulton, MS	58,500 sq. ft. 15.53 acres	Packaging and bar coding facility for retail channel sales.
Fulton, MS	70,000 sq. ft. (2) 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.
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.

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ITEM 2. PROPERTIES (continued)

Location	Approximate Property Size	Description
Fort Pierce, FL	69,875 sq. ft. 5.60 acres	Plastic fittings plant. Produces pressure plastic 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.
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.
Carthage, TN	67,520 sq. ft. 10.98 acres	Fabrication facility. Produces precision tubular components and assemblies.
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. (3) 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.
Brighton, MI	65,000 sq. ft. (4)	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.

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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 a long-term lease agreement, with an option to purchase at nominal cost.
- (3) Facility is leased from a local municipality for a nominal amount.
- (4) 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.

Other Matters

The Company is aware of investigations of competition in markets in which it participates, or has participated in the past, in Europe, Canada, and the United States. No charges or allegations have been filed against the Company, which is cooperating with the investigations. The Company does not anticipate any material adverse effect on its business or financial condition as a result of the investigations.

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 28, 2002, 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 28, 2002, which selected financial data are 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 28, 2002, which 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 28, 2002, which 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 19.

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 2003 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 24, 2003 which 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 2003 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 24, 2003 which is incorporated herein by reference.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information

The following table discloses information regarding the securities to be issued and the securities remaining available for issuance under the Registrant's stock-based incentive plans as of December 28, 2002 (shares in thousands):

<TABLE>
<CAPTION>

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights	(b) Weighted average exercise price of outstanding options, warrants, and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
<S>	<C>	<C>	<C>
Equity compensation plans approved by security holders	1,026	\$ 23.51	814
Equity compensation plans not approved by security holders	2,895	5.29	-
Total	3,921	10.06	814

</TABLE>

Pursuant to Option Agreements, dated December 4, 1991 and March 3, 1992, Mr. Karp was granted options (the "Karp Inducement Option") to acquire 3.6 million shares of Common Stock at an exercise price of \$2.0625 per share (as adjusted for subsequent stock splits) of which 2.4 million shares remain unexercised. The Karp Inducement Option is exercisable until one year after termination of Mr. Karp's employment with the Company under Mr. Karp's employment agreement with the Company (the "Karp Employment Agreement"), unless Mr. Karp's employment is terminated for Cause (as defined in the Karp Employment Agreement), in which case the Karp Inducement Option shall only remain exercisable for a period of 30 days following Mr. Karp's receipt of written notice from the Company specifying the basis for Cause. Rule 312.00 of the New York Stock Exchange, Inc. (the "NYSE"), on which the Common Stock is listed, requires stockholder approval as a prerequisite to listing securities when a stock option plan is to be established or other arrangements made pursuant to which stock may be acquired by officers or directors. Stockholders approval is not required where shares are issued to a person not previously employed by a company as an inducement essential to his entering into an employment contract with such company. Pursuant to Rule 312.00 of the NYSE, stockholders were not asked to approve the issuance of shares of Common Stock upon exercise of Karp Inducement Option.

On October 9, 1999 Mr. O'Hagan was granted an option to acquire 100 thousand shares of Common Stock at an exercise price of \$15.9375 per share, on February 13, 2000 Mr. O'Hagan was granted an option to acquire 100 thousand shares of Common Stock at an exercise price of \$31.75 per share and on February 10, 2003 Mr. O'Hagan was granted an option to acquire 100 thousand share of Common Stock at an exercise price of \$25.10 per share (collectively, the "O'Hagan Treasury Options"). Each of the O'Hagan Treasury Options vests ratably over a five-year term, except that if there is a Change in Control (as defined in the O'Hagan Employment Agreement), all of the O'Hagan Treasury Options will become immediately exercisable on the later to occur of (i) the day Mr. O'Hagan notifies the Company he is terminating his employment with the Company as a result of said change, and (ii) ten days prior to the date Mr. O'Hagan's employment with the Company is terminated by the Company. In addition, all outstanding unvested O'Hagan Treasury Options will immediately vest and become exercisable if Mr. O'Hagan's employment is terminated by the Company without Cause (as defined in the O'Hagan Employment Agreement) or by Mr. O'Hagan for Good Reason (as defined in the O'Hagan Employment Agreement). The O'Hagan Treasury Options may only be exercised for shares of Common Stock held in treasury by the Company. Rule 312.00 of the NYSE does not require stockholder approval where stock may be acquired by officers or directors exclusively from treasury shares and therefore the stockholders were not asked to approve the issuance of shares of Common Stock upon the exercise of the O'Hagan Treasury Options.

Other 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 2003 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 24, 2003 which is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

ITEM 14. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures within 90 days before the filing date of this annual report. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to their evaluation.

ITEM 15. 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 23.
 3. Exhibits:
 - 2.1 Amended and Restated Agreement and Plan of Merger among the Registrant, 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 Quarterly 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 Quarterly 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 Quarterly Report on Form 10-Q, dated November 6, 1998, for the quarter ended September 26, 1998).

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- 3.1 Certificate of Incorporation of the Registrant and all amendments thereto (Incorporated herein by reference to Exhibit 3.1 of the Registrant's Annual Report on Form 10-K, dated March 23, 1999, for the fiscal year ended December 26, 1998).
- 3.2 By-laws of the Registrant, as amended and restated, effective November 10, 1994.
- 4.1 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.
- 10.1 Credit Agreement among the Registrant (as Borrower) and Michigan National Bank and other banking institutions and Michigan National Bank (as Agent) dated as of November 29, 2000 (Incorporated herein by reference to Exhibit 10.1 of the Registrant's Annual Report on Form 10-K, dated March 26, 2001, for the fiscal year ended December 30, 2000).
- 10.2 Certain instruments with respect to long-term debt of the Registrant have not been filed as Exhibits to this Report since the total amount of securities authorized under any such instruments does not exceed 10 percent of the total assets of the Registrant and its subsidiaries on a consolidated basis. The Registrant 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 the Registrant and Harvey L. Karp.
- 10.4 Stock Option Agreement, dated December 4, 1991, by and between the Registrant and Harvey L. Karp.
- 10.5 Stock Option Agreement, dated March 3, 1992, by and between the Registrant and Harvey L. Karp.
- 10.6 Mueller Industries, Inc. 1991 Incentive Stock Option Plan.
- 10.7 Summary description of the Registrant's 2003 bonus plan for certain key employees.
- 10.8 Amended and Restated Employment Agreement, effective as of September 17, 1997, by and between the Registrant and Harvey L. Karp.

10.9 Amended and Restated Employment Agreement, effective as of September 17, 1997, by and between the Registrant and William D. O'Hagan.

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- 10.10 Amendment to Amended and Restated Employment Agreement, effective May 12, 2000, by and between the Registrant and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.1 of the Registrant's Quarterly 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.
- 10.12 Mueller Industries, Inc. 1994 Non-Employee Director Stock Option Plan.
- 10.13 Mueller Industries, Inc. Deferred Compensation Plan, effective December 1, 2000 (Incorporated herein by reference to Exhibit 10.13 of the Registrant's Annual Report on Form 10-K, dated March 26, 2001, for the fiscal year ended December 30, 2000).
- 10.14 Mueller Industries, Inc. 1998 Stock Option Plan.
- 10.15 Stock Option Agreement, dated May 7, 1997, by and between the Registrant and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.19 of the Registrant's Annual 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 the Registrant and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.20 of the Registrant's Annual Report on Form 10-K, dated March 23, 1999, for the fiscal year ended December 26, 1998).
- 10.17 Stock Option Agreement, dated February 13, 2002, by and between the Registrant and William D. O'Hagan.
- 10.18 Employment Agreement, effective October 17, 2002, by and between the Registrant and Kent A. McKee.
- 13.0 Mueller Industries, Inc.'s Annual Report to Stockholders for the year ended December 28, 2002. 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).
- 99.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (b) During the three months ended December 28, 2002, 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 24, 2003.

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 24, 2003
/S/ GENNARO J. FULVIO Gennaro J. Fulvio	Director	March 24, 2003
/S/ GARY S. GLADSTEIN Gary S. Gladstein	Director	March 24, 2003
/S/ TERRY HERMANSON Terry Hermanson	Director	March 24, 2003
/S/ ROBERT B. HODES Robert B. Hodes	Director	March 24, 2003
/S/ WILLIAM D. O'HAGAN William D. O'Hagan	President, Chief Executive Officer, Director	March 24, 2003

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 24, 2003
/S/ RICHARD W. CORMAN Richard W. Corman Corporate Controller	March 24, 2003

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CERTIFICATIONS

I, William D. O'Hagan, certify that:

1. I have reviewed this annual report on Form 10-K of Mueller Industries, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal

controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

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6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 24, 2003

/s/William D. O'Hagan
William D. O'Hagan
President,
Chief Executive Officer

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CERTIFICATIONS

I, Kent A. McKee, certify that:

1. I have reviewed this annual report on Form 10-K of Mueller Industries, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make

the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

- a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
- c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

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6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 24, 2003

/s/Kent A. McKee
Kent A. McKee
Vice President and
Chief Financial Officer

INDEX TO FINANCIAL STATEMENTS

The consolidated financial statements, together with the report thereon of Ernst & Young LLP dated January 31, 2003, appearing on pages 25 through and including 58, of the Company's 2002 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 2002 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 2002 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 28, 2002, December 29, 2001, and December 30, 2000.	
Valuation and Qualifying Accounts (Schedule II)	24

(In thousands)

<TABLE>

<CAPTION>

Balance at end of year	Balance at beginning of year	Additions		
		Charged to costs and expenses	Other additions	Deductions
----- <S> <C> 2002	<C>	<C>	<C>	<C>
Allowance for doubtful accounts \$ 6,443	\$ 6,573	\$ 374	\$ -	\$ 504
Environmental reserves \$ 9,110	\$ 9,203	\$ 1,739	\$ 543	\$ 2,375
Severance and related \$ 13	\$ 14	\$ -	\$ -	\$ 1
Other reserves (4) \$ 1,721	\$ 3,306	\$ -	\$ 200	\$ 1,785
Valuation allowance for deferred tax assets \$ 33,030	\$ 58,535	\$ 136	\$ -	\$ 25,641
2001				
Allowance for doubtful accounts \$ 6,573	\$ 5,612	\$ 1,704	\$ -	\$ 743
Environmental reserves \$ 9,203	\$ 9,862	\$ 3,600	\$ 311 (1)	\$ 4,570
Severance and related \$ 14	\$ 2,187	\$ 707	\$ -	\$ 2,880
Other reserves (4) \$ 3,306	\$ 11,332	\$ -	\$ -	\$ 8,026
Valuation allowance for deferred tax assets \$ 58,535	\$ 34,286	\$ 678	\$ 24,530 (2)	\$ 959
2000				
Allowance for doubtful accounts \$ 5,612	\$ 5,367	\$ 663	\$ 131 (3)	\$ 549
Environmental reserves \$ 9,862	\$ 12,965	\$ 2,049	\$ 75 (3)	\$ 5,227
Severance and related \$ 2,187	\$ 1,558	\$ 2,100	\$ -	\$ 1,471
Other reserves (4) \$ 11,332	\$ 10,034	\$ -	\$ 2,248 (3)	\$ 950
Valuation allowance for deferred tax assets \$ 34,286	\$ 51,312	\$ -	\$ 1,013 (2)	\$ 18,039

<FN>

(1) Balance reclassified from other liabilities.

(2) Other additions to the valuation allowance for deferred tax assets relate to capital loss carryforwards, foreign net operating loss carryforwards, and foreign audit and withholding allowances.

(3) Resulted from acquisitions.

(4) 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
3.2	By-laws of the Registrant, as amended and restated, effective November 10, 1994.	

- 4.1 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.
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EXHIBIT INDEX

Exhibits	Description	Page
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23.0	Consent of Independent Auditors (Includes report on Financial Statement Schedule).	
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BY-LAWS
OF
MUELLER INDUSTRIES, INC.
(RESTATED AS OF NOVEMBER 10, 1994)

ARTICLE I

Offices

The registered office of the Corporation shall be in the City of Dover, County of Kent, State of Delaware. The Corporation also may have offices at such other places, within or without the State of Delaware, as the Board of Directors determines from time to time or the business of the Corporation requires.

ARTICLE II

Meetings of Stockholders

Section 1. Place of Meetings, etc. Except as otherwise provided in these By-laws, all meetings of the stockholders shall be held at such dates, times and places, within or without the State of Delaware, as shall be determined by a majority of the Entire Board of Directors (as hereinafter defined) and as shall be stated in the notice of the meeting or in waivers of notice thereof. If the place of any meeting is not so fixed, it shall be held at the registered office of the Corporation in the State of Delaware.

Section 2. Annual Meeting. The annual meeting of stockholders for the election of directors and the transaction of such other business as properly may be brought before the meeting shall be held on such date after the close of the Corporation's fiscal year, as a majority of the Entire Board of Directors may from time to time determine.

Section 3. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, may be called by the Chairman or the President and shall be called by the Chairman upon the written request of a majority of the Entire Board of Directors. The request shall state the date, time, place and purpose or purposes of the proposed meeting.

Section 4. Notice of Meetings. Except as otherwise required or permitted by law, whenever the stockholders are required or permitted to take any action at a meeting, written notice thereof shall be given, stating the place, date and time of the meeting and, unless it is the annual meeting, by or at whose direction it is being issued. The notice also shall designate the place where the stockholders' list is available for examination, unless the list is kept at the place where the meeting is to be held. Notice of a special meeting also shall state the purpose or purposes for which the meeting is called. A copy of the notice of any meeting shall be delivered personally or shall be mailed, not less than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder or record entitled to vote at the meeting. If mailed, the notice shall be given when deposited in the United States mail, postage prepaid, and shall be directed to each stockholder at his address as it appears on the record of stockholders, unless he shall have filed with the Secretary of the

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Corporation a written request that notices to him be mailed to some other address, in which case it shall be directed to him at the other address. Notice of any meeting of stockholders shall not be required to be given to any stockholder who shall attend the meeting, except for the express purpose of objecting at the beginning thereof to the transaction of any business because the meeting is not lawfully called or convened, or who shall submit, either before or after the meeting, a signed waiver of notice. Unless the Board of Directors, after the adjournment, shall fix a new record date for an adjourned meeting or unless the adjournment is for more than thirty (30) days, notice of an adjourned meeting need not be given if the place, date and time to which the meeting shall be adjourned is announced at the meeting at which the adjournment is taken.

Section 5. Quorum. Except as otherwise provided by law or by the Certificate of Incorporation of the Corporation, at all meetings of stockholders the holders of a majority of the outstanding shares of the Corporation entitled to vote at the meeting shall be present in person or by proxy in order to constitute a quorum for the transaction of business.

Section 6. Voting. Except as otherwise provided by the Certificate of Incorporation of the Corporation, at any meeting of the stockholders every stockholder of record having the right to vote thereat shall be entitled to one vote for every share of stock standing in his name as of the record date and entitling him to so vote. A stockholder may vote in person or by proxy. Except as otherwise provided by law or by the Certificate of Incorporation of

the Corporation, any corporate action to be taken by a vote of the stockholders, other than the election of directors, shall be authorized by not less than a majority of the votes cast at a meeting by the stockholders present in person or by proxy and entitled to vote thereon. Directors shall be elected as provided in Section 2 of Article III of these By-laws. Written ballots shall not be required for voting on any matter unless ordered by the Chairman of the meeting.

Section 7. Proxies. Every proxy shall be executed in writing by the stockholder or by his attorney-in-fact.

Section 8. List of Stockholders. At least ten (10) days before every meeting of stockholders, a list of the stockholders (including their addresses) entitled to vote at the meeting and their record holdings as of the record date shall be open for examination by any stockholder, during ordinary business hours, at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list also shall be kept at and throughout the meeting.

Section 9. Conduct of Meetings. At each meeting of the stockholders, the Chairman of the Board of Directors along with the President, or either of them acting individually in the event of the absence of the President or Chairman or, in their absence, one of the Vice Chairman, if any, shall act as Chairmen or Chairman of the meeting. The Secretary or, in his absence, any person appointed by the Chairmen or Chairman of the meeting shall act as Secretary of the meeting and shall keep the minutes thereof. The order of business at all meetings of the stockholders shall be as determined by the Chairmen or Chairman of the meeting.

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Section 10. Consent of Stockholders in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation of the Corporation, any action which may be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed, in person or by proxy, by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote thereon were present and voted in person or by proxy. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing, but who were entitled to vote on the matter.

Section 11. Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting delivered pursuant to Article II, Section 4 of these By-Laws, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who is entitled to vote at the meeting, who has complied with the notice procedures set forth in clauses (2) and (3) of this paragraph (A) and the other requirements of this Section 11 and who was a stockholder of record at the time such notice was delivered to the Secretary of the Corporation.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A) (1) of this Section 11, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days or delayed by more than sixty (60) days from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the ninetieth (90) day prior to such annual meeting and not later than the close of business on the later of the sixtieth (60) day prior to such annual meeting or the tenth (10) day following the day on which public announcement of the date of such meeting is first made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), or any successor rule or regulation; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the

meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and

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address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (A) (2) of this Section 11 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least seventy (70) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 11 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the tenth (10) day following the day on which such public announcement is first made by the Corporation.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Article II, Section 3 of these By-Laws. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of the Corporation who is entitled to vote at the meeting, who has complied with the notice procedures set forth in this Section 11 and who was a stockholder of record at the time such notice was delivered to the Secretary of the Corporation. Nomination by stockholders of persons for election to the Board of Directors may be made at such a special meeting of stockholders if the stockholder's notice required by paragraph (A) (2) of this Section 11 shall have been delivered to the Secretary at the principal executive offices of the Corporation not earlier than the ninetieth (90) day prior to such special meeting and not later than the close of business on the later of the sixtieth (60) day prior to such special meeting or the tenth (10) day following the day on which public announcement is first made of the date of the special meeting.

(C) General.

(1) Only persons who are nominated in accordance with the procedures set forth in this Section 11 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 11. Except as otherwise provided by law, the Certificate of Incorporation, as amended, or these By-Laws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 11 and, if any proposed nomination or business is not in compliance with this Section 11, to declare that such defective proposal or nomination shall be disregarded.

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(2) For purposes of this by-Law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 11, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 11. Nothing in this Section 11 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE III

Board of Directors

Section 1. Number of Board Members. The Board of Directors shall consist of one (1) or more members. Until such time as the Board of Directors determines otherwise, the number of directors shall be nine (9). The number of directors may be reduced or increased from time to time by resolution of a majority of the Entire Board of Directors, but no decrease may shorten the term of an incumbent director. When used in these By-laws, the phrase "Entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

Section 2. Election and Term. Except as otherwise provided by law or by these By-laws, the directors shall be elected at the annual meeting of the stockholders and the persons receiving a plurality of the votes cast shall be so elected. Subject to his earlier death, resignation or removal as provided in Section 3 of this Article III, each director shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3. Removal. A director may be removed, but only with cause, by action of a majority of the Entire Board of Directors or the stockholders.

Section 4. Resignations. Any director may resign at any time by giving written notice of his resignation to the Corporation. A resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt, and, unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

Section 5. Vacancies. Any vacancy in the Board of Directors arising from an increase in the number of directors or otherwise may be filled by the vote of a majority of the remaining directors on the Board of Directors. Subject to his earlier death, resignation or removal as provided in Section 3 of this Article III, each director so elected shall hold office until his successor shall have been duly elected and shall have qualified or for the unexpired term of his predecessor, as the case may be.

Section 6. Place of Meetings. Except as otherwise provided in these By-laws, all meetings of the Board of Directors shall be held at such places, within or without the State of Delaware, as the Board of Directors determines from time to time.

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Section 7. Annual Meeting. The annual meeting of the Board of Directors shall be held either (a) without notice immediately after the annual meeting of stockholders and in the same place, or (b) as soon as practicable after the annual meeting of stockholders on such date and at such time and place as the Board of Directors determines.

Section 8. Regular Meetings. Regular meetings of the Board of Directors shall be held on such dates and at such places and times as the Board of Directors determines. Notice of regular meetings need not be given, except as otherwise required by law.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors or the President of the Corporation and shall be called by the Chairman of the Board of Directors, the President or the Secretary upon the written request of a majority of the Entire Board of Directors. The request shall state the date, time, place and purpose or purposes of the proposed meeting.

Section 10. Notice of Meetings. Notice of each special meeting of the Board of Directors (and of each annual meeting held pursuant to subdivision (b) of Section 7 of this Article III) shall be given, not later than 48 hours before the meeting is scheduled to commence, by the Chairman of the Board of Directors, the President or the Secretary and shall state the place, date and time of the meeting. Notice of each meeting may be delivered to a director by hand or given to a director orally (whether by telephone or in person) or mailed or telegraphed to a director at his residence or usual place of business, provided, however, that if notice of less than 72 hours is given it may not be mailed. If mailed, the notice shall be deemed to have been given when deposited in the United States mail, postage prepaid, and if telegraphed, the notice shall be deemed to have been given when the contents of the telegram are transmitted to the telegraph service with instructions that the telegram immediately be dispatched. Notice of any meeting need not be given to any director who shall submit, either before or after the meeting, a signed waiver of notice or who shall attend the meeting, except if such director shall attend for the express purpose of objecting at the beginning thereof to the transaction of any business because the meeting is not lawfully called or convened. Notice of any adjourned meeting, including the place, date and time of the new meeting, shall be given to all directors not present at the time of the adjournment, as well as to the other directors unless the place, date and time of the new meeting is announced at the adjourned meeting.

Section 11. Quorum. A majority of the Entire Board of Directors shall constitute a quorum and be sufficient for the transaction of business, and any act of a majority of the Entire Board of Directors at which a quorum is

present shall be the act of the Board of Directors.

Section 12. Conduct of Meetings. At each meeting of the Board of Directors, the Chairman of the Board of Directors along with the President, or either of them acting individually in the event of the absence of the Chairman or the President or, in their absence, one of the Vice Chairmen shall act as Chairmen or Chairman of the meeting. The Secretary or, in his absence, any person appointed by the Chairmen or Chairman of the meeting shall act as Secretary of the meeting and keep the minutes thereof. The order of business at all meetings of the Board of Directors shall be as determined by the Chairmen or Chairman of the meeting.

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Section 13. Committees of the Board. The Board of Directors, by resolution adopted by a majority of the Entire Board of Directors, may designate an executive committee and other committees, each consisting of one (1) or more directors. Each committee (including the members thereof) shall serve at the pleasure of the Board of Directors and shall keep minutes of its meetings and report the same to the Board of Directors. The Board of Directors shall initially have an Audit Committee, with the powers enumerated in Section 14 hereof. The Board of Directors may designate one or more directors as alternate members of any committee. Alternate members may replace any absent or disqualified member or members at any meeting of a committee. In addition, in the absence or disqualification of a member of a committee, if no alternate member has been designated by the Board of Directors, the members present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Except as limited by law, each committee, to the extent provided in the resolution establishing it, shall have and may exercise all the powers and authority of the Board of Directors with respect to all matters.

Section 14. Audit Committee. The Audit Committee shall consist of at least two (2) members of the Board of Directors. The Audit Committee's powers shall include, but shall not be limited to, the following: to make recommendations to the Board of Directors regarding the appointment of the Corporation's independent accountants; to review and approve any major changes in accounting policy; to review the arrangements for, scope and results of the independent audit; to review and approve the scope of non-audit services to be performed by the Corporation's independent accountants and to consider the possible effect on the independence of the accountants; to review the effectiveness of the Corporation's internal auditing procedures and personnel; to review the Corporation's policies and procedures for compliance with disclosure requirements with respect to conflicts of interest and for prevention of unethical, questionable or illegal payments; and to take such other actions as the Board of Directors shall from time to time so authorize.

Section 15. Compensation Committee. The Compensation Committee shall consist of at least two (2) members of the Board of Directors. The Compensation Committee's powers shall include, but shall not be limited to the following: to establish compensation policies, to recommend salary levels, salary increases and bonus payments, to grant stock options, to provide an overview of the Company's compensation programs and to take such other actions as the Board of Directors shall from time to time authorize.

Section 16. Operation of Committees. A majority of all the members of a committee shall constitute a quorum for the transaction of business, and the vote of a majority of all the members of a committee present at a meeting at which a quorum is present shall be the act of the committee.

Each committee shall adopt whatever other rules of procedure it determines for the conduct of its activities.

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Section 17. Consent to Action. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 18. Meetings Held Other Than in Person. Members of the Board of Directors or any committee may participate in a meeting of the Board of Directors or committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all persons

participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

ARTICLE IV

Officers

Section 1. Executive Officers, etc. The executive officers of the Corporation shall be a Chairman of the Board of Directors, a Chief Executive Officer, a President, a Secretary and a Treasurer. The Board of Directors also may elect or appoint one or more Vice Chairmen of the Board of Directors (who, if so elected or appointed would be executive officers of the Corporation), one or more Vice Presidents (any of whom may be designated as Executive Vice Presidents or otherwise), or any other officers it deems necessary or desirable for the conduct of the business of the Corporation, each of whom shall have such powers and duties as the Board of Directors determines. Any officer may devote less than one hundred percent (100%) of his working time to his activities as such if the Board of Directors so approves.

Section 2. Duties.

(a) The Chairman of the Board of Directors. The Chairman of the Board of Directors shall perform, in the absence or disability of the Chief Executive Officer, the duties and exercise the powers of the Chief Executive Officer and shall have such other powers and duties as a majority of the Entire Board of Directors or the Chief Executive Officer assigns to him, including, if so assigned, general charge and control of the business and affairs of the Corporation. The Chairman of the Board of Directors along with the President shall preside at all meetings of the stockholders and the Board of Directors, and in the event of the absence of the Chairman of the Board of Directors the President alone shall preside.

(b) The Vice Chairman of the Board of Directors. The Vice Chairman or, if there shall be more than one, the Vice Chairmen, of the Board of Directors shall, subject to the control of the Board of Directors, have such powers and duties as the Chairman or a majority of the Entire Board of Directors assigns to him. Notwithstanding the granting of powers to and imposition of duties upon the Chairman of the Board of Directors and President under this Article, whenever these By-laws grant powers or impose duties jointly upon the Chairman or the President, those same powers are granted and those same duties are imposed upon the Vice Chairman, or Vice Chairmen if there shall be more than one.

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(c) The President. The President shall be the chief operating officer of the Corporation and shall have responsibility for the day-to-day operation of the Corporation, subject to the control of the Chief Executive Officer, the Chairman and the Vice Chairman or Vice Chairmen, if any, and he shall have such other powers and duties as a majority of the Entire Board of Directors assigns to him. The President along with the Chairman of the Board of Directors shall preside at all meetings of the stockholders and the Board of Directors, and in the event of the absence of the President, the Chairman alone shall preside.

(d) The Vice President. The Vice President or, if there shall be more than one, the Vice Presidents, if any, in the order of their seniority or in any other order determined by the Board of Directors, shall perform, in the absence or disability of the President, the duties and exercise the powers of the President and shall have such other powers and duties as the Chief Executive Officer, the Chairman, the President, or a majority of the Entire Board of Directors assigns to him or to them.

(e) The Secretary. Except as otherwise provided in these By-laws or as directed by the Board of Directors, the Secretary shall attend all meetings of the stockholders and the Board of Directors; he shall record the minutes of all proceedings in books to be kept for that purpose; he shall give notice of all meetings of the stockholders and special meetings of the Board of Directors; and he shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors, he shall affix the same to any corporate instrument. The Secretary shall have such other powers and duties as the Board of Directors assigns to him.

(f) The Treasurer. Subject to the control of the Board of Directors, the Treasurer shall have the care and custody of the corporate funds and the books relating thereto; he shall perform all duties incident to the office of Treasurer; and he shall have such other powers and duties as the Board of Directors assigns to him.

(g) Chief Executive Officer. Subject to the control of the Board of Directors, the Chief Executive Officer shall have general charge and control of the business and affairs of the Corporation.

Section 3. Election; Removal. Subject to his earlier death, resignation or removal as hereinafter provided, each officer shall hold his office until his successor shall have been duly elected and shall have qualified. Any

officer may be removed at any time, with or without cause, by a majority of the Entire Board of Directors.

Section 4. Resignations. Any officer may resign at any time by giving written notice of his resignation to the Corporation. A resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt, and, unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

Section 5. Vacancies. If an office becomes vacant for any reason, a majority of the Entire Board of Directors may fill the vacancy, and each officer so elected shall serve for the remainder of his predecessor's term.

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ARTICLE V

Provisions Relating to Stock

Certificates and Stockholders

Section 1. Certificates. Certificates for the Corporation's capital stock shall be in such form as required by law and as approved by the Board of Directors. Each certificate shall be signed in the name of the Corporation by the Chairman, a Vice Chairman, the President or any Vice President and by the Secretary, the Treasurer or any Assistant Secretary or any Assistant Treasurer and shall bear the seal of the Corporation or a facsimile thereof. If any certificate is countersigned by a transfer agent or registered by a registrar, other than the Corporation or its employees, the signature of any officer of the Corporation may be a facsimile signature. In case any officer, transfer agent or registrar who shall have signed or whose facsimile signature was placed on any certificate shall have ceased to be such officer, transfer agent or registrar before the certificate shall be issued, it may nevertheless be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 2. Lost Certificates, etc. The Corporation may issue a new certificate for shares in place of any certificate theretofore issued by it, alleged to have been lost, mutilated, stolen or destroyed, and the Board of Directors may require the owner of the lost, mutilated, stolen or destroyed certificate, or his legal representatives, to make an affidavit of that fact and to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation on account of the alleged loss, mutilation, theft or destruction of the certificate or the issuance of a new certificate.

Section 3. Transfers of Shares. Transfers of shares shall be registered on the books of the Corporation maintained for that purpose after due presentation of the stock certificates therefore appropriately endorsed or accompanied by proper evidence of succession, assignment or authority to transfer.

Section 4. Record Date. For the purpose of determining the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining stockholders entitled to receive payment of any dividend or other distribution or the allotment of any rights, or for the purpose of any other action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of any such meeting, nor more than sixty (60) days prior to any other action.

ARTICLE VI

INDEMNIFICATION

Section 1. Indemnification. The Corporation shall, to the fullest extent permitted by the General Corporation Law of the State of Delaware, as the same exists or may be hereafter amended or supplemented, or by any successor thereto, indemnify any and all persons whom it shall have power to indemnify

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under said Law from and against any and all of the expenses, liabilities or other matters referred to in or covered by said Law. Such right of indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs,

executors and administrators of such person. No director shall have any personal liability to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this provision shall not eliminate or limit the liability of any director: a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, c) under Section 174 of the Delaware General Corporation Law, or d) for any transaction from which the director derived an improper personal benefit. Such right of indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Certificate of Incorporation of the Corporation, any agreement, vote of stockholders or disinterested directors or otherwise.

Section 2. Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of Section 1 of the By-laws or under Section 145 of the General Corporation Law or any other provision of law.

ARTICLE VII

General Provisions

Section 1. Dividends, etc. To the extent permitted by law, the Board of Directors shall have full power and discretion, subject to the provisions of the Certificate of Incorporation of the Corporation and the terms of any other corporate document or instrument binding upon the Corporation, to determine what, if any, dividends or distributions shall be declared and paid or made.

Section 2. Seal. The Corporation's seal shall be in such form as is required by law and as shall be approved by the Board of Directors.

Section 3. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

Section 4. Voting Shares in Other Corporations. Unless otherwise directed by the Board of Directors, shares in other Corporations which are held by the Corporation shall be represented and voted only by the Chairman of the Board of Directors or the President or by a proxy or proxies appointed by either of them acting individually.

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ARTICLE VIII

Amendments

By-laws may be adopted, amended or repealed by a majority of the Entire Board of Directors, subject to the right of the stockholders to adopt, amend or repeal any By-law made by a majority of the Entire Board of Directors.

Rights Agreement

Mueller Industries, Inc.

and

Continental Stock Transfer & Trust Company

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Rights Agent

Dated as of November 10, 1994

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RIGHTS AGREEMENT

RIGHTS AGREEMENT, dated as of November 10, 1994 between Mueller Industries, Inc., a Delaware corporation (the "Company"), and Continental Stock Transfer & Trust Company, a New York Limited Purpose Trust Company (the "Rights Agent").

W I T N E S S E T H

WHEREAS, on November 10, 1994 (the "Rights Dividend Declaration Date"), the Board of Directors of the Company authorized and declared a dividend distribution of one Right for each share of Common Stock of the Company outstanding at the close of business on November 21, 1994 (the "Record Date"), and has authorized the issuance of one Right (as such number may hereinafter be adjusted pursuant to the provisions of Section 11(p) hereof) for each share of Common Stock of the Company issued between the Record Date (whether originally issued or delivered from the Company's treasury) and the Distribution Date, each Right initially representing the right to purchase one unit (a "Unit") with each such unit consisting initially of one one-thousandth of a share of Series A Junior Participating Preferred Stock of the Company having the rights, powers and preferences set forth in the form of Certificate of Designation, Preferences and Rights attached hereto as Exhibit A, upon the terms and subject to the conditions hereinafter set forth ("Rights");

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions. For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 15% or more of the shares of Common Stock then outstanding, but shall not include (i) the Company, (ii) any Subsidiary of the Company, (iii) any employee benefit plan of the Company or of any Subsidiary of the Company, or (iv) any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan (each of (i) through (iv), an "Exempted Person"). Notwithstanding the foregoing, (i) no Person shall become an "Acquiring Person" as a result of an acquisition of Common Stock by the Company which, by reducing the number of such shares then outstanding, increases the proportionate number of shares beneficially owned by such Person to 15% or more of the outstanding Common Stock, except that if such Person, after such share purchases by the Company, becomes the Beneficial Owner of any additional shares of Common Stock, such Person shall be deemed to be an "Acquiring Person;" and (ii) if the Board of Directors of the Company determines in good faith that a Person who would otherwise be an "Acquiring Person" has become such inadvertently, and such Person divests as promptly as practicable a sufficient number of Common Stock so that such Person would no longer be an Acquiring Person then such Person shall not be deemed to be an "Acquiring Person." The term "outstanding," when used with reference to a Person's Beneficial Ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then issued and outstanding which such Person would be deemed to beneficially own hereunder.

(b) "Act" shall mean the Securities Act of 1933, as amended.

(c) "Adjustment Shares" shall have the meaning set forth in Section 11(a)(ii) of this Agreement.

(d) "Affiliate" shall have the meaning set forth in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

(e) "Associate" shall have the meaning set forth in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

(f) A Person shall be deemed the "Beneficial Owner" of, and shall be deemed to "beneficially own," any securities:

(i) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not

in writing) or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the "Beneficial Owner" of, or to "beneficially own," (A) securities tendered pursuant to a tender or exchange offer made by such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange, or (B) securities issuable upon exercise of Rights at any time prior to the occurrence of a Triggering Event, or (C) securities issuable upon exercise of Rights from and after the occurrence of a Triggering Event which Rights were acquired by such Person or any of such Person's Affiliates or Associates prior to the Distribution Date or pursuant to Section 3(a) or Section 22 hereof ("Original Rights") or pursuant to Section 11(i) hereof in connection with an adjustment made with respect to any Original Rights;

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has "beneficial ownership" of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing; provided, however, that a Person shall not be deemed the "Beneficial Owner" of, or to "beneficially own," any security under this subparagraph (ii) as a result of an agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding: (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, and (B) is not also then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such Person's Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing), for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to subparagraph (ii) of this paragraph (f)) or disposing of any voting securities of the Company; provided,

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however, that nothing in this paragraph (f) shall cause a person engaged in business as an underwriter of securities to be the "Beneficial Owner" of, or to "beneficially own," any securities acquired through such person's participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition.

(g) "Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

(h) "Close of business" on any given date shall mean 5:00 P.M., New York City time, on such date; provided, however, that if such date is not a Business Day it shall mean 5:00 P.M., New York City time, on the next succeeding Business Day.

(i) "Common Stock" shall mean the common stock, par value \$.01 per share, except that "Common Stock" when used with reference to any Person other than the Company shall mean the capital stock of such Person with the greatest voting power, or the equity securities or other equity interest having power to control or direct the management, of such Person.

(j) "Common Stock Equivalents" shall have the meaning set forth in Section 11(a)(iii) of this Agreement.

(k) "Company" shall have the meaning set forth in the introductory paragraph of this Agreement.

(l) "Continuing Director" shall mean (i) any Person who on the Rights Dividend Declaration Date was a member of the Board of Directors, while such Person is a member of the Board, who is not an Acquiring Person, or an Affiliate or Associate of an Acquiring Person, or a representative or nominee of an Acquiring Person or of any such Affiliate or Associate, or (ii) any Person who subsequently becomes a member of the Board, while such Person is a member of the Board, who is not an Acquiring Person, or an Affiliate or Associate of an Acquiring Person, or a representative or nominee of an Acquiring Person or of any such Affiliate or Associate, if such Person's nomination for election or reelection to the Board is recommended or approved by a majority of the Continuing Directors.

(m) "Current Market Price" shall have the meaning set forth in Section 11(d)(i).

(n) "Current Value" shall have the meaning set forth in Section 11(a)(iii) of this Agreement.

(o) "Distribution Date" shall have the meaning set forth in Section 3(a) of this Agreement.

(p) "Equivalent preferred stock" shall have the meaning set forth in Section 11(b) of this Agreement.

(q) "Exchange Act" shall mean the Securities Exchange Act of 1934.

(r) "Exempted Person" shall have meaning set forth in Section 1(a) of this Agreement.

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(s) "Expiration Date" shall have the meaning set forth in Section 7(a) of this Agreement.

(t) "Final Expiration Date" shall have the meaning set forth in Section 7(a) of this Agreement.

(u) "Original Rights" shall have the meaning set forth in Section 1(f) of this Agreement.

(v) "Person" shall mean any individual, firm, corporation, partnership or other entity.

(w) "Preferred Stock" shall mean shares of Series A Junior Participating Preferred Stock, par value \$1.00 per share, of the Company, and, to the extent that there are not a sufficient number of shares of Series A Junior Participating Preferred Stock authorized to permit the full exercise of the Rights, any other series of Preferred Stock, par value \$1.00 per share, of the Company designated for such purpose containing terms substantially similar to the terms of the Series A Junior Participating Preferred Stock.

(x) "Principal Party" shall have the meaning set forth in Section 13(b) of this Agreement.

(y) "Purchase Price" shall have the meaning set forth in Section 4(a) of this Agreement.

(z) "Record Date" shall have the meaning set forth in the "Whereas" clause of this Agreement.

(aa) "Redemption Price" shall have the meaning set forth in Section 23 of this Agreement.

(bb) "Rights" shall have the meaning set forth in the "Whereas" clause of this Agreement.

(cc) "Rights Agent" shall have the meaning set forth in the "Whereas" clause of this Agreement.

(dd) "Rights Certificates" shall have the meaning set forth in Section 3(a) of this Agreement.

(ee) "Rights Dividend Declaration Date" shall have the meaning set forth in the "Whereas" clause of this Agreement.

(ff) "Section 11(a)(ii) Event" shall mean any event described in Section 11(a)(ii) of this Agreement.

(gg) "Section 11(a)(ii) Trigger Date" shall have the meaning set forth in Section 11(a)(iii) of this Agreement.

(hh) "Section 13 Event" shall mean any event described in clause (x), (y) or (z) of Section 13(a) of this Agreement.

(ii) "Spread" shall have the meaning set forth in Section 11(a)(iii) of this Agreement.

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(jj) "Stock Acquisition Date" shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 13(d) under the Exchange Act) by the Company or an Acquiring Person that an Acquiring Person has become such.

(kk) "Subsidiary" shall mean, with reference to any Person, any corporation of which an amount of voting securities sufficient to elect at least a majority of the directors of such corporation is beneficially owned, directly or indirectly, by such Person, or otherwise controlled by such Person.

(ll) "Substitution Period" shall have the meaning set forth in Section

11(a)(iii) of this Agreement.

(mm) "Summary of Rights" shall have the meaning set forth in Section 3(b) of this Agreement.

(nn) "Trading Day" shall have the meaning set forth in Section 11(b) of this Agreement.

(oo) "Transaction" shall mean any merger, consolidation or sale of assets or earning power described in Section 13(a) hereof or any acquisition of Common Stock of the Company which, without regard to any required approval of the Company, would result in a Person becoming an Acquiring Person.

(pp) "Triggering Event" shall mean any Section 11(a)(ii) Event or any Section 13 Event.

(qq) "Unit" shall have the meaning set forth in the "Whereas" clause of this Agreement.

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such Co-Rights Agents as it may deem necessary or desirable.

Section 3. Issue of Rights Certificates.

(a) Until the earlier of (i) the close of business on the tenth day after the Stock Acquisition Date (or, if the tenth day after the Stock Acquisition Date occurs before the Record Date, the close of business on the Record Date), (ii) the close of business on the tenth Business Day (or such later date as the Board shall determine) after the date that a tender or exchange offer by any Person (other than an Exempted Person) is first published or sent or given within the meaning of Rule 14d-2(a) of the General Rules and Regulations under the Exchange Act, if upon consummation thereof, such Person would be the Beneficial Owner of 15% or more of the shares of Common Stock then outstanding or (iii) the Expiration Date (the earlier of (i) and (ii) being herein referred to as the "Distribution Date"), (x) the Rights will be evidenced by the certificates for the Common Stock registered in the names of the holders of the Common Stock (which certificates for Common Stock shall be deemed also to be certificates for Rights) and not by separate certificates, and (y) the Rights will be transferable only in connection with the transfer of the underlying shares of Common Stock (including a transfer to the Company). The Board of

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Directors of the Company may defer the date set forth in clause (ii) of the preceding sentence to a specified later date or to an unspecified later date, each to be determined, with the concurrence of a majority of the Continuing Directors, by action of the Board of Directors of the Company. As soon as practicable after the Distribution Date, the Rights Agent will, at the Company's expense, send by first-class, insured, postage prepaid mail, to each record holder of the Common Stock as of the close of business on the Distribution Date, at the address of such holder shown on the records of the Company, one or more rights certificates, in substantially the form of Exhibit B hereto (the "Rights Certificates"), evidencing one Right for each share of Common Stock so held, subject to adjustment as provided herein. In the event that an adjustment in the number of Rights per share of Common Stock has been made pursuant to Section 11(p) hereof, at the time of distribution of the Rights Certificates, the Company shall make the necessary and appropriate rounding adjustments (in accordance with Section 14(a) hereof) so that Rights Certificates representing only whole numbers of Rights are distributed and cash is paid in lieu of any fractional Rights. As of and after the Distribution Date, the Rights will be evidenced solely by such Rights Certificates.

(b) As promptly as practicable, the Company will send a copy of a Summary of Rights, in substantially the form attached hereto as Exhibit C (the "Summary of Rights"), by first-class, postage prepaid mail, to each record holder of the Common Stock as of the close of business on the Record Date, at the address of such holder shown on the records of the Company.

(c) Rights shall be issued in respect of all shares of Common Stock which are issued (whether originally issued or from the Company's treasury) after the Record Date but prior to the earlier of the Distribution Date or the Expiration Date. Certificates representing such shares of Common Stock shall also be deemed to be certificates for Rights and shall bear the following legend:

This certificate also evidences and entitles the holder hereof to certain Rights as set forth in the Rights Agreement between Mueller Industries, Inc. (the "Company") and Continental Stock Transfer & Trust Company (the "Rights Agent") dated as of November 10, 1994 (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal

offices of the Company. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. The Company will mail to the holder of this certificate a copy of the Rights Agreement, as in effect on the date of mailing, without charge, promptly after receipt of a written request therefor. Under certain circumstances set forth in the Rights Agreement, Rights issued to, or held by, any Person who is, was or becomes an Acquiring Person or any Affiliate or Associate thereof (as such terms are defined in the Rights Agreement), whether currently held by or on behalf of such Person or by any subsequent holder, may become null and void.

With respect to such certificates containing the foregoing legend, until the earlier of the Distribution Date or the Expiration Date, registered holders of Common Stock shall also be the registered holders of the associated Rights, and the transfer of any of such certificates shall also constitute the transfer of the Rights associated with the Common Stock represented by such certificates.

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Section 4. Form of Rights Certificates.

(a) The Rights Certificates (and the forms of election to purchase and of assignment to be printed on the reverse thereof) shall each be substantially in the form set forth in Exhibit B hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Section 11 and Section 22 hereof, the Rights Certificates, whenever distributed, shall be dated as of the Record Date and on their face shall entitle the holders thereof to purchase such number of one one-thousandths of a share of Preferred Stock as shall be set forth therein at the price set forth therein (such exercise price per one one-thousandth of a share, the "Purchase Price"), but the amount and the type of securities purchasable upon the exercise of each Right and the Purchase Price thereof shall be subject to adjustment as provided herein.

(b) Any Rights Certificate issued pursuant to Section 3(a) or Section 22 hereof that represents Rights beneficially owned by: (i) an Acquiring Person or any Associate or Affiliate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such, or (iii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom such Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which a majority of the Continuing Directors has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect avoidance of Section 7(e) hereof, and any Rights Certificate issued pursuant to Section 6 or Section 11 hereof upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain (to the extent feasible) the following legend:

The Rights represented by this Rights Certificate are or were beneficially owned by a Person who was or became an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Rights Agreement). Accordingly, this Rights Certificate and the Rights represented hereby may become null and void in the circumstances specified in Section 7(e) of such Agreement.

Section 5. Countersignature and Registration.

(a) The Rights Certificates shall be executed on behalf of the Company by its Chairman of the Board, its President or any Vice President, either manually or by facsimile signature, and shall have affixed thereto the Company's seal or a facsimile thereof which shall be attested by the Secretary or an Assistant Secretary of the Company, either manually or by facsimile signature. The Rights Certificates shall be manually countersigned by an authorized signatory of the Rights Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Rights

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Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Rights Certificates, nevertheless, may be countersigned by an authorized signatory of the Rights Agent and issued and delivered by the Company with the

same force and effect as though the person who signed such Rights Certificates had not ceased to be such officer of the Company; and any Rights Certificates may be signed on behalf of the Company by any person who, at the actual date of the execution of such Rights Certificate, shall be a proper officer of the Company to sign such Rights Certificate, although at the date of the execution of this Rights Agreement any such person was not such an officer.

(b) Following the Distribution Date, the Rights Agent will keep or cause to be kept, at its office or offices designated as the appropriate place for surrender of Rights Certificates upon exercise or transfer, books for registration and transfer of the Rights Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Rights Certificates, the number of Rights evidenced on its face by each of the Rights Certificates and the date of each of the Rights Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Rights Certificates; Mutilated, Destroyed, Lost or Stolen Rights Certificates.

(a) Subject to the provisions of Section 4(b), Section 7(e) and Section 14 hereof, at any time after the close of business on the Distribution Date, and at or prior to the close of business on the Expiration Date, any Rights Certificate or Certificates may be transferred, split up, combined or exchanged for another Rights Certificate or Certificates, entitling the registered holder to purchase a like number of one one-thousandths of a share of Preferred Stock (or, following a Triggering Event, Common Stock, other securities, cash or other assets, as the case may be) as the Rights Certificate or Certificates surrendered then entitled such holder (or former holder in the case of a transfer) to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Rights Certificate or Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Rights Certificate or Certificates to be transferred, split up, combined or exchanged at the office or offices of the Rights Agent designated for such purpose. Neither the Rights Agent nor the Company shall be obligated to take any action whatsoever with respect to the transfer of any such surrendered Rights Certificate until the registered holder shall have completed and signed the certificate contained in the form of assignment on the reverse side of such Rights Certificate and shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request. Thereupon the Rights Agent shall, subject to Section 4(b), Section 7(e) and Section 14 hereof, countersign and deliver to the Person entitled thereto a Rights Certificate or Rights Certificates, as the case may be, as so requested. The Company may require payment by the holder of a Rights Certificate of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Rights Certificates.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Rights Certificate, and, in case of loss, theft or destruction, of

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indemnity or security reasonably satisfactory to them, and reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Rights Certificate, if mutilated, the Company will execute and deliver a new Rights Certificate of like tenor to the Rights Agent for countersignature and delivery to the registered owner in lieu of the Rights Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights.

(a) Subject to Section 7(e) hereof, the registered holder of any Rights Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein including, without limitation, the restrictions on exercisability set forth in Section 9(c), Section 11(a)(iii) and Section 23(a) hereof) in whole or in part at any time after the Distribution Date upon surrender of the Rights Certificate, with the form of election to purchase and the certificate on the reverse side thereof duly executed, to the Rights Agent at the office or offices of the Rights Agent designated for such purpose, along with a signature guarantee and such other and further documentation as the Rights Agent may reasonably request, together with payment of the aggregate Purchase Price with respect to the total number of one one-thousandths of a share (or other securities, cash or other assets, as the case may be) as to which such surrendered Rights are then exercisable, at or prior to the earlier of (i) the close of business on November 10, 2004 (the "Final Expiration Date"), or (ii) the time at which the Rights are redeemed as provided in Section 23 hereof (the earlier of (i) and (ii) being herein referred to as the "Expiration Date").

(b) The Purchase Price for each one one-thousandth of a share of Preferred

Stock pursuant to the exercise of a Right shall initially be \$160, and shall be subject to adjustment from time to time as provided in Sections 11 and 13(a) hereof and shall be payable in accordance with paragraph (c) below.

(c) Upon receipt of a Rights Certificate representing exercisable Rights, with the form of election to purchase and the certificate duly executed, accompanied by payment, with respect to each Right so exercised, of the Purchase Price per one one-thousandth of a share of Preferred Stock (or other securities, cash or other assets, as the case may be) to be purchased as set forth below and an amount equal to any applicable transfer tax, the Rights Agent shall, subject to Section 20(k) hereof, thereupon promptly (i) (A) requisition from any transfer agent of the shares of Preferred Stock (or make available, if the Rights Agent is the transfer agent for such shares) certificates for the total number of one one-thousandths of a share of Preferred Stock to be purchased and the Company hereby irrevocably authorizes its transfer agent to comply with all such requests, or (B) if the Company shall have elected to deposit the total number of shares of Preferred Stock issuable upon exercise of the Rights hereunder with a depository agent, requisition from the depository agent depository receipts representing such number of one one-thousandths of a share of Preferred Stock as are to be purchased (in which case certificates for the shares of Preferred Stock represented by such receipts shall be deposited by the transfer agent with the depository agent) and the Company will direct the depository agent to comply with such request, (ii) requisition from the Company the amount of cash, if any, to be paid in lieu of fractional shares in accordance with Section 14

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hereof, (iii) after receipt of such certificates or depository receipts, cause the same to be delivered to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder, and (iv) after receipt thereof, deliver such cash, if any, to or upon the order of the registered holder of such Rights Certificate. The payment of the Purchase Price (as such amount may be reduced pursuant to Section 11(a)(iii) hereof) shall be made in cash or by certified bank check or bank draft payable to the order of the Company. In the event that the Company is obligated to issue other securities (including Common Stock) of the Company, pay cash and/or distribute other property pursuant to Section 11(a) hereof, the Company will make all arrangements necessary so that such other securities, cash and/or other property are available for distribution by the Rights Agent, if and when appropriate. The Company reserves the right to require prior to the occurrence of a Triggering Event that, upon any exercise of Rights, a number of Rights be exercised so that only whole shares of Preferred Stock would be issued.

(d) In case the registered holder of any Rights Certificate shall exercise less than all the Rights evidenced thereby, a new Rights Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent and delivered to, or upon the order of, the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder, subject to the provisions of Section 14 hereof.

(e) Notwithstanding anything in this Agreement to the contrary, from and after the first occurrence of a Section 11(a)(ii) Event, any Rights beneficially owned by (i) an Acquiring Person or an Associate or Affiliate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such, or (iii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom the Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which a majority of the Continuing Directors has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect the avoidance of this Section 7(e), shall become null and void without any further action, and no holder of such Rights shall have any rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The Company shall use all reasonable efforts to ensure that the provisions of this Section 7(e) and Section 4(b) hereof are complied with, but shall have no liability to any holder of Rights Certificates or other Person as a result of its failure to make any determinations with respect to an Acquiring Person or its Affiliates, Associates or transferees hereunder.

(f) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to a registered holder upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall have (i) completed and signed the certificate contained in the form of election to purchase set forth on the reverse side of the Rights Certificate surrendered for such exercise, and (ii) provided such additional evidence of the identity

of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request.

Section 8. Cancellation and Destruction of Rights Certificates. All Rights Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or any of its agents, be delivered to the Rights Agent for cancellation or in cancelled form, or, if surrendered to the Rights Agent, shall be cancelled by it, and no Rights Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Rights Certificate purchased or acquired by the Company otherwise than upon the exercise thereof. The Rights Agent shall deliver all cancelled Rights Certificates to the Company, or shall, at the written request of the Company, destroy such cancelled Rights Certificates, and in such case shall deliver a certificate of destruction thereof to the Company.

Section 9. Reservation and Availability of Capital Stock.

(a) The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued shares of Preferred Stock (and, following the occurrence of a Triggering Event, out of its authorized and unissued shares of Common Stock and/or other securities or out of its authorized and issued shares held in its treasury), the number of shares of Preferred Stock (and, following the occurrence of a Triggering Event, Common Stock and/or other securities) that, as provided in this Agreement, including Section 11(a) (iii) hereof, will be sufficient to permit the exercise in full of all outstanding Rights.

(b) So long as the shares of Preferred Stock (and, following the occurrence of a Triggering Event, Common Stock and/or other securities) issuable and deliverable upon the exercise of the Rights may be listed on any national securities exchange, the Company shall use its best efforts to cause, from and after such time as the Rights become exercisable, all shares reserved for such issuance to be listed on such exchange upon official notice of issuance upon such exercise.

(c) The Company shall use its best efforts to (i) file, as soon as practicable following the earliest date after the first occurrence of a Section 11(a) (ii) Event on which the consideration to be delivered by the Company upon exercise of the Rights has been determined in accordance with Section 11(a) (iii) hereof, a registration statement under the Act with respect to the securities purchasable upon exercise of the Rights on an appropriate form, (ii) cause such registration statement to become effective as soon as practicable after such filing, and (iii) cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Act) until the earlier of (A) the date as of which the Rights are no longer exercisable for such securities, or (B) the date of the expiration of the Rights. The Company will also take such action as may be appropriate under, or to ensure compliance with, the securities or "blue sky" laws of the various states in connection with the exercisability of the Rights. The Company may temporarily suspend, for a period of time not to exceed ninety (90) days after the date set forth in clause (i) of the first sentence of this Section 9(c), the exercisability of the Rights in order to prepare and file such registration statement and permit it to become effective. Upon any such suspension, the Company shall issue a public announcement, and shall give simultaneous written

notice to the Rights Agent stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement at such time as the suspension is no longer in effect. In addition, if the Company shall determine that a registration statement is required following the Distribution Date, the Company may temporarily suspend the exercisability of the Rights until such time as a registration statement has been declared effective. Notwithstanding any provision of this Agreement to the contrary, the Rights shall not be exercisable in any jurisdiction if the requisite qualification in such jurisdiction shall not have been obtained, the exercise thereof shall not be permitted under applicable law or a registration statement shall not have been declared effective.

(d) The Company covenants and agrees that it will take all such action as may be necessary to ensure that all one one-thousandths of a share of Preferred Stock (and, following the occurrence of a Triggering Event, Common Stock and/or other securities) delivered upon exercise of Rights shall, at the time of delivery of the certificates for such shares (subject to payment of the Purchase Price), be duly and validly authorized and issued, and fully paid and non-assessable.

(e) The Company further covenants and agrees that it will pay when due and payable any and all federal and state transfer taxes and charges which may be payable in respect of the issuance or delivery of the Rights Certificates and

of any certificates for a number of one one-thousandths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) upon the exercise of the Rights. The Company shall not, however, be required to pay any transfer tax which may be payable in respect of any transfer or delivery of Rights Certificates to a Person other than, or the issuance or delivery of a number of one one-thousandths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) in respect of a name other than that of, the registered holder of the Rights Certificates evidencing Rights surrendered for exercise or to issue or deliver any certificates for a number of one one-thousandths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) in a name other than that of the registered holder upon the exercise of any Rights until such tax shall have been paid (any such tax being payable by the holder of such Rights Certificate at the time of surrender) or until it has been established to the Company's satisfaction that no such tax is due.

Section 10. Preferred Stock Record Date. Each person in whose name any certificate for a number of one one-thousandths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of such fractional shares of Preferred Stock (or Common Stock and/or other securities, as the case may be) represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and all applicable transfer taxes) was made; provided, however, that if the date of such surrender and payment is a date upon which the Preferred Stock (or Common Stock and/or other securities, as the case may be) transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares (fractional or otherwise) on, and such certificate shall be dated, the next succeeding Business Day on which the Preferred Stock (or Common Stock and/or other securities, as the case may be) transfer books of the

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Company are open. Prior to the exercise of the Rights evidenced thereby, the holder of a Rights Certificate shall not be entitled to any rights of a stockholder of the Company with respect to shares for which the Rights shall be exercisable, including, without limitation, the right to vote, to receive dividends or other distributions or to exercise any preemptive rights, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein.

Section 11. Adjustment of Purchase Price, Number and Kind of Shares or Number of Rights. The Purchase Price, the number and kind of shares covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Company shall at any time after the date of this Agreement (A) declare a dividend on the Preferred Stock payable in shares of Preferred Stock, (B) subdivide the outstanding Preferred Stock, (C) combine the outstanding Preferred Stock into a smaller number of shares, or (D) issue any shares of its capital stock in a reclassification of the Preferred Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), except as otherwise provided in this Section 11(a) and Section 7(e) hereof, the Purchase Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of shares of Preferred Stock or capital stock, as the case may be, issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive, upon payment of the Purchase Price then in effect, the aggregate number and kind of shares of Preferred Stock or capital stock, as the case may be, which, if such Right had been exercised immediately prior to such date and at a time when the Preferred Stock transfer books of the Company were open, he would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification. If an event occurs which would require an adjustment under both this Section 11(a) (i) and Section 11(a) (ii) hereof, the adjustment provided for in this Section 11(a) (i) shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 11(a) (ii) hereof.

(ii) In the event any Person (other than an Exempted Person), alone or together with its Affiliates and Associates, shall, at any time after the Rights Dividend Declaration Date, become an Acquiring Person, unless the event causing the 15% threshold to be crossed is a transaction set forth in Section 13(a) hereof, or is an acquisition of shares of Common Stock pursuant to a tender offer or an exchange offer for all outstanding shares of Common Stock at a price and on terms determined by at least a majority of each of the Continuing Directors and the members of the Board of Directors who are not officers of the Company and who are not representatives, nominees, Affiliates or Associates of an Acquiring Person, after receiving advice from one or more investment banking firms,

to be (a) at a price which is fair to stockholders (taking into account all factors which such members of the Board deem relevant including, without limitation, prices which could reasonably be achieved if the Company or its assets were sold on an orderly basis designed to realize maximum value) and (b) otherwise in the best interests of the Company and

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its stockholders, then, promptly following the occurrence of any event described in Section 11(a)(ii) hereof, proper provision shall be made so that each holder of a Right (except as provided below and in Section 7(e) hereof) shall thereafter have the right to receive, upon exercise thereof at the then current Purchase Price in accordance with the terms of this Agreement, in lieu of a number of one one-thousandths of a share of Preferred Stock, such number of shares of Common Stock of the Company as shall equal the result obtained by (x) multiplying the then current Purchase Price by the then number of one one-thousandths of a share of Preferred Stock for which a Right was exercisable immediately prior to the first occurrence of a Section 11(a)(ii) Event, and (y) dividing that product (which, following such first occurrence, shall thereafter be referred to as the "Purchase Price" for each Right and for all purposes of this Agreement) by 50% of the Current Market Price (determined pursuant to Section 11(d) hereof) per share of Common Stock on the date of such first occurrence (such number of shares being referred to as the "Adjustment Shares").

(iii) In the event that the number of shares of Common Stock which are authorized by the Company's certificate of incorporation but not outstanding or reserved for issuance for purposes other than upon exercise of the Rights are not sufficient to permit the exercise in full of the Rights in accordance with the foregoing subparagraph (ii) of this Section 11(a), the Company, acting by resolution of its Board of Directors (which resolution shall be effective only with the concurrence of a majority of the Continuing Directors), shall (A) determine the value of the Adjustment Shares issuable upon the exercise of a Right (the "Current Value"), and (B) with respect to each Right (subject to Section 7(e) hereof), make adequate provision to substitute for the Adjustment Shares, upon the exercise of a Right and payment of the applicable Purchase Price, (1) cash, (2) a reduction in the Purchase Price, (3) Common Stock or other equity securities of the Company (including, without limitation, shares, or units of shares, of preferred stock, such as the Preferred Stock, which the Board has deemed to have essentially the same value or economic rights as shares of Common Stock (such shares of preferred stock being referred to as "Common Stock Equivalents")), (4) debt securities of the Company, (5) other assets, or (6) any combination of the foregoing, having an aggregate value equal to the Current Value (less the amount of any reduction in the Purchase Price), where such aggregate value has been determined by the Board based upon the advice of a nationally recognized investment banking firm selected by the Board; provided, however, that if the Company shall not have made adequate provision to deliver value pursuant to clause (B) above within thirty (30) days following the later of (x) the first occurrence of a Section 11(a)(ii) Event and (y) the date on which the Company's right of redemption pursuant to Section 23(a) expires (the later of (x) and (y) being referred to herein as the "Section 11(a)(ii) Trigger Date"), then the Company shall be obligated to deliver, upon the surrender for exercise of a Right and without requiring payment of the Purchase Price, shares of Common Stock (to the extent available) and then, if necessary, cash, which shares and/or cash have an aggregate value equal to the Spread. For purposes of the preceding sentence, the term "Spread" shall mean the excess of (i) the Current Value over (ii) the Purchase Price. If the Board determines in good faith that it is likely that sufficient additional shares of Common Stock could be authorized for

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issuance upon exercise in full of the Rights, the thirty (30) day period set forth above may be extended to the extent necessary, but not more than ninety (90) days after the Section 11(a)(ii) Trigger Date, in order that the Company may seek shareholder approval for the authorization of such additional shares (such thirty (30) day period, as it may be extended, is herein called the "Substitution Period"). To the extent that action is to be taken pursuant to the first and/or third sentences of this Section 11(a)(iii), the Company (1) shall provide, subject to Section 7(e) hereof, that such action shall apply uniformly to all outstanding Rights, and (2) may suspend the exercisability of the Rights until the expiration of the Substitution Period in order to seek such shareholder approval for such authorization of additional shares and/or to decide the appropriate form of distribution to be made pursuant to such first sentence and to determine the value thereof. In the event of any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, as well as a public

announcement at such time as the suspension is no longer in effect. For purposes of this Section 11(a)(iii), the value of each Adjustment Share shall be the Current Market Price (as determined pursuant to Section 11(d)(i)) per share of the Common Stock on the Section 11(a)(ii) Trigger Date and the per share or per unit value of any Common Stock Equivalent shall be deemed to equal the Current Market Price per share of the Common Stock on such date.

(b) In case the Company shall fix a record date for the issuance of rights, options or warrants to all holders of Preferred Stock entitling them to subscribe for or purchase (for a period expiring within forty-five (45) calendar days after such record date) Preferred Stock (or shares having the same rights, privileges and preferences as the shares of Preferred Stock ("equivalent preferred stock")) or securities convertible into Preferred Stock or equivalent preferred stock at a price per share of Preferred Stock or per share of equivalent preferred stock (or having a conversion price per share, if a security convertible into Preferred Stock or equivalent preferred stock) less than the Current Market Price per share of Preferred Stock on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of shares of Preferred Stock outstanding on such record date, plus the number of shares of Preferred Stock which the aggregate offering price of the total number of shares of Preferred Stock and/or equivalent preferred stock so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such Current Market Price, and the denominator of which shall be the number of shares of Preferred Stock outstanding on such record date, plus the number of additional shares of Preferred Stock and/or equivalent preferred stock to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible). In case such subscription price may be paid by delivery of consideration part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. Shares of Preferred Stock owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price which would then

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be in effect if such record date had not been fixed.

(c) In case the Company shall fix a record date for a distribution to all holders of Preferred Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing corporation) of evidences of indebtedness, cash (other than a regular quarterly cash dividend out of the earnings or retained earnings of the Company), assets (other than a dividend payable in Preferred Stock, but including any dividend payable in stock other than Preferred Stock) or subscription rights or warrants (excluding those referred to in Section 11(b) hereof), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the current market price (as determined pursuant to Section 11(d) hereof) per share of Preferred Stock on such record date, less the fair market value (as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent) of the portion of the cash, assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to a share of Preferred Stock and the denominator of which shall be such Current Market Price per share of Preferred Stock. Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such distribution is not so made, the Purchase Price shall be adjusted to be the Purchase Price which would have been in effect if such record date had not been fixed.

(d)(i) For the purpose of any computation hereunder, other than computations made pursuant to Section 11(a)(iii) hereof, the "Current Market Price" per share of Common Stock on any date shall be deemed to be the average of the daily closing prices per share of such Common Stock for the thirty (30) consecutive Trading Days immediately prior to such date, and for purposes of computations made pursuant to Section 11(a)(iii) hereof, the Current Market Price per share of Common Stock on any date shall be deemed to be the average of the daily closing prices per share of such Common Stock for the ten (10) consecutive Trading Days immediately following such date; provided, however, that in the event that the Current Market Price per share of the Common Stock is determined during a period following the announcement by the issuer of such Common Stock of (A) a dividend or distribution on such Common Stock payable in shares of such Common Stock or securities convertible into shares of such Common Stock (other than the Rights), or (B) any subdivision, combination or reclassification of such Common Stock, and the ex-dividend date for

such dividend or distribution, or the record date for such subdivision, combination or reclassification shall not have occurred prior to the commencement of the requisite thirty (30) Trading Day or ten (10) Trading Day period, as set forth above, then, and in each such case, the Current Market Price shall be properly adjusted to take into account ex-dividend trading. The closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the shares of Common Stock are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities

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listed on the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or such other system then in use, or, if on any such date the shares of Common Stock are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock selected by the Board. If on any such date no market maker is making a market in the Common Stock, the fair value of such shares on such date as determined in good faith by the Board shall be used. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading is open for the transaction of business or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange, a Business Day. If the Common Stock is not publicly held or not so listed or traded, Current Market Price per share shall mean the fair value per share as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes.

(ii) For the purpose of any computation hereunder, the Current Market Price per share of Preferred Stock shall be determined in the same manner as set forth above for the Common Stock in clause (i) of this Section 11(d) (other than the last sentence thereof). If the Current Market Price per share of Preferred Stock cannot be determined in the manner provided above or if the Preferred Stock is not publicly held or listed or traded in a manner described in clause (i) of this Section 11(d), the Current Market Price per share of Preferred Stock shall be conclusively deemed to be an amount equal to 1000 (as such number may be appropriately adjusted for such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock occurring after the date of this Agreement) multiplied by the Current Market Price per share of the Common Stock. If neither the Common Stock nor the Preferred Stock is publicly held or so listed or traded, Current Market Price per share of the Preferred Stock shall mean the fair value per share as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes. For all purposes of this Agreement, the Current Market Price of a Unit shall be equal to the Current Market Price of one share of Preferred Stock divided by 1000.

(e) Anything herein to the contrary notwithstanding, no adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the Purchase Price; provided, however, that any adjustments which by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest hundred-thousandth of a share of Common Stock or other share or one-ten-millionth of a share of Preferred Stock, as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three (3) years from the date of the transaction which mandates such

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adjustment, or (ii) the Expiration Date.

(f) If as a result of an adjustment made pursuant to Section 11(a) (ii) or Section 13(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of capital stock other than Preferred Stock, thereafter the number of such other shares so receivable upon exercise of any Right and the Purchase Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Stock contained in Sections 11(a),

(b), (c), (e), (g), (h), (i), (j), (k) and (m), and the provisions of Sections 7, 9, 10, 13 and 14 hereof with respect to the Preferred Stock shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any adjustment made to the Purchase Price hereunder shall evidence the right to purchase, at the adjusted Purchase Price, the number of one one-thousandths of a share of Preferred Stock purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Company shall have exercised its election as provided in Section 11(i), upon each adjustment of the Purchase Price as a result of the calculations made in Sections 11(b) and (c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Purchase Price, that number of one one-thousandths of a share of Preferred Stock (calculated to the nearest one-ten-millionth) obtained by (i) multiplying (x) the number of one one-thousandths of a share covered by a Right immediately prior to this adjustment, by (y) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price, and (ii) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

(i) The Company may elect on or after the date of any adjustment of the Purchase Price to adjust the number of Rights, in lieu of any adjustment in the number of one one-thousandths of a share of Preferred Stock purchasable upon the exercise of a Right. Each of the Rights outstanding after the adjustment in the number of Rights shall be exercisable for the number of one one-thousandths of a share of Preferred Stock for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one-ten-thousandth) obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Company shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Rights Certificates have been issued, shall be at least ten (10) days later than the date of the public announcement. If Rights Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Rights Certificates on such record date Rights Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Rights Certificates held by such

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holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Rights Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Rights Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein (and may bear, at the option of the Company, the adjusted Purchase Price) and shall be registered in the names of the holders of record of Rights Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Purchase Price or the number of one one-thousandths of a share of Preferred Stock issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Purchase Price per one one-thousandth of a share and the number of one one-thousandths of a share which were expressed in the initial Rights Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below the then stated value, if any, of the number of one one-thousandths of a share of Preferred Stock issuable upon exercise of the Rights, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and non-assessable such number of one one-thousandths of a share of Preferred Stock at such adjusted Purchase Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Purchase Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of one one-thousandths of a share of Preferred Stock and other capital stock or securities of the Company, if any, issuable upon such exercise over and above the number of one one-thousandths of a share of Preferred Stock and other capital stock or securities of the Company, if any, issuable upon such exercise on the basis of the Purchase Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or securities upon the occurrence

of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Company shall be entitled to make such reductions in the Purchase Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that in their good faith judgment the Board of Directors of the Company shall determine to be advisable in order that any (i) consolidation or subdivision of the Preferred Stock, (ii) issuance wholly for cash of any shares of Preferred Stock at less than the Current Market Price thereof, (iii) issuance wholly for cash of shares of Preferred Stock or securities which by their terms are convertible into or exchangeable for shares of Preferred Stock, (iv) stock dividends, or (v) issuance of rights, options or warrants referred to in this Section 11, hereafter made by the Company to holders of its Preferred Stock shall not be taxable to such stockholders.

(n) The Company covenants and agrees that it shall not, at any time after the Distribution Date, (i) consolidate with any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), (ii) merge with or into any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), or

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(iii) sell or transfer (or permit any Subsidiary to sell or transfer), in one transaction, or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company and/or any of its Subsidiaries in one or more transactions each of which complies with Section 11(o) hereof), if (x) at the time of or immediately after such consolidation, merger or sale there are any rights, warrants or other instruments or securities outstanding or agreements in effect which would substantially diminish or otherwise eliminate the benefits intended to be afforded by the Rights or (y) prior to, simultaneously with or immediately after such consolidation, merger or sale, the shareholders of the Person who constitutes, or would constitute, the Principal Party for purposes of Section 13(a) hereof shall have received a distribution of Rights previously owned by such Person or any of its Affiliates and Associates.

(o) The Company covenants and agrees that, after the Distribution Date, it will not, except as permitted by Section 23 or Section 26 hereof, take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

(p) Anything in this Agreement to the contrary notwithstanding, in the event that the Company shall at any time after the Rights Dividend Declaration Date and prior to the Distribution Date (i) declare a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, the number of Rights associated with each share of Common Stock then outstanding, or issued or delivered thereafter but prior to the Distribution Date, shall be proportionately adjusted so that the number of Rights thereafter associated with each share of Common Stock following any such event shall equal the result obtained by multiplying the number of Rights associated with each share of Common Stock immediately prior to such event by a fraction the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to the occurrence of the event and the denominator of which shall be the total number of shares of Common Stock outstanding immediately following the occurrence of such event.

Section 12. Certificate of Adjusted Purchase Price or Number of Shares. Whenever an adjustment is made as provided in Section 11 and Section 13 hereof, the Company shall (a) promptly prepare a certificate setting forth such adjustment, the adjusted Purchase Price and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Rights Agent, and with each transfer agent for the Preferred Stock and the Common Stock, a copy of such certificate, and (c) mail a brief summary thereof to each holder of a Rights Certificate (or, if prior to the Distribution Date, to each holder of a certificate representing shares of Common Stock) in accordance with Section 25 hereof. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power.

(a) In the event that, following the Stock Acquisition Date, directly or indirectly, (x) the Company shall consolidate with, or merge with and into, any other Person (other than a Subsidiary of the Company in a transaction which

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complies with Section 11(o) hereof), and the Company shall not be the continuing or surviving corporation of such consolidation or merger, (y) any

Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof) shall consolidate with, or merge with or into, the Company, and the Company shall be the continuing or surviving corporation of such consolidation or merger and, in connection with such consolidation or merger, all or part of the outstanding shares of Common Stock shall be changed into or exchanged for stock or other securities of any other Person or cash or any other property, or (z) the Company shall sell, mortgage or otherwise transfer (or one or more of its Subsidiaries shall sell, mortgage or otherwise transfer), in one transaction or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any Person or Persons (other than the Company or any Subsidiary of the Company in one or more transactions each of which complies with Section 11(o) hereof), then, and in each such case (except as may be contemplated by Section 13(d) hereof), proper provision shall be made so that: (i) each holder of a Right, except as provided in Section 7(e) hereof, shall thereafter have the right to receive, upon the exercise thereof at the then current Purchase Price in accordance with the terms of this Agreement, such number of validly authorized and issued, fully paid, non-assessable and freely tradeable shares of Common Stock of the Principal Party, not subject to any liens, encumbrances, rights of first refusal or other adverse claims, as shall be equal to the result obtained by (1) multiplying the then current Purchase Price by the number of one one-thousandths of a share of Preferred Stock for which a Right is exercisable immediately prior to the first occurrence of a Section 13 Event (or, if a Section 11(a) (ii) Event has occurred prior to the first occurrence of a Section 13 Event, multiplying the number of such one one-thousandths of a share for which a Right was exercisable immediately prior to the first occurrence of a Section 11(a) (ii) Event by the Purchase Price in effect immediately prior to such first occurrence), and dividing that product (which, following the first occurrence of a Section 13 Event, shall be referred to as the "Purchase Price" for each Right and for all purposes of this Agreement) by (2) 50% of the Current Market Price (determined pursuant to Section 11(d) (i) hereof) per share of the Common Stock of such Principal Party on the date of consummation of such Section 13 Event; (ii) such Principal Party shall thereafter be liable for, and shall assume, by virtue of such Section 13 Event, all the obligations and duties of the Company pursuant to this Agreement; (iii) the term "Company" shall thereafter be deemed to refer to such Principal Party, it being specifically intended that the provisions of Section 11 hereof shall apply only to such Principal Party following the first occurrence of a Section 13 Event; (iv) such Principal Party shall take such steps (including, but not limited to, the reservation of a sufficient number of shares of its Common Stock) in connection with the consummation of any such transaction as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to its shares of Common Stock thereafter deliverable upon the exercise of the Rights; and (v) the provisions of Section 11(a) (ii) hereof shall be of no effect following the first occurrence of any Section 13 Event.

(b) "Principal Party" shall mean

(i) in the case of any transaction described in clause (x) or (y) of the first sentence of Section 13(a), the Person that is the issuer of

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any securities into which shares of Common Stock of the Company are converted in such merger or consolidation, and if no securities are so issued, the Person that is the other party to such merger or consolidation; and

(ii) in the case of any transaction described in clause (z) of the first sentence of Section 13(a), the Person that is the party receiving the greatest portion of the assets or earning power transferred pursuant to such transaction or transactions;

provided, however, that in any such case, (1) if the Common Stock of such Person is not at such time and has not been continuously over the preceding twelve (12) month period registered under Section 12 of the Exchange Act, and such Person is a direct or indirect Subsidiary of another Person the Common Stock of which is and has been so registered, "Principal Party" shall refer to such other Person; and (2) in case such Person is a Subsidiary, directly or indirectly, of more than one Person, the Common Stocks of two or more of which are and have been so registered, "Principal Party" shall refer to whichever of such Persons is the issuer of the Common Stock having the greatest aggregate market value.

(c) The Company shall not consummate any such consolidation, merger, sale or transfer unless the Principal Party shall have a sufficient number of authorized shares of its Common Stock which have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto the Company and such Principal Party shall have executed and delivered to the Rights Agent a supplemental agreement providing for the terms set forth in paragraphs (a) and (b) of this Section 13

and further providing that, as soon as practicable after the date of any consolidation, merger or sale of assets mentioned in paragraph (a) of this Section 13, the Principal Party will

(i) prepare and file a registration statement under the Act, with respect to the Rights and the securities purchasable upon exercise of the Rights on an appropriate form, and will use its best efforts to cause such registration statement to (A) become effective as soon as practicable after such filing and (B) remain effective (with a prospectus at all times meeting the requirements of the Act) until the Expiration Date; and

(ii) deliver to holders of the Rights historical financial statements for the Principal Party and each of its Affiliates which comply in all respects with the requirements for registration on Form 10 under the Exchange Act.

The provisions of this Section 13 shall similarly apply to successive mergers or consolidations or sales or other transfers. In the event that a Section 13 Event shall occur at any time after the occurrence of a Section 11(a)(ii) Event, the Rights which have not theretofore been exercised shall thereafter become exercisable in the manner described in Section 13(a).

(d) Notwithstanding anything in this Agreement to the contrary, Section 13 shall not be applicable to a transaction described in subparagraphs (x) and (y) of Section 13(a) if (i) such transaction is consummated with a Person or Persons who acquired shares of Common Stock pursuant to a tender offer or

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exchange offer for all outstanding shares of Common Stock which complies with the provisions of Section 11(a)(ii) hereof regarding the determination of the Continuing Directors and the members of the Board of Directors who are not officers of the Company and who are not representatives, nominees, Affiliates or Associates of an Acquiring Person (or a wholly owned subsidiary of any such Person or Persons), (ii) the price per share of Common Stock offered in such transaction is not less than the price per share of Common Stock paid to all holders of shares of Common Stock whose shares were purchased pursuant to such tender offer or exchange offer, and (iii) the form of consideration being offered to the remaining holders of shares of Common Stock pursuant to such transaction is the same as the form of consideration paid pursuant to such tender offer or exchange offer. Upon consummation of any such transaction contemplated by this Section 13(d), all Rights hereunder shall expire.

Section 14. Fractional Rights and Fractional Shares.

(a) The Company shall not be required to issue fractions of Rights, except prior to the Distribution Date as provided in Section 11(p) hereof, or to distribute Rights Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Rights Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price of the Rights for any day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Rights are listed or admitted to trading, or if the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by NASDAQ or such other system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the Board of Directors of the Company. If on any such date no such market maker is making a market in the Rights the fair value of the Rights on such date as determined in good faith by the Board of Directors of the Company shall be used.

(b) The Company shall not be required to issue fractions of shares of Preferred Stock (other than fractions which are integral multiples of one one-thousandth of a share of Preferred Stock) upon exercise of the Rights or to distribute certificates which evidence fractional shares of Preferred Stock (other than fractions which are integral multiples of one one-thousandth of a share of Preferred Stock). In lieu of fractional shares of Preferred Stock that are not integral multiples of one one-thousandth of a share of Preferred Stock, the Company may pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal

to the same fraction of the current market value of one one-thousandth of a

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share of Preferred Stock. For purposes of this Section 14(b), the current market value of one one-thousandth of a share of Preferred Stock shall be one one-thousandth of the closing price of a share of Preferred Stock (as determined pursuant to Section 11(d)(ii) hereof) for the Trading Day immediately prior to the date of such exercise.

(c) Following the occurrence of a Triggering Event, the Company shall not be required to issue fractions of shares of Common Stock upon exercise of the Rights or to distribute certificates which evidence fractional shares of Common Stock. In lieu of fractional shares of Common Stock, the Company may pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the Current Market Value of one (1) share of Common Stock. For purposes of this Section 14(c), the Current Market Value of one share of Common Stock shall be the closing price of one share of Common Stock (as determined pursuant to Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of such exercise.

(d) The holder of a Right by the acceptance of the Rights expressly waives his right to receive any fractional Rights or any fractional shares upon exercise of a Right, except as permitted by this Section 14.

Section 15. Rights of Action. All rights of action in respect of this Agreement, excepting the rights of action given to the Rights Agent, are vested in the respective registered holders of the Rights Certificates (and, prior to the Distribution Date, the registered holders of the Common Stock); and any registered holder of any Rights Certificate (or, prior to the Distribution Date, of the Common Stock), without the consent of the Rights Agent or of the holder of any other Rights Certificate (or, prior to the Distribution Date, of the Common Stock), may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Rights Certificate in the manner provided in such Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and shall be entitled to specific performance of the obligations hereunder and injunctive relief against actual or threatened violations of the obligations hereunder of any Person subject to this Agreement.

Section 16. Agreement of Rights Holders. Every holder of a Right by accepting the same consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of Common Stock;

(b) after the Distribution Date, the Rights Certificates are transferable only on the registry books of the Rights Agent if surrendered at the office or offices of the Rights Agent designated for such purposes, duly endorsed or accompanied by a proper instrument of transfer and with the appropriate forms and certificates fully executed;

(c) subject to Section 6(a) and Section 7(f) hereof, the Company and the Rights Agent may deem and treat the person in whose name a Rights Certificate

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(or, prior to the Distribution Date, the associated Common Stock certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Rights Certificates or the associated Common Stock certificate made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent, subject to the last sentence of Section 7(e) hereof, shall be required to be affected by any notice to the contrary; and

(d) notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation; provided, however, the Company must use its best efforts to have any such order, decree or ruling lifted or otherwise overturned as soon as possible.

Section 17. Rights Certificate Holder Not Deemed a Stockholder. No holder, as

such, of any Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose the holder of the number of one one-thousandths of a share of Preferred Stock or any other securities of the Company which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 24 hereof), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by such Rights Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent.

(a) The Company agrees to pay to the Rights Agent such compensation as shall be agreed to in writing between the Company and the Rights Agent for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and disbursements and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including, without limitation, the costs and expenses of defending against any claim of liability in the premises.

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any Rights Certificate or

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certificate for Common Stock or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed and executed, and where necessary, verified or acknowledged, by the proper Person or Persons, or otherwise upon the advice of counsel as set forth in Section 20 hereof.

Section 19. Merger or Consolidation or Change of Name of Rights Agent.

(a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the corporate trust business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided, however, that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 21 hereof. In case at the time such successor Rights Agent shall succeed to the agency created by this Agreement, any of the Rights Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of a predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor or in the name of the successor Rights Agent; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent shall be changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations expressly imposed by this Agreement, and no implied duties or obligations shall be read into this Agreement against the Rights Agent, upon the following terms and conditions, by all of which the Company and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel of its selection (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any

action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the identity of any Acquiring Person and the determination of "Current Market Price") be proved or established by the Company prior to taking or suffering any action hereunder, such fact or

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matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Rights Certificates or be required to verify the same (except as to its countersignature on such Rights Certificates), but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Rights Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Rights Certificate; nor shall it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 7(e) hereof); nor shall it be responsible for any adjustment required under the provisions of Section 11 or Section 13 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Rights Certificates after actual notice of any such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock or Preferred Stock to be issued pursuant to this Agreement or any Rights Certificate or as to whether any shares of Common Stock or Preferred Stock will, when so issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer or for any delay in acting while waiting for those instructions.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities

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of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct; provided, however, reasonable care was exercised in the selection thereof.

(j) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(k) If, with respect to any Rights Certificate surrendered to the Rights agent for exercise or transfer, the certificate attached to the form of assignment or form of election to purchase, as the case may be, has either not been completed or indicates an affirmative response to clause 1 and/or 2 thereof, the Rights Agent shall not take any further action with respect to such requested exercise of transfer without first consulting with the Company.

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon thirty (30) days' notice in writing mailed to the Company. The Company may remove the Rights Agent or any successor Rights Agent upon thirty (30) days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Stock and Preferred Stock, by registered or certified mail, and to the holders of the Rights Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of thirty (30) days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Rights Certificate (who shall, with such notice, submit his Rights Certificate for inspection by the Company), then the Company shall become the Rights Agent until a successor Rights Agent has been appointed, and any registered holder of any Rights Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States or of the State of New York (or of any other state of the United States so long as such corporation is authorized to do business as a banking institution in the State of New York), in good standing, having a principal office in the State of New York, which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a

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combined capital and surplus of at least \$100,000,000. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Stock and the Preferred Stock, and mail a notice thereof in writing to the registered holders of the Rights Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Rights Certificates. Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, subject to Section 4 hereof, issue new Rights Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Purchase Price and the number or kind or class of shares or other securities or property purchasable under the Rights Certificates made in accordance with the provisions of this Agreement. In addition, in connection with the issuance or sale of shares of Common Stock following the Distribution Date and prior to the redemption or expiration of the Rights, the Company (a) shall, with respect to shares of Common Stock so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, granted or awarded as of the Distribution Date, or upon the exercise, conversion or exchange of securities hereinafter issued by the Company, and (b) may, in any other case, if deemed necessary or appropriate by the Board of Directors of the Company, issue Rights Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) no such Rights Certificate shall be issued if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Rights Certificate would be issued, and (ii) no such Rights Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

Section 23. Redemption and Termination.

(a) The Company may, by a resolution of its Board of Directors (which resolution shall, if adopted following the Stock Acquisition Date, be effective only with the concurrence of a majority of the Continuing Directors and only if the Continuing Directors constitute a majority of the number of directors then in office), at its option, at any time prior to the earlier of (i) the close of business on the tenth day following the Stock Acquisition Date (or, if the Stock Acquisition Date shall have occurred prior to the Record Date, the close of business on the tenth day following the Record Date), or (ii) the Final Expiration Date, redeem all but not less than all the then outstanding Rights at a redemption price of \$.01 per Right, as such amount may be appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"). Notwithstanding anything contained in this Agreement to the contrary, the Rights shall not be exercisable after the

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first occurrence of a Section 11(a)(ii) Event until such time as the Company's right of redemption hereunder has expired. The Company may, at its option, pay the Redemption Price in cash, shares of Common Stock (based on the Current Market Price of the Common Stock at the time of redemption) or any other form of consideration deemed appropriate by the Board of Directors.

(b) Immediately upon the action of the Board of Directors of the Company ordering the redemption of the Rights, evidence of which shall have been filed with the Rights Agent and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price for each Right so held. Promptly after the action of the Board of Directors ordering the redemption of the Rights, the Company shall give notice of such redemption to the Rights Agent and the holders of the then outstanding Rights by mailing such notice to all such holders at each holder's last address as it appears upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the Transfer Agent for the Common Stock. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made.

Section 24. Notice of Certain Events.

(a) In case the Company shall propose, at any time after the Distribution Date, (i) to pay any dividend payable in stock of any class to the holders of Preferred Stock or to make any other distribution to the holders of Preferred Stock (other than a regular quarterly cash dividend out of earnings or retained earnings of the Company), or (ii) to offer to the holders of Preferred Stock rights or warrants to subscribe for or to purchase any additional shares of Preferred Stock or shares of stock of any class or any other securities, rights or options, or (iii) to effect any reclassification of its Preferred Stock (other than a reclassification involving only the subdivision of outstanding shares of Preferred Stock), or (iv) to effect any consolidation or merger into or with any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer), in one transaction or a series of related transactions, of more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company and/or any of its Subsidiaries in one or more transactions each of which complies with Section 11(o) hereof), or (v) to effect the liquidation, dissolution or winding up of the Company, then, in each such case, the Company shall give to each holder of a Rights Certificate and to the Rights Agent, to the extent feasible and in accordance with Section 25 hereof, a notice of such proposed action, which shall specify the record date for the purposes of such stock dividend, distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the shares of Preferred Stock, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least twenty (20) days prior to the record date for determining holders of the shares of Preferred Stock for purposes of such action, and in the case of any such other action, at least twenty (20) days prior to the date of the taking of such proposed action or the date of

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participation therein by the holders of the shares of Preferred Stock whichever shall be the earlier.

(b) In case any of the events set forth in Section 11(a)(ii) hereof shall occur, then, in any such case, (i) the Company shall as soon as practicable thereafter give to each holder of a Rights Certificate, to the extent feasible and in accordance with Section 25 hereof, a notice of the occurrence of such

event, which shall specify the event and the consequences of the event to holders of Rights under Section 11(a)(ii) hereof, and (ii) all references in the preceding paragraph to Preferred Stock shall be deemed thereafter to refer to Common Stock and/or, if appropriate, other securities.

Section 25. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Rights Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Mueller Industries, Inc.
2959 North Rock Road
Wichita, Kansas 67226-1191
Attention: Corporate Secretary

Subject to the provisions of Section 21, any notice or demand authorized by this Agreement to be given or made by the Company or by the holder of any Rights Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

Continental Stock Transfer & Trust Company
2 Broadway
New York, New York 10004
Attention: Compliance Department

Notices or demands authorized by this Agreement to be given or made by the Company or the Rights Agent to the holder of any Rights Certificate (or, if prior to the Distribution Date, to the holder of certificates representing shares of Common Stock) shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Company.

Section 26. Supplements and Amendments. Prior to the Distribution Date and subject to the penultimate sentence of this Section 26, the Company may by resolution of its Board of Directors (which resolution, if adopted following the Stock Acquisition Date, shall be effective only with the concurrence of a majority of the Continuing Directors and only if the Continuing Directors constitute a majority of the number of directors then in office) and the Rights Agent shall, if the Company so directs, supplement or amend any provision of this Agreement without the approval of any holders of certificates representing shares of Common Stock. From and after the Distribution Date and subject to the penultimate sentence of this Section 26, the Company may by resolution of its Board of Directors (which resolution, if adopted following the Stock Acquisition Date, shall be effective only with the concurrence of a majority of the Continuing Directors and only if the Continuing Directors constitute a

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majority of the number of directors then in office) and the Rights Agent shall, if the Company so directs, supplement or amend this Agreement without the approval of any holders of Rights Certificates in order (i) to cure any ambiguity, (ii) to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, (iii) to shorten or lengthen any time period hereunder, or (iv) to change or supplement the provisions hereunder in any manner which the Company may deem necessary or desirable and which, in the case of this clause (iv), shall not adversely affect the interests of the holders of Rights Certificates (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person); provided, however, that this Agreement may not be supplemented or amended to lengthen, pursuant to clause (iii) of this sentence, (A) a time period relating to when the Rights may be redeemed at such time as the Rights are not then redeemable, or (B) any other time period unless such lengthening is for the purpose of protecting, enhancing or clarifying the rights of, and/or the benefits to, the holders of Rights. Upon the delivery of a certificate from an appropriate officer of the Company which states that the proposed supplement or amendment is in compliance with the terms of this Section 26, the Rights Agent shall execute such supplement or amendment. Notwithstanding anything contained in this Agreement to the contrary, no supplement or amendment shall be made which changes the Redemption Price, the Final Expiration Date, the Purchase Price or the number of one one-thousandths of a share of Preferred Stock for which a Right is exercisable. Prior to the Distribution Date, the interests of the holders of Rights shall be deemed coincident with the interests of the holders of Common Stock.

Section 27. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 28. Determinations and Actions by the Board of Directors, etc. For all purposes of this Agreement, any calculation of the number of shares of Common Stock outstanding at any particular time, including for purposes of determining

the particular percentage of such outstanding shares of Common Stock of which any Person is the Beneficial Owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) of the General Rules and Regulations under the Exchange Act. The Board of Directors of the Company shall have the exclusive power and authority to administer this Agreement and to exercise all rights and powers specifically granted to the Board or to the Company, or as may be necessary or advisable in the administration of this Agreement, including, without limitation, the right and power to (i) interpret the provisions of this Agreement, and (ii) make all determinations deemed necessary or advisable for the administration of this Agreement (including a determination to redeem or not redeem the Rights or to amend the Agreement). All such actions, calculations, interpretations and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board (with, where specifically provided for herein, the concurrence of the Continuing Directors and the members of the Board of Directors who are not officers of the Company and who are not representatives, nominees, Affiliates or Associates of an Acquiring Person) in good faith, shall (x) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other parties, and (y) not subject the Board, the Continuing Directors or the members of the Board of Directors who are not officers of the Company and who are not representatives, nominees, Affiliates or Associates of an Acquiring Person, to any liability to the holders of the

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Rights.

Section 29. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Date, registered holders of the Common Stock) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Date, registered holders of the Common Stock).

Section 30. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated; provided, however, that notwithstanding anything in this Agreement to the contrary, if any such term, provision, covenant or restriction is held by such court or authority to be invalid, void or unenforceable and the Board of Directors of the Company determines in its good faith judgment that severing the invalid language from this Agreement would adversely affect the purpose or effect of this Agreement, the right of redemption set forth in Section 23 hereof shall be reinstated and shall not expire until the close of business on the tenth day following the date of such determination by the Board of Directors.

Section 31. Governing Law. This Agreement, each Right and each Rights Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts made and to be performed entirely within such State.

Section 32. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 33. Descriptive Headings. Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

MUELLER INDUSTRIES, INC.

By: /s/ William H. Hensley
Name: William H. Hensley
Title: Vice President, General Counsel and Secretary

CONTINENTAL STOCK TRANSFER
& TRUST COMPANY
as Rights Agent

By: /s/ William F. Seegraber
Name: William F. Seegraber
Title: Vice President

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Exhibit A

CERTIFICATE OF DESIGNATION, PREFERENCES AND
RIGHTS OF SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

of

MUELLER INDUSTRIES, INC.

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

We, Harvey L. Karp, Chairman of the Board, and William H. Hensley, Vice President, General Counsel and Secretary, of Mueller Industries, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware, in accordance with the provisions of Section 103 thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors by the Restated Certificate of Incorporation, as amended, of the said Corporation, the said Board of Directors on November 10, 1994, adopted the following resolution creating a series of 15,000 shares of Preferred Stock designated as Series A Junior Participating Preferred Stock:

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of its Certificate of Incorporation, as amended, a series of Preferred Stock of the Corporation be and it hereby is created, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations and restrictions thereof are as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" and the number of shares constituting such series shall be 15,000.

Section 2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of January, April, July and October in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$.01 or (b) subject to the provision for adjustment hereinafter set forth, 1000 times the aggregate per share amount of all cash dividends, and 1000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a

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subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, without par value, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after November 10, 1994 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided, however, that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$.01 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than thirty (30) days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to 1000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the

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Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) Directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) Directors or, if such right is exercised at an annual meeting, to elect two (2) Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior Participating Preferred Stock.

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(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the President, a Vice-President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph (C) (iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than twenty (20) days and not later than sixty (60) days after such order or request or in default of the calling of such meeting within sixty (60) days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this paragraph (C) (iii), no such special meeting shall be called during the period within sixty (60) days immediately preceding the date fixed

for the next annual meeting of the stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two (2) Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C) (ii) of this Section 3) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this paragraph (C) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the certificate of incorporation or by-laws irrespective of any increase made pursuant to the provisions of paragraph (C) (ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or by-laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(D) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

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Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock;

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the

Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

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Section 6. Liquidation, Dissolution or Winding Up. (A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received \$30 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 1000 (as appropriately adjusted as set forth in subparagraph C below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or

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exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Junior

Participating Preferred Stock shall not be redeemable.

Section 9. Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment. The Restated Certificate of Incorporation, as amended, of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

Section 11. Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate and do affirm the foregoing as true under the penalties of perjury this 10th day of November, 1994.

/s/Harvey L. Karp
Harvey L. Karp
Chairman of the Board

/s/William H. Hensley
William H. Hensley
Vice President, General Counsel
and Secretary

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Exhibit B

[Form of Rights Certificate]

Certificate No. R-

-----Rights

NOT EXERCISABLE AFTER NOVEMBER 10, 2004 OR EARLIER IF REDEEMED BY THE COMPANY. THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE COMPANY, AT \$.01 PER RIGHT ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. UNDER CERTAIN CIRCUMSTANCES, RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON (AS SUCH TERM IS DEFINED IN THE RIGHTS AGREEMENT) AND ANY SUBSEQUENT HOLDER OF SUCH RIGHTS MAY BECOME NULL AND VOID. [THE RIGHTS REPRESENTED BY THIS RIGHTS CERTIFICATE ARE OR WERE BENEFICIALLY OWNED BY A PERSON WHO WAS OR BECAME AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT). ACCORDINGLY, THIS RIGHTS CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY MAY BECOME NULL AND VOID IN THE CIRCUMSTANCES SPECIFIED IN SECTION 7(e) OF SUCH AGREEMENT.]*

Rights Certificate

Mueller Industries, Inc.

This certifies that -----, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Rights Agreement, dated as of November 10, 1994 (the "Rights Agreement"), between Mueller Industries, Inc., a Delaware corporation (the "Company"), and Continental Stock Transfer & Trust Company, a limited purpose

* The portion of the legend in brackets shall be inserted only if applicable and shall replace the preceding sentence.

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company organized under the Banking Law of the State of New York (the "Rights Agent"), to purchase from the Company at any time prior to 5:00 P.M. (New York City time) on November 10, 2004 at the office or offices of the Rights Agent designated for such purpose, or its successors as Rights Agent, one one-thousandth of a fully paid, nonassessable share of Series A Junior Participating Preferred Stock (the "Preferred Stock") of the Company, at a purchase price of \$160 per one one-thousandth of a share (the "Purchase Price"), upon presentation and surrender of this Rights Certificate with the Form of Election to Purchase and related Certificate duly executed. The number of Rights evidenced by this Rights Certificate (and the number of shares which may be purchased upon exercise thereof) set forth above, and the Purchase Price per share set forth above, are the number and Purchase Price as of November 10, 1994, based on the Preferred Stock as constituted at such date. The Company reserves the right to require prior to the occurrence of a Triggering Event (as such term is defined in the Rights Agreement) that a number of Rights be exercised so that only whole shares of Preferred Stock will be issued.

Upon the occurrence of a Section 11(a)(ii) Event (as such term is defined in the Rights Agreement), if the Rights evidenced by this Rights Certificate are beneficially owned by (i) an Acquiring Person or an Affiliate or Associate of any such Acquiring Person (as such terms are defined in the Rights Agreement), (ii) a transferee of any such Acquiring Person, Associate or Affiliate, or (iii) under certain circumstances specified in the Rights Agreement, a transferee of a person who, after such transfer, became an Acquiring Person, or an Affiliate or Associate of an Acquiring Person, such Rights shall become null and void and no holder hereof shall have any right with respect to such Rights from and after the occurrence of such Section 11(a)(ii) Event.

As provided in the Rights Agreement, the Purchase Price and the number and kind of shares of Preferred Stock or other securities, which may be purchased upon the exercise of the Rights evidenced by this Rights Certificate are subject to modification and adjustment upon the happening of certain events, including Triggering Events.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Rights Certificates, which limitations of rights include the temporary suspension of the exercisability of such Rights under the specific circumstances set forth in the Rights Agreement. Copies of the Rights Agreement are on file at the above-mentioned office of the Rights Agent and are also available upon written request to the Rights Agent.

This Rights Certificate, with or without other Rights Certificates, upon surrender at the principal office or offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number of one one-thousandths of a share of Preferred Stock as the Rights evidenced by the Rights Certificate or Rights Certificates surrendered shall have entitled such holder to purchase. If this Rights Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

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Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Company at its option at a redemption price of \$.01 per Right at any time prior to the earlier of the close of business on (i) the tenth day following the Stock Acquisition Date (as such time period may be extended pursuant to the Rights Agreement), and

(ii) the Final Expiration Date.

No fractional shares of Preferred Stock will be issued upon the exercise of any Right or Rights evidenced hereby (other than fractions which are integral multiples of one one-thousandth of a share of Preferred Stock, which may, at the election of the Company, be evidenced by depositary receipts), but in lieu thereof a cash payment will be made, as provided in the Rights Agreement. No holder of this Rights Certificate shall be entitled to vote or receive dividends or be deemed for any purpose the holder of shares of Preferred Stock or of any other securities of the Company which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal.

Dated as of _____, 199

MUELLER INDUSTRIES, INC.

By
Title:

Countersigned:

CONTINENTAL STOCK TRANSFER
& TRUST COMPANY

By
Authorized Officer

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[Form of Reverse Side of Rights Certificate]

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED -----

hereby sells, assigns and transfers unto -----

(Please print name and address of transferee)

this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint -----Attorney, to transfer the within Rights Certificate on the books of the within-named Company, with full power of substitution.

Dated: _____, 199

Signature

Signature Guaranteed:

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Certificate

The undersigned hereby certifies by checking the appropriate boxes that:

(1) this Rights Certificate [] is [] is not being sold, assigned and transferred by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate of any such Acquiring Person (as such terms are defined pursuant to the Rights Agreement);

(2) after due inquiry and to the best knowledge of the undersigned, the undersigned [] did [] did not acquire the Rights evidenced by this Rights Certificate from any Person who is, was or subsequently became an Acquiring Person or an Affiliate or Associate of an Acquiring Person.

Dated: _____, 19

Signature

Signature Guaranteed:

NOTICE

The signature to the foregoing Assignment and Certificate must correspond to the name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.

FORM OF ELECTION TO PURCHASE

(To be executed if holder desires to exercise Rights represented by the Rights Certificate.)

To: Mueller Industries, Inc.:

The undersigned hereby irrevocably elects to exercise - ----- Rights represented by this Rights Certificate to purchase the shares of Preferred Stock issuable upon the exercise of the Rights (or such other securities of the Company or of any other person which may be issuable upon the exercise of the Rights) and requests that certificates for such shares be issued in the name of and delivered to:

Please insert social security or other identifying number

(Please print name and address)

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

Please insert social security or other identifying number

(Please print name and address)

Dated: , 19

Signature

Signature Guaranteed:

Certificate

The undersigned hereby certifies by checking the appropriate boxes that:

(1) the Rights evidenced by this Rights Certificate [] are [] are not being exercised by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate of any such Acquiring Person (as such terms are defined pursuant to the Rights Agreement);

(2) after due inquiry and to the best knowledge of the undersigned, the undersigned [] did [] did not acquire the Rights evidenced by this Rights Certificate from any Person who is, was or became an Acquiring Person or an Affiliate or Associate of an Acquiring Person.

Dated: , 199

Signature

Signature Guaranteed:

NOTICE

The signature to the foregoing Election to Purchase and Certificate must correspond to the name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.

SUMMARY OF RIGHTS TO PURCHASE
PREFERRED STOCK

On November 10, 1994, the Board of Directors of Mueller Industries, Inc. (the "Company") declared a dividend distribution of one Right for each outstanding share of the Company's common stock, \$.01 par value (the "Common Stock"), to shareholders of record at the close of business on November 21, 1994. Each Right entitles the registered holder to purchase from the Company a unit consisting initially of one one-thousandth of a share (a "Unit") of Series A Junior Participating Preferred Stock, par value \$1.00 per share (the "Preferred Stock"), at a Purchase Price of \$160 per Unit, subject to adjustment. The description and terms of the Rights are set forth in a Rights Agreement (the "Rights Agreement") between the Company and Continental Stock Transfer & Trust Company, as Rights Agent.

Initially, the Rights will be attached to all Common Stock certificates representing shares then outstanding, and no separate Rights Certificates will be distributed. The Rights will separate from the Common Stock and a Distribution Date will occur upon the earlier of (i) ten (10) days (or such later date as the Board shall determine) following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired beneficial ownership of 15% or more of the outstanding shares of Common Stock (the "Stock Acquisition Date"), or (ii) ten (10) business days (or such later date as the Board shall determine) following the commencement of a tender offer or exchange offer that would result in a person or group beneficially owning 15% or more of such outstanding shares of Common Stock. Until the Distribution Date, (i) the Rights will be evidenced by the Common Stock certificates and will be transferred with and only with such Common Stock certificates, (ii) new Common Stock certificates issued after November 21, 1994 will contain a notation incorporating the Rights Agreement by reference, and (iii) the surrender for transfer of any certificates for Common Stock outstanding will also constitute the transfer of the Rights associated with the Common Stock represented by such certificate. Pursuant to the Rights Agreement, the Company reserves the right to require prior to the occurrence of a Triggering Event (as defined below) that, upon any exercise of Rights, a number of Rights be exercised so that only whole shares of Preferred Stock will be issued.

The Rights are not exercisable until the Distribution Date and will expire at the close of business on November 10, 2004, unless earlier redeemed by the Company as described below.

As soon as practicable after the Distribution Date, Rights Certificates will be mailed to holders of record of the Common

Stock as of the close of business on the Distribution Date and, thereafter, the separate Rights Certificates alone will represent the Rights. Except as otherwise determined by the Board of Directors, only shares of Common Stock

issued prior to the Distribution Date will be issued with Rights.

In the event that, at any time following the Distribution Date, a person (other than an "Exempted Person" (as defined below)) becomes the beneficial owner of more than 15% of the then outstanding shares of Common Stock (except pursuant

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to an offer for all outstanding shares of Common Stock at a price and on terms determined to be fair to, and in the best interests of, the shareholders by at least a majority of each of (i) the Continuing Directors (as defined below), and (ii) the members of the Board of Directors who are not officers of the Company and who are not representatives, nominees, affiliates or associates of an Acquiring Person), each holder of a Right will thereafter have the right to receive, upon exercise, Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a value equal to two times the exercise price of the Right. An "Exempted Person" is (i) the Company, (ii) any subsidiary of the Company, (iii) any employee benefit plan of the Company or of any Subsidiary of the Company, or (iv) any person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan. "Continuing Directors" are (i) directors who are not an Acquiring Person, an associate or affiliate of an Acquiring Person or a representative or nominee of an Acquiring Person and who are directors of the Company on the date the Rights Agreement is executed, and (ii) those who subsequently become directors who are not an Acquiring Person, an associate or affiliate of an Acquiring Person or a representative or nominee of an Acquiring Person, if such person's nomination or election to the Board of Directors is recommended by a majority of the Continuing Directors. Notwithstanding any of the foregoing, following the occurrence of the event set forth in this paragraph, all Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by any Acquiring Person will be null and void. However, Rights are not exercisable following the occurrence of the event set forth above until such time as the Rights are no longer redeemable by the Company as set forth below.

For example, at an exercise price of \$160 per Right, each Right not owned by an Acquiring Person (or by certain related parties) following an event set forth in the preceding paragraph would entitle its holder to purchase \$320 worth of Common Stock (or other consideration, as noted above) for \$160. Assuming that the Common Stock had a per share value of \$32 at such time, the holder of each valid Right would be entitled to purchase 10 shares of Common Stock for \$160.

In the event that, at any time following the Stock Acquisition Date, (i) the Company is acquired in a merger or other business combination transaction in which the Company is not the surviving corporation (other than a merger which follows an offer described in the second preceding paragraph), or (ii) 50% or more of the Company's assets or earning power is sold, mortgaged or transferred, each holder of a Right (except Rights which previously have been voided as set forth above) shall thereafter have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two times the exercise price of the Right. There is an exception for a merger that is approved by the Continuing Directors at a price which is fair to, and otherwise in the best interests of, the stockholders and in which all stockholders of the Company receive equal consideration. The events set forth in this paragraph and in the second preceding paragraph are referred to as the "Triggering Events."

The Purchase Price payable, and the number of Units of Preferred Stock or other securities or property issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Preferred Stock, (ii) if holders of the Preferred Stock are granted certain rights or warrants to subscribe for Preferred Stock or convertible securities

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at less than the current market price of the Preferred Stock, or (iii) upon the distribution to holders of the Preferred Stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments amount to at least 1% of the Purchase Price. No fractional Units will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Preferred Stock on the last trading date prior to the date of exercise.

At any time until ten days following the Stock Acquisition Date, the Company may redeem the Rights in whole, but not in part, at a price of \$.01 per Right (payable in cash, Common Stock or other consideration deemed appropriate by the Board of Directors) by resolution of the Board of Directors (provided that such resolution is approved by a majority of the Continuing Directors and only if the Continuing Directors constitute a majority of the directors then in

office). Immediately upon such action of the Board of Directors ordering redemption of the Rights, the Rights will terminate and the only right of the holders of Rights will be to receive the \$.01 redemption price.

Until a Right is exercised, the holder thereof, as such, will have no rights as a shareholder of the Company, including, without limitation, the right to vote or to receive dividends. While the distribution of the Rights will not be taxable to shareholders or to the Company, shareholders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Common Stock (or other consideration) of the Company or for common stock of the acquiring company as set forth above.

Other than those provisions relating to the principal economic terms of the Rights, any of the provisions of the Rights Agreement may be amended by resolution of the Company's Board of Directors (provided that such resolution is approved by a majority of the Continuing Directors and only if the Continuing Directors constitute a majority of the directors then in office) prior to the Distribution Date. After the Distribution Date, the provisions of the Rights Agreement may be amended by resolution of the Company's Board of Directors (provided that such resolution is approved by a majority of the Continuing Directors and only if the Continuing Directors constitute a majority of the directors then in office) in order to cure any ambiguity, to make changes which do not adversely affect the interests of holders of Rights (excluding the interests of any Acquiring Person), or to shorten or lengthen any time period under the Rights Agreement; provided, however, that no amendment to adjust the time period governing redemption shall be made at such time as the Rights are not redeemable.

A copy of the Rights Agreement has been filed with the Securities and Exchange Commission as an Exhibit to a Registration Statement on Form 8-A dated November 14, 1994. A copy of the Rights Agreement is available free of charge from the Company. This summary description of the Rights does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement, which is incorporated herein by reference.

EMPLOYMENT AGREEMENT, effective as of October 1, 1991, by and between MUELLER INDUSTRIES, INC., a Delaware corporation having its principal address at 555 North Woodlawn, Wichita, Kansas 67208 (the "Employer"), and HARVEY KARP, an individual residing at West End Road, (P.O. Box 30) East Hampton, New York 11937 (the "Executive").

WITNESSETH:

WHEREAS, the parties desire to provide for the employment of the Executive by the Employer as set forth in this agreement (this agreement being hereinafter called the "Agreement").

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

1. Term of Employment.

The Employer agrees to employ the Executive, and the Executive hereby accepts such employment, as Chairman of the Board of Directors of the Employer, for a term commencing as of October 1, 1991 and ending on December 31, 1993 (the "Initial Term"). The Initial Term shall be automatically extended for one (1) additional year as of December 31, 1993, and thereafter for one (1) additional year as of December 31 of each succeeding calendar year, until either party hereto gives written notice, on or prior to August 31 of any such calendar year, of its intention not to extend the Initial Term (as then extended) for one (1) additional calendar year, in which case the Executive's employment hereunder shall terminate on December 31 of that calendar year during which such notice is given. The preceding two sentences notwithstanding, the Executive's employment hereunder may be terminated earlier in accordance with Section 4 hereof. Subject to earlier termination as provided in Section 4 hereof, the Executive's term of employment hereunder, including the Initial Term and all additional one (1) year extensions thereof, is hereinafter referred to as the "Employment Period."

2. Duties and Authority.

a. During the Employment Period the Executive shall serve as Chairman of the Board of Directors of the Employer. The Executive shall devote his best efforts and full working time and attention to services for the Employer. The Executive agrees to hold any other office or position with the Employer or any of the Employer's subsidiaries without additional compensation if elected or appointed to such office or position.

b. The Executive shall be responsible to identify and propose to the Employer's Board of Directors persons suitable to serve as President of the Employer.

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3. Compensation.

a. As compensation for the Executive's services in all capacities during the Employment Period, the Employer shall pay the Executive the following:

(i) a base salary at the rate of \$480,000 per annum (the "Base Salary"), to be paid in equal installments in accordance with normal payroll practices of the Employer but not less frequently than monthly;

(ii) a payment, upon execution of this Agreement, equal to the amount of the reasonable legal fees incurred by the Executive in connection with the preparation and negotiation of this Agreement;

(iii) a discretionary cash incentive bonus (the "Bonus") for the period beginning October 1, 1991 and ending on December 31, 1991, and for each subsequent calendar year or part thereof during which the Executive is employed, the amount of such Bonus to be determined by the Employer acting in good faith.

(iv) an option (the "Option") to acquire five hundred thousand (500,000) shares of common stock of the Employer, such Option to be in the form and subject to the terms and conditions expressed in

Exhibit A attached hereto.

b. The Executive shall be entitled to reimbursement for reasonable business and travel expenses incurred in the performance of his duties in accordance with the Employer's normal reimbursement practices.

c. Subject to the terms of the applicable plan and/or program, the Executive shall participate in all bonus, incentive, stock option, pension, disability and health plans and programs and all fringe benefit plans maintained by or on behalf of the Employer and in which senior executives of the Employer are entitled to participate.

4. Termination of Employment.

a. The Executive's employment hereunder shall terminate upon the Executive's death, and the Employer shall have the right to terminate the Executive's employment upon his permanent disability. A permanent disability is a physical or mental disability which results in the Executive's inability to substantially perform his duties hereunder for a period of 90 consecutive days or for a period of 120 days within any period of 12 consecutive months, except that a permanent disability shall not include a physical or mental disability which occurs in connection with the Executive's employment hereunder. In the event of termination by reason of death or permanent disability, the Employer's obligation to pay further compensation hereunder shall cease on the date of termination, except that the Executive (or, in the case of death, his beneficiaries, or his estate if no beneficiary has been named) shall be entitled to receive his Base Salary and Bonus prorated on a calendar day basis through the date of such termination.

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b. The Employer may terminate the Executive's employment hereunder for Cause (as defined below) upon not less than 30 days prior written notice specifying such cause. If the Executive's employment hereunder is terminated for Cause, the Executive shall forfeit the Option effective as of the date of the termination of his employment, but the Option shall remain exercisable for the 30 day period following the Executive's receipt of written notice required under this Section 4(b). For purposes of this Agreement, the term "Cause" shall mean (i) the Executive's willful and continued failure to substantially perform his duties hereunder, (ii) the engaging by the Executive in willful misconduct which is demonstrably and materially injurious to the Employer, or (iii) the Executive's conviction of a felony for a crime of moral turpitude. For purposes of this Section 4(c), no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Employer. The Executive shall not be terminated for Cause in the case of actions or omissions described in clauses (i) or (ii) of this Section 4(b) unless the Employer shall have given the Executive an opportunity to cure any such actions or omissions during the 30 day period after the Executive's receipt of written notice required under this Section 4(b).

c. The Executive's employment hereunder may be terminated by the Employer without Cause upon not less than 90 days prior written notice. In such event, the Executive shall continue to receive his Base Salary otherwise payable pursuant to Section 3 hereof as if his employment had continued for the remainder of the Employment Period. The Employer shall determine in good faith whether the Bonus should be payable for a calendar year in which the Executive is terminated by the Employer without Cause.

d. The Executive shall also have the right to resign voluntarily from employment during the Employment Period by written notice to the Employer at least 60 days prior to the effective date of the resignation. Upon his resignation, the Executive shall be entitled to receive any accrued but unpaid Base Salary. The Employer shall have discretion whether or not to award the Executive a Bonus for any calendar year in which he resigns.

e. If the Executive's employment shall terminate by expiration of the Employment Period in accordance with Section 1 hereof, or if his employment is terminated for Cause pursuant to Section 4(b), or if the Executive shall voluntarily resign for any reason, the Executive's right to receive the Base Salary (except any accrued and unpaid salary), the Bonus, and any other compensation and benefits to which he would otherwise be entitled under this Agreement shall be forfeited as of the date of termination of employment, except as expressly provided below:

(i) If the Initial Term of this Agreement shall not have been extended for an additional one-year period and the Executive's employment hereunder shall terminate by expiration of the Employment Period, in accordance with Section 1 hereof, on December 31, 1993, the Executive shall be entitled to receive the Bonus for calendar year 1993

in accordance with Section 3(a)(iii) hereof.

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(ii) If the Initial Term of this Agreement shall be extended for one or more additional one-year periods and the Executive's employment hereunder shall terminate by expiration of the Employment Period, in accordance with Section 1 hereof, on December 31 of any calendar year succeeding calendar year 1993, the Executive shall be entitled to receive the Bonus for such succeeding calendar year in accordance with Section 3(a)(iii) hereof.

f. Except as provided in Section 4(b) hereof, the Executive's death or termination of employment shall not affect his rights under the Option.

5. Notices.

Any notice or other communication hereunder shall be made in writing by hand-delivery or telecopier (and, if by telecopier, followed by a copy either delivered by hand within three days thereafter or sent by registered first-class mail on the next business day) and shall be deemed to have been delivered and received when delivered by hand, if personally delivered, and when receipt acknowledged, if telecopied, as follows: (a) if to the Executive at the address shown at the beginning of this Agreement and at the following telecopier numbers: (516) 329-2838 and (212) 307-9514 or to such other person(s) or address(es) or telecopier number(s) as the Executive shall have furnished to the Employer in writing, and (b) if to the Employer at the address shown at the beginning of this Agreement and at the following telecopier number: (316) 682-9650, attention of the Board of Directors, with copies to Foulston & Siefkin, 700 Fourth Financial Center, Broadway at Douglas, Wichita, Kansas 67202, Attention: Larry G. Rapp, Esq., telecopier number (316) 267-6345, or to such other person(s) or address(es) or telecopier number(s) as such persons or the Company shall have furnished to the Executive in writing.

6. Assignability.

This Agreement shall not be assignable by the Employer except to a majority-owned subsidiary or parent entity of the Employer and shall be binding upon and inure to the benefit of the Employer and its successors and assigns. This Agreement shall not be assignable by the Executive, but it shall be binding upon, and to the extent provided in Section 4(a) shall inure to the benefit of, the Executive's heirs, executors, administrators and legal representatives.

7. Entire Agreement.

This Agreement supersedes all prior understandings between the Executive and the Employer as to the subject matter hereof.

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8. Waivers, Amendments and Further Agreements.

Neither this Agreement nor any term or condition hereof, including without limitation the terms and conditions of this Section 8, may be waived, modified or amended in whole or in part as against the Employer or the Executive except by written instrument executed by each of the parties expressly stating that it is intended to operate as a waiver, modification or amendment of this Agreement or the applicable term or condition hereof. Each of the parties hereto agrees to execute all such further instruments and documents and to take all such further action as the other party may reasonably require in order to effectuate the terms and purposes of this Agreement.

9. Severability.

In case one or more of the provisions contained in this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained

herein shall not in any way be affected or impaired thereby.

10. No Conflicting Obligations.

The Executive represents and warrants to the Employer that the Executive is not now under any obligation to anyone other than the Employer and other entities of which he is a non-executive director and has no interest which is inconsistent or in conflict with this Agreement, or which would prevent, limit or impair, in any way, the Executive's performance of any of the covenants or duties hereinabove set forth. However, subject to Section 2 hereof, nothing herein shall be deemed to limit the Executive's participation in, or pursuit of, non-conflicting business interests.

11. Survival.

Except as otherwise provided herein, the covenants, agreements, representations and warranties contained in or made pursuant to this Agreement shall survive the Executive's termination of employment, irrespective of any investigation made by or on behalf of any party.

12. Governing Law.

This agreement shall be governed by and construed and enforced in accordance with the law of the State of New York.

13. Arbitration.

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach thereof shall be finally settled by arbitration by a single arbitrator in accordance with the rules then in effect of the American Arbitration Association in an arbitration in New York, New York. Judgment upon an award rendered by the arbitrator may be entered in any court of competent jurisdiction.

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14. Headings.

The headings in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

15. Counterparts.

This Agreement may be executed in counterparts each of which shall be deemed an original but which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement effective as of the date first above written.

MUELLER INDUSTRIES, INC.

[Seal]

By:/s/Earl W. Bunkers
Name: Earl W. Bunkers
Title: EVP Finance
Date: December 4, 1991

/s/Harvey L. Karp
Harvey Karp
Date: December 4, 1991

STOCK OPTION AGREEMENT

THIS AGREEMENT, made this 4th day of December, 1991, by and between Mueller Industries, Inc., a Delaware corporation (the "Company") and Harvey L. Karp, who resides at West End Road, (P.O. Box 30) East Hampton, New York 11937 (the "Optionee") .

W I T N E S S E T H:

WHEREAS, the Company desires to to obtain the services of the Optionee as set forth in an employment agreement between the Optionee and the Company dated as of October 1, 1991 (the "Employment Agreement"); and

WHEREAS, as an inducement for the Optionee to enter into the Employment Agreement, the Company has agreed to grant the Optionee stock options as follows;

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Option. The Company grants to the Optionee, during the period commencing as of October 1, 1991 and ending one year from the termination of the Optionee's employment with the Company under the Employment Agreement (the "Expiration Date"), the right and option (the "Option") to purchase from the Company, up to, but not exceeding in the aggregate, five-hundred thousand (500,000) shares of the Company's common stock, par value \$.01 per share (the "Stock") at the closing price of the Stock on the New York Stock Exchange on the last trading day preceding the date on which this Agreement is signed, as written below the signature lines on the last page of this Agreement, or such lower price as the Company may hereafter determine to be fair and reasonable.

2. Exercisability of Option. The Option shall be exercisable in whole or in part as of October 1, 1991 and shall remain so exercisable until the Expiration Date, unless the Executive's employment under the Employment Agreement is terminated for Cause (as defined therein) in which case the Executive shall forfeit the Option effective as of the date of the termination of his employment with the Company, provided, however, that the Option shall remain exercisable for the 30 day period following the Executive's receipt of the written notice required under section 4(b) of the Employment Agreement.

3. Method of Exercising Option. (a) The Optionee may exercise the Option by delivering to the Company a written notice stating the number of shares that the Optionee has elected to purchase at that time from the Company and full payment of the purchase price of the shares then to be purchased. Payment of the purchase price of the shares may be made (i) by certified or bank cashier's check payable to the order of the Company, or (ii) by surrender or delivery to the Company of shares of Stock having a fair market value equal to the purchase price.

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(b) At the time of exercise, the Optionee shall pay to the Company such amount as is necessary to satisfy the Company's obligation to withhold Federal, state or local income or other taxes incurred by reason of the exercise or the transfer of shares thereupon; provided, however, that the Optionee may, at his election and in lieu of paying such amounts, instruct the Company to withhold from the shares of stock otherwise deliverable, shares with an aggregate fair market value equal to the amount of such withholding obligation.

(c) With respect to any Option exercise made pursuant to this Section 3, the "fair market value" of the Stock shall mean the average closing price of the Stock on the New York Stock Exchange (or such other exchange on which the Stock is then listed) during the five business days immediately preceding the date upon which the Optionee delivers written notice of exercise.

4. Issuance of Shares. As promptly as practicable after receipt of notification of exercise, full payment of purchase price and satisfaction of tax withholding as provided in Section 3, the Company shall issue or transfer to the Optionee the number of shares as to which the Option has been so exercised, and shall deliver to the Optionee a certificate or certificates therefor, registered in his name.

5. Non-Transferability. (a) The Option is not transferable by the Optionee otherwise than by will or the laws of descent and distribution and is exercisable during the Optionee's lifetime only by him. No assignment or

transfer of the Option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise (except by will or the laws of descent and distribution), shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Option shall terminate and become of no further effect.

(b) Whenever the word "Optionee" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, personal representatives, or the person or persons to whom the Option may be transferred by will or by the laws of descent and distribution, the word "Optionee" shall be deemed to include such person or persons.

6. Rights as Stockholder. The Optionee or a transferee of the Option shall have no rights as a stockholder with respect to any share of Stock covered by the Option until he shall have become the holder of record of such share.

7. Recapitalizations, Reorganizations, Etc. (a) The existence of the Option shall not affect the power of the Company or its stockholders to accomplish adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or securities ahead of or affecting the Stock or the rights thereof or convertible into or exchangeable for Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act.

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(b) The shares with respect to which the Option is granted are shares of Stock of the Company as presently constituted, but if, and whenever, before the delivery by the Company of all of the shares of optioned Stock, the Company shall issue Stock, or effect a subdivision or consolidation of Stock outstanding, without receiving fair value therefor in money, services or property, the number and price of shares remaining under the Option shall be appropriately adjusted to preserve the full value of the Option as determined immediately prior to such transaction.

(c) Upon any change in the outstanding shares of Stock by reason of any recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate change, or any distributions to common shareholders other than cash dividends, the Company shall make such substitutions or adjustments as are appropriate and equitable, as to the number or kind of shares of Stock or other securities covered by this Option and the option price thereof. The Company shall notify the Optionee of any intended sale of all or substantially all of the Company's assets within a reasonable time prior to such sale.

8. Notice. Notice and other communications relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by him or it in a notice mailed or delivered to the other party as herein provided; unless and until some other address be so designated, all notices or communications by the Optionee to the Company shall be mailed or delivered to the Company at 555 North Woodlawn, Wichita, Kansas 67208, and all notices or communications by the Company to the Optionee may be given to the Optionee personally or may be mailed to him at the address shown below his signature.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

MUELLER INDUSTRIES, INC.

By:/s/Earl W.Bunkers
Name: Earl W. Bunkers
Title: EVP Finance
Date: December 4, 1991

/s/Harvey L. Karp
Name: Harvey L. Karp
Date: December 4, 1991

Address of Optionee:

West End Road
P.O. Box 30

[LETTERHEAD]

Mueller Industries, Inc.
888 Seventh Avenue
Suite 3300
New York, New York 10106
(212)397-5565

March 3, 1992

Mr. Harvey Karp
Mueller Industries, Inc. 888 Seventh Avenue
New York, NY 10106

Dear Mr. Karp:

This letter is to confirm the granting of an option to purchase an additional 500,000 shares of the Company's common stock on the terms and conditions, and at the same price (\$8.25) as under the Option Agreement with you dated December 4, 1991 except as follows:

- (a) The number of shares granted hereunder shall be reduced by the number of options shares, which the Company may grant as an inducement to secure the services of a President or similar officer. The President or similar officer may either be a new employee or a present employee.
- (b) The options hereunder shall not be exercisable until the President or similar officer commences performing his duties, or such earlier date as the Board may determine, or December 31, 1993, whichever occurs first. In the event the President or similar officer is not selected by December 31, 1993, the Compensation Committee of the Board reserves the right to set aside a portion of the 500,000 shares for the future President or similar officer.
- (c) All other conditions of this grant remain the same as the previous stock option agreement dated December 4, 1991 (copy attached).

Very truly yours,

MUELLER INDUSTRIES, INC.

By:/s/Earl W. Bunkers
Earl W. Bunkers

APPROVAL:
/s/Harvey L. Karp
Harvey L. Karp

ALSO APPROVED BY:
/s/Gary S. Gladstein
Gary S. Gladstein
Chairman of Compensation Committee

MUELLER INDUSTRIES, INC.
1991 INCENTIVE STOCK OPTION PLAN

Mueller Industries, Inc.
Wichita, Kansas

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MUELLER INDUSTRIES, INC.
1991 INCENTIVE STOCK OPTION PLAN

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MUELLER INDUSTRIES, INC.

1991 INCENTIVE STOCK OPTION PLAN

1. Purpose.

The purpose of this 1991 Incentive Stock Option Plan (the "Plan") is to encourage ownership in the Common Stock of Mueller Industries, Inc. (the "Company") by key personnel of the Company and its subsidiaries and to provide additional incentive for them to continue in the employ of the Company and its subsidiaries and to promote the success of the Company's business. It is further intended that this Plan shall qualify as an "incentive stock option plan" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and this Plan and all agreements entered into under the Plan shall be interpreted in a manner consistent with the requirements of that Section.

2. Stock Subject to the Plan.

The maximum number of shares which may be issued upon exercise of Options granted under the Plan ("Options") shall be 250,000 shares of Common Stock, par value \$.01 per share, of the Company ("Common Stock"). Such shares may be either issued shares of Common Stock as the Board of Directors of the Company (the "Board") shall from time to time determine. If any outstanding Option under the Plan for any reason expires or is terminated without having been exercised in full, the shares allocable to the unexercised portion of such Option shall again become available for option pursuant to the Plan.

3. Participation in the Plan.

a. Options may be granted only to regular employees (including officers) of the Company or of any subsidiary of the Company who shall be selected as provided in Section 12 hereof. A director or officer of the Company or of a subsidiary who shall not at the time also be an employee of the Company or of a subsidiary thereof shall not be eligible to receive an Option under the Plan. An employee who shall have been granted an Option under the Plan may be granted one or more additional Options. The term "subsidiary" as used in this Plan means a corporation more than 50% of the voting stock of which shall at the time be owned directly or indirectly by the Company.

b. No Option shall be granted to an individual who owns more than 10% of the total combined voting power of all classes of stock of the Company or of its parent or subsidiary corporations.

c. To the extent the aggregate fair market value (determined as of the time the Option is granted) of the Common Stock for which any employee may be granted Options which are exercisable for the first time by such employee during any calendar year under the Plan and any other "incentive stock option plan" within the meaning of Section 422 of the Code, of the Company and its parent and subsidiary corporations exceeds \$100,000, such Options shall be treated as Options which are not incentive stock options. Nothing in this Plan shall be construed to give anyone the right to be granted an Option, and

neither the Plan nor the granting of an Option or the taking of any other action under the Plan shall constitute or be any evidence of any agreement or understanding, express or implied, that the Company or any of its subsidiaries will employ an Option holder for any period of time or in any position or at any particular rate of compensation.

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4. Option Prices.

The purchase price of the Common Stock covered by each Option shall be not less than 100% of the fair market value of the Common Stock at the time of granting the Option. Such fair market value shall be determined as follows: (a) if the Common Stock is actively traded in an established market, the closing price of the Common Stock; (b) if the Common Stock is actively traded in an established market but not traded in a market where there is a closing price, the mean between the bid and asked price; and (c) if the Common Stock is not traded in an established market, the fair market value of the Common Stock shall be determined by the Board (or any committee to which the Board shall have delegated pursuant to Section 12 hereof power in that regard). Notwithstanding the foregoing, the price at which Options may be exercised shall in all events be determined in a manner consistent with any regulations that may hereafter be promulgated from time to time by the Internal Revenue Service with respect to Section 422 of the Code.

5. Term of Option.

The term of each Option shall be not more than ten years from the date of granting thereof and may be less than ten years. Each Option shall be subject to earlier termination as herein provided.

6. Exercise of Options.

An Option may be exercised in accordance with its terms at any time or from time to time after the granting thereof and the approval of this Plan by the stockholders of the Company in accordance with Paragraph 13 of the Plan. The purchase price of the shares purchased upon exercise of an Option shall be paid in full in cash at the time of the exercise, but the Board of Directors may (but shall not be required to) determine that shares may be purchased in whole or in part upon the exercise of Options with Common Stock of the Company. Except as provided in Paragraph 8 hereof, an Option may not be exercised in whole or in part unless the holder thereof shall then be an employee of the Company or of a subsidiary of the Company. The holder of an Option shall not have any of the rights of a stockholder with respect to the shares covered by his or her Option until and except to the extent that the Option shall have been fully exercised.

7. Restrictions on Transferability.

An Option shall not be transferable otherwise than by will or the laws of descent and distribution, and an Option may be exercised during the lifetime of the employee only by him or her. No Option or interest therein may be transferred, assigned, pledged, or hypothecated to the Optionee during his or her lifetime, by operation of law or otherwise, or be made subject to execution, attachment, or similar process. No participant may sell, assign, pledge, encumber, transfer, or otherwise hypothecate any of the shares purchased under the Plan within two years from the date of the granting of the Option, nor within one year after the transfer of the share to him or her.

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8. Termination of Employment.

All rights of an employee in an Option, to the extent it has not been exercised, shall terminate upon the death of the employee (except as hereinafter provided) or the termination of his or her employment for any reason. An Option shall not be affected by any temporary change of duties or position of the holder or any temporary leave of absence granted to him or her by the employing corporation. In the event of the death of the holder of an Option prior to termination of employment for any other reason, the unexercised portion of such Option may be exercised at any time within twelve months from the date of the holder's death, by his or her executor, administrator, personal representative, or other person who has acquired the right to exercise the Option by bequest or inheritance, but in no event may any Option be exercised after the expiration of the terms of the Option as set forth in Paragraph 5 of this Plan.

9. Adjustments Upon Changes in Capitalization.

Notwithstanding any other provisions of this Plan, in the event of any change in the outstanding Common Stock of the Company by reason of a stock dividend, stock split, merger, consolidation, split up, combination or exchange of shares, reorganization, liquidation, or the like, the aggregate number and class of shares of Common Stock available under the Plan and the number and class of shares subject to each outstanding Option and the option prices shall be appropriately adjusted by the Board, whose determination shall be conclusive.

10. Merger.

Subject to any required approval by the stockholders of the Company, if the Company shall be the surviving or resulting corporation in any merger or consolidation, each then outstanding Option granted hereunder shall pertain to and apply to the same number and type of shares of stock which a holder of the same number of shares of Common Stock subject to such Option was entitled to receive by reason of such Merger or consolidation.

11. Termination and Amendment of the Plan.

Unless the Plan shall be previously terminated as hereinafter provided, no Option shall be granted under the Plan after ten years from the date the Plan is adopted by the Board of Directors. The Board of Directors may at any time prior to that date suspend or terminate the Plan and shall have the right to alter or amend the Plan or any part thereof at any time and from time to time as it may deem proper and in the best interest of the Company and to alter or amend the Plan in order the Options granted under the Plan shall qualify as "Incentive Stock Options" under Section 422 of the Code or qualify under similar or successor provisions of the Code as amended from time to time, or conform with any change in applicable law or regulations or rulings of administrative agencies. Any termination, suspension, alteration or amendment of the Plan effected pursuant to this Paragraph 11 may be made by the Board of Directors without further action on the part of the stockholders of the Company; provided, that, no such termination, suspension, alteration, or amendment shall (a) impair, without the consent of the Option holder, any

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Option theretofore granted to him or her under the Plan or deprive him or her of any Common Stock which he or she may have acquired under the Plan, or (b) unless approved by the stockholders of the Company, (i) increase the total number of shares of Common Stock which may be purchased under the Plan except as provided in Paragraph 9 hereof, (ii) extend the time during which Options may be granted under the Plan, (iii) change the class of employees eligible to receive Options under the Plan, or (iv) change the manner of determining the Option price except to change the manner of determining the fair market value of the Common Stock. Any Option outstanding at the time of termination of the Plan shall remain in effect subject to the provisions of this Plan until the Option shall have been exercised or shall have expired.

12. Administration of Plan.

a. The Plan shall be administered under the general direction and control of the Board of Directors, which may from time to time issue orders or adopt resolutions not inconsistent with the provisions of the Plan, to interpret the provisions and supervise the administration of the Plan.

b. The Board of Directors shall appoint a Committee (the "Committee") consisting of not fewer than three directors, none of whom shall be officers of the Company or eligible to participate in the Plan while members of the Committee, and who shall serve at the pleasure of the Board. No person shall be eligible to serve on the Committee if such person has at any time during the immediately preceding one year period been granted or awarded equity securities under the terms of this Plan, or any other plan of the Company or its affiliates, except as provided by any applicable securities rule. All Committee members shall be disinterested persons as defined in Securities and Exchange Commission Rule 16b-3. The Board of Directors may, from time to time, remove members from or add members to the committee and shall fill all vacancies on the Committee. The Board of Directors may delegate to the Committee full power and authority to take any action required or permitted to be taken by the Board of Directors under the Plan, except that the Committee shall not have the power to terminate, suspend, alter, or amend the Plan. Subject to the provisions of the Plan, the Committee shall have the plenary authority, in its discretion, to determine the time or times at which, and the employees of the company and its subsidiaries to whom, Options shall be granted, the purchase price, and the number of shares of Common Stock to be covered by each Option, when each Option may be exercised, and the expiration date thereof. The Options granted by such Committee may contain such terms and provisions as the Committee, in its discretion, deems desirable and appropriate, provided, however, that such additional terms shall not be inconsistent with any provision of the Plan or cause the Plan or the Options granted thereunder not to be classified as an Incentive Stock Option Plan

and/or an Incentive Stock Option, except as provided in paragraph 3.c. hereof.

c. A majority of the Committee shall constitute a quorum, and the action of a majority of the members present at any meeting at which a quorum is present, or action authorized or approved in writing by a majority of the Committee, shall be deemed the action of the Committee.

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13. Effective Date of the Plan.

The Plan shall be effective from the date of its adoption by the Board of Directors, and Options may be granted immediately after such adoption, but no Option may be exercised under the Plan unless and until the Plan has been approved by the stockholders of the Company at a meeting held within twelve months after the date of such adoption. The Plan shall terminate if it is not approved by the stockholders of the Company within twelve months from the date of its adoption by the Board of Directors.

14. Notices.

All notices or other communications by a participant to the Company under or in connection with the Plan shall be deemed to have been given when received by the Personnel Office of the Company or when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

15. Stockholder Approval.

The Plan has been adopted by the Board of Directors of the Company on May 13, 1991, and is subject to the approval of the holders of a majority of the issued and outstanding Common Stock of the Company within 12 months after its adoption by the Board of Directors.

16. Governing Law.

This Plan and all agreements entered into under the Plan shall be construed in accordance with and shall be governed by the laws of the State of Kansas, except as provided in Paragraph 1 hereof.

17. Government and Other Regulations.

The obligations of the Company to sell and deliver shares of Common Stock shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agencies as may be required, including, without limitation, the effectiveness of a registration statement under the Securities Act of 1933, as deemed necessary or appropriate by counsel for the Company.

18. Nonexclusivity of the Plan.

Neither the adoption of the Plan by the Board of Directors nor the submission of the Plan for approval of the stockholders of the Company shall be construed as creating any limitations on the power of the Board of Directors to adopt such other incentive arrangements as it may deem desirable, including without limitation, the granting of stock options otherwise than under the Plan.

This 1991 Incentive Stock Option Plan was approved and adopted by the Board of Directors of Mueller Industries, Inc. at its regular meeting on May 13, 1991, and was approved and such adoption ratified by the stockholders of such corporation at the annual meeting thereof on the 28th day of August, 1991.

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2003 BONUS PLAN FOR CERTAIN KEY EMPLOYEES

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

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT, effective as of September 17, 1997, by and between MUELLER INDUSTRIES, INC., a Delaware corporation having its principal address at 6799 Great Oaks Road, Suite 200, Memphis, Tennessee 38138 (the "Employer"), and HARVEY KARP, an individual residing at West End Road, (P.O. Box 30) East Hampton, New York 11937 (the "Executive").

WITNESSETH:

WHEREAS, the Executive has entered into an Employment Agreement with the Employer, effective as of October 1, 1991, as amended by an Amendment, effective as of January 1, 1994 (the "Existing Employment Agreement"); and

WHEREAS, the Executive and the Employer wish to modify the terms of the Existing Employment Agreement by amending and restating the Existing Employment Agreement in the form of this Amended and Restated Employment Agreement (the "Agreement");

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the Executive and the Employer hereby amend and restate the Existing Employment Agreement as follows:

1. Term of Employment.

The Employer agrees to employ the Executive, and the Executive hereby accepts such employment, as Chairman of the Board of Directors of the Employer. This Agreement shall have a three-year rolling term, which shall commence as of the date first above written and automatically be extended so that the unexpired term on any date is always three years (the "Employment Period"), until such time as either party gives written notice to the other of its election not to extend such term. The Employment Period shall end three years from the date on which such notice is given unless it is terminated earlier as provided in Section 4 hereof.

2. Duties and Authority.

a. During the Employment Period the Executive shall serve as Chairman of the Board of Directors of the Employer. The Executive shall devote his best efforts and full working time and attention to services for the Employer. The Executive agrees to hold any other office or position with the Employer or any of the Employer's subsidiaries without additional compensation if elected or appointed to such office or position.

b. To the degree required by the Employer, the Executive shall be responsible to identify and propose to the Employer's Board of Directors persons suitable to serve as President of the Employer.

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3. Compensation.

a. As compensation for the Executive's services in all capacities during the Employment Period, the Employer shall pay the Executive the following:

(i) a base salary at the rate of \$606,373 per annum to be paid in equal installments in accordance with normal payroll practices of the Employer but not less frequently than monthly, provided that in each subsequent calendar year or part thereof during which the Executive is employed commencing in 1998, the Executive's base salary shall be adjusted upward annually from the Executive's current base salary at a rate at least commensurate with increases granted to other key executives (the "Base Salary");

(ii) a discretionary cash incentive bonus (the "Bonus") for each calendar year or part thereof during which the Executive is employed, the amount of such Bonus to be consistent with the executive bonus program which the Employer establishes for other key employees.

b. The Executive shall be entitled to reimbursement for reasonable business and travel expenses incurred in the performance of his duties in accordance with the Employer's normal reimbursement practices.

c. Subject to the terms of the applicable plan and/or program, the Executive shall participate in all bonus, incentive, stock option, pension,

disability and health plans and programs and all fringe benefit plans maintained by or on behalf of the Employer and in which senior executives of the Employer are entitled to participate.

4. Termination of Employment.

a. The Executive's employment hereunder shall terminate upon the Executive's death, and the Employer shall have the right to terminate the Executive's employment upon his permanent disability. A permanent disability is a physical or mental disability which results in the Executive's inability to substantially perform his duties hereunder for a period of 180 consecutive days or for a period of 200 days within any period of 12 consecutive months, except that a permanent disability shall not include a physical or mental disability which occurs in connection with the Executive's employment hereunder. In the event of termination by reason of death or permanent disability, the Employer's obligation to pay further compensation hereunder shall cease on the date of termination, except that the Executive (or, in the case of death, his beneficiaries, or his estate if no beneficiary has been named) shall be entitled to receive his Base Salary and Bonus prorated on a calendar day basis through the date of such termination.

b. The Employer may terminate the Executive's employment hereunder for Cause (as defined below) upon not less than 30 days prior written notice specifying such cause. If the Executive's employment hereunder is terminated for Cause, the Executive shall forfeit all existing Employer stock options effective as of the date of the termination of his employment, but such options shall remain exercisable for the 30-day period following the Executive's receipt of written notice required under this Section 4(b). For purposes of this Agreement, the term "Cause" shall mean (i) the Executive's willful and continued failure to substantially perform his

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duties hereunder, (ii) the engaging by the Executive in willful misconduct which is demonstrably and materially injurious to the Employer, or (iii) the Executive's conviction of a felony for a crime of moral turpitude. For purposes of this Section 4(b), no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Employer. The Executive shall not be terminated for Cause in the case of actions or omissions described in clauses (i) or (ii) of this Section 4(b) unless the Employer shall have given the Executive an opportunity to cure any such actions or omissions during the 30-day period after the Executive's receipt of written notice required under this Section 4(b).

c. The Executive's employment hereunder may be terminated by the Employer without Cause upon not less than 90 days prior written notice or by the Executive for "Good Reason" (as defined below) upon not less than 10 days prior written notice. In such event, (i) the Executive shall continue to receive his then current Base Salary otherwise payable pursuant to Section 3 hereof as if his employment had continued for the remainder of the Employment Period and an annual bonus for the remainder of the Employment Period equal to the average Bonus for the three calendar years immediately preceding the written notice, such bonus to be paid in the normal course at the time other executive bonuses are normally paid, and (ii) all of the outstanding unvested Employer stock options then held by Executive shall immediately vest and become exercisable upon such notice. In addition, at the Employer's expense, the Executive shall continue to participate in all of the Employer's health plans and programs and the Employer shall continue to furnish Executive with an office and a secretary in New York City in the Borough of Manhattan for the remainder of the Employment Period as if he remained employed for such period, such benefits and office to be comparable in quality and location to those currently provided. For purposes of this Agreement, "Good Reason" shall mean (A) a failure by the Employer to comply with any material provision of this Agreement which has not been cured within ten (10) days after notice of such noncompliance has been given by the Executive to the Employer, (B) the assignment to the Executive by the Employer of duties inconsistent with the Executive's position, authority, duties, responsibilities or status with the Employer as in effect immediately after the date of execution of this Agreement, including, but not limited to, any reduction whatsoever in such position, authority, duties, responsibilities or status, or a change in the Executive's titles or offices, as then in effect, or any removal of the Executive from, or any failure to reelect the Executive to, any of such positions, except in connection with the termination of his employment on account of his death, disability, or for Cause, (C) the requirement of excessive travel on the part of the Executive, (D) a relocation by the Employer of the Executive's principal place of employment to any location outside a thirty mile radius from the Executive's current principal place of employment, (E) the failure of the Employer to have any successor to the Employer assume the Agreement, (F) the delivery to the Executive of notice of the Employer's decision to terminate the Executive's employment without Cause, or (G) any other material change in the conditions of employment if the Executive determines in good faith that his customary duties can no longer be performed because

of the change.

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d. The Executive shall also have the right to resign voluntarily without Good Reason from employment during the Employment Period by written notice to the Employer at least 60 days prior to the effective date of the resignation. Upon his resignation without Good Reason, the Executive shall be entitled to receive any accrued but unpaid Base Salary. The Employer shall have discretion whether or not to award the Executive a Bonus for any calendar year in which he resigns without Good Reason.

e. If the Executive's employment is terminated for Cause pursuant to Section 4(b), or if the Executive shall voluntarily resign for any reason other than Good Reason, the Executive's right to receive the Base Salary (except any accrued and unpaid salary), the Bonus, and any other compensation and benefits to which he would otherwise be entitled under this Agreement shall be forfeited as of the date of termination of employment.

f. Except as provided in Section 4(b) hereof or any relevant option agreement, the Executive's death or termination of employment shall not affect his rights under any Employer stock options.

g. Notwithstanding anything to the contrary herein, the Executive may also terminate his employment upon a "Change in Control" (as hereinafter defined). If the Executive terminates his employment upon a "Change in Control" then:

(i) the Employer shall pay the Executive as severance pay in a lump sum within thirty (30) days following such termination, the following amounts, which shall not be discounted to take into account present value:

- (1) the Executive's Base Salary through the date of termination at the rate in effect immediately prior to the termination date; and
- (2) an amount equal to the product of (x) the Executive's annual Base Salary at the rate in effect immediately prior to the date of termination, multiplied by (z) the number of years (including partial years) then remaining in the Employment Period; and
- (3) an amount equal to the product of (x) the average annual Bonus for the three calendar years immediately preceding the date of termination, multiplied by (z) the number of years (including partial years as full years) then remaining in the Employment Period;

(ii) the Employer shall, at the Employer's expense, allow the Executive to continue to participate, for the number of years (including partial years) then remaining in the Employment Period, in all the Employer's benefits, to the same extent and upon the same terms and conditions as the Executive participated immediately prior to the termination, provided that the Executive's continued participation is permissible or otherwise practicable under the general terms and provisions of such benefit plan; and

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(iii) the Employer shall, at the Employer's expense, continue to furnish Executive with an office and a secretary in New York City in the Borough of Manhattan for the number of years (including partial years) then remaining in the Employment Period, such benefit to be comparable in quality and location to that provided currently; and

(iv) on the later of (x) the day the Executive notifies the Employer he is terminating upon a Change in Control, and (y) ten (10) days prior to the date the Executive actually terminates his employment, all remaining unvested options previously granted the Executive shall become immediately exercisable on that date.

"Change in Control", as used in Section 4(g) of the Agreement, is defined to mean the occurrence of any of the following three events:

(1) a change in control of a nature that would be required to be reported in response to any form or report to the Securities and Exchange Commission or any stock exchange on which the Employer's shares are listed which requires the reporting of a change in control of the Employer;

(2) when any "person," as such terms is used in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is or becomes the "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of 20% of the voting power of the Employer's then outstanding securities, other than (x) beneficial owners of more than 5% of the Employer's Common Stock on August 10, 1995, (y) "Exempted Persons" as defined in Section 1(a) of the Employer's Rights Agreement, dated as of November 10, 1994, (z) mutual funds, banks, investment advisors registered under the Investment Advisers Act of 1940, as amended, and other institutional investors, which either (i) became 20% beneficial owners as a result of an acquisition of Common Stock by the Employer which, by reducing the number of such shares then outstanding, increases the proportionate number of shares beneficially owned by such person to 20% or more of the outstanding Common Stock except that if such person, after such share purchased by the Employer, becomes the beneficial owner of any additional shares of Common Stock, then this exception would not apply, or (ii) were exempted from the operation of this provision with the prior approval of eighty percent of the Board of Directors of the Employer; or

(3) when the individuals who, on the effective date of this Agreement constitute the Board of Directors of the Employer cease for any reason to constitute at least a majority thereof, provided, however, that a director who was not a director on the effective date of this Agreement shall be deemed to have been a director at that date if such director was elected by, or on the recommendation of or with the approval of, at least sixty percent of the directors who were directors on the effective date of this Agreement (either directly or by prior operation of this provision);

provided, however, that an occurrence shall cease to be a "Change in Control" for purposes of this Section 4(g) six months after the occurrence of an event that would otherwise constitute a "Change in Control," except that, for purposes of computing this six-month period, the six-month time period shall not commence until, as to clause (1) above, the date on which a change in control form or report is actually filed, and as to clause (2) above, the date on which a beneficial owner discloses in a public filing that it has crossed the 20% threshold.

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5. Notices.

Any notice or other communication hereunder shall be made in writing by hand-delivery or telecopier (and, if by telecopier, followed by a copy either delivered by hand within three days thereafter or sent by registered first-class mail on the next business day) and shall be deemed to have been delivered and received when delivered by hand, if personally delivered, and when receipt acknowledged, if telecopied, as follows: (a) if to the Executive at the address shown at the beginning of this Agreement and at the following telecopier numbers: (516) 329-2838 and (212) 307-9514 or to such other person(s) or address(es) or telecopier number(s) as the Executive shall have furnished to the Employer in writing, and (b) if to the Employer at the address shown at the beginning of this Agreement and at the following telecopier number: (901) 753-3000, attention of the Board of Directors, with copies to the Employer at the same address, Attention: General Counsel, and to Willkie Farr & Gallagher, One Citicorp Center, 153 E. 53rd Street, New York, New York, Attention: Robert B. Hodes, Esq., telecopier number (212) 821-8111, or to such other person(s) or address(es) or telecopier number(s) as such persons or the Employer shall have furnished to the Executive in writing.

6. Registration of Options.

The Employer agrees that, at the Employer's cost, it will file a Registration Statement on Form S-8 (or its equivalent) relating to the Executive's existing options to acquire shares of common stock of the Employer. The Executive agrees to provide the Employer with reasonable notice of the Executive's desire to have such a Registration Statement prepared and filed with the Securities and Exchange Commission.

7. Certain Additional Payments by the Employer.

a. Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, distribution, waiver of Employer rights, acceleration of vesting of any stock options or restricted stock, or any other payment or benefit in the nature of compensation to or for the benefit of the Executive, alone or in combination (whether such payment, distribution, waiver, acceleration or other benefit is made pursuant to the terms of this Agreement or any other agreement, plan or arrangement providing payments or benefits in the nature of compensation to or for the benefit of the Executive, but determined without regard to any additional payments required under this Section 7) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision) or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with

any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes with respect to the Gross-Up Payment (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

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b. Subject to the provisions of Section 7(c), all determinations required to be made under this Section 7, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the nationally recognized accounting firm then auditing the accounts of the Employer (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is unwilling or unable to perform its obligations pursuant to this Section 7, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to hereunder as the Accounting Firm). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, determined pursuant to this Section 7, shall be paid by the Employer to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Executive. The parties hereto acknowledge that, as a result of the potential uncertainty in the application of Section 4999 of the Code (or any successor provision) at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Employer will not have made Gross-Up Payments which should have been made consistent with the calculations required to be made hereunder (an "Underpayment"). In the event that the Employer exhausts its remedies pursuant to Section 7(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Executive.

c. The Executive shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than 20 business days after the Executive is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which he gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

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provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this Section 7(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner,

and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Executive to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Executive, on an interest-free basis, and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

d. If, after the receipt by the Executive of an amount advanced by the Employer pursuant to Section 7(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Employer's complying with the requirements of Section 7(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Employer pursuant to Section 7(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Employer does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

8. Assignability.

This Agreement shall not be assignable by the Employer except to a majority-owned subsidiary or parent entity of the Employer and shall be binding upon and inure to the benefit of the Employer and its successors and assigns. This Agreement shall not be assignable by the Executive, but it shall be binding upon, and to the extent provided in Section 4(a) shall inure to the benefit of, the Executive's heirs, executors, administrators and legal representatives.

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9. Entire Agreement.

This Agreement supersedes the Existing Employment Agreement and all prior understandings between the Executive and the Employer as to the subject matter hereof.

10. Waivers, Amendments and Further Agreements.

Neither this Agreement nor any term or condition hereof, including without limitation the terms and conditions of this Section 10, may be waived, modified or amended in whole or in part as against the Employer or the Executive except by written instrument executed by each of the parties expressly stating that it is intended to operate as a waiver, modification or amendment of this Agreement or the applicable term or condition hereof. Each of the parties hereto agrees to execute all such further instruments and documents and to take all such further action as the other party may reasonably require in order to effectuate the terms and purposes of this Agreement.

11. Severability.

In case one or more of the provisions contained in this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12. No Conflicting Obligations.

The Executive represents and warrants to the Employer that the Executive is not now under any obligation to anyone other than the Employer and other entities of which he is a non-executive director and has no interest which is inconsistent or in conflict with this Agreement, or which would prevent, limit or impair, in any way, the Executive's performance of any of the covenants or duties hereinabove set forth. However, subject to Section 2 hereof, nothing herein shall be deemed to limit the Executive's participation in, or pursuit of, non-conflicting business interests.

13. Survival.

Except as otherwise provided herein, the covenants, agreements, representations and warranties contained in or made pursuant to this Agreement shall survive the Executive's termination of employment, irrespective of any investigation made by or on behalf of any party.

14. Governing Law.

This Agreement shall be governed by and construed and enforced in accordance with the law of the State of New York, without regard to the principles of conflicts of law thereof.

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15. Arbitration; Legal Fees.

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach thereof shall be finally settled by arbitration by a single arbitrator in accordance with the rules then in effect of the American Arbitration Association in an arbitration in New York, New York. Judgment upon an award rendered by the arbitrator may be entered in any court of competent jurisdiction. To the extent that the Executive prosecutes or defends, whether by arbitration or through a judicial proceeding, a dispute, controversy or claim relating to this Agreement which results in a judgment, award or settlement in the Executive's favor in any material respect, the Employer shall reimburse the Executive for all reasonable fees and costs (including legal fees) incurred by the Executive in such successful prosecution or defense.

16. Headings.

The headings in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

17. Counterparts.

This Agreement may be executed in counterparts each of which shall be deemed an original but which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement effective as of the date first above written.

MUELLER INDUSTRIES, INC.

[Seal]

By: /s/ William D. O'Hagan
Name: William D. O'Hagan
Title: Chief Executive Officer
Date: September 17, 1997

/s/ Harvey Karp
Harvey Karp
Date: September 17, 1997

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT, effective as of September 17, 1997, by and between MUELLER INDUSTRIES, INC., a Delaware corporation having its principal address at 6799 Great Oaks Road, Suite 200, Memphis, Tennessee 38138 (the "Employer"), and WILLIAM D. O'HAGAN, an individual residing at 9563 South Fox Hill Circle, Germantown, Tennessee (the "Executive").

WITNESSETH:

WHEREAS, the Executive has entered into an Employment Agreement with the Employer, effective as of January 1, 1994, as amended by an Amendment, effective as of August 10, 1995 and as further amended by an Amendment effective as of June 6, 1997 (the "Existing Employment Agreement"); and

WHEREAS, the Executive and the Employer wish to modify the terms of the Existing Employment Agreement by amending and restating the Existing Employment Agreement in the Form of this Amended and Restated Employment Agreement (the "Agreement");

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the Executive and the Employer hereby amend and restate the Existing Employment Agreement as follows:

1. Term of Employment.

The Employer agrees to employ the Executive, and the Executive hereby accepts such employment, as President and Chief Executive Officer of the Employer, for a term commencing as of the date hereof, and ending on December 31, 2002 (the "Employment Period"). The preceding sentence notwithstanding, the Executive's employment hereunder may be terminated earlier in accordance with Section 4 hereof.

2. Duties and Authority.

During the Employment Period the Executive shall serve as President and Chief Executive Officer of the Employer. The Executive shall devote his best efforts and full working time and attention to services for the Employer. The Executive agrees to hold any additional office or position with the Employer or any of the Employer's manufacturing subsidiaries without additional compensation if elected or appointed to such office or position.

3. Compensation.

a. As compensation for the Executive's services in all capacities during the Employment Period, the Employer shall pay the Executive the following:

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i. a base salary at a rate of \$413,430 per annum to be paid in equal installments in accordance with normal payroll practices of the Employer but not less frequently than monthly, provided that in each subsequent calendar year or part thereof during which the Executive is employed commencing in 1998, the Executive's base salary shall be adjusted upward annually from the Executive's current base salary at a rate at least commensurate with increases granted to other key executives (the "Base Salary").

ii. a discretionary annual cash incentive bonus (the "Bonus") for each calendar year or part thereof during which the Executive is employed, the amount of such bonus to be consistent with the executive bonus program which the Employer establishes for other key executives.

b. The Executive shall be entitled to reimbursement for reasonable business and travel expenses incurred in the performance of his duties in accordance with the Employer's normal reimbursement practices.

c. Subject to the terms of the applicable plan and/or program, the Executive shall participate in all bonus, incentive, stock option, pension, disability and health plans and programs and all fringe benefits plans maintained by or on behalf of the Employer and in which senior executives of the Employer

are entitled to participate.

d. Subject to Section 4(c) herein, the Executive's existing stock options with respect to the Employer's common stock shall continue to be governed by and subject to the terms and conditions set forth in the respective option agreements.

e. The Employer agrees that, at the Employer's cost, it will file a Registration Statement on Form S-8 (or its equivalent) relating to the Executive's options to acquire shares of common stock of the Employer, granted on June 22, 1992 and May 7, 1997. The Executive agrees to provide the Employer with reasonable notice of the Executive's desire to have such a Registration Statement prepared and filed with the Securities and Exchange Commission.

4. Termination of Employment.

a. The Executive's employment hereunder shall terminate upon the Executive's death, and the Employer shall have the right to terminate the Executive's employment upon his permanent disability. A permanent disability is a physical or mental disability which results in the Executive's inability to substantially perform his duties hereunder for a period of 180 consecutive days or for a period of 200 days within any period of 12 consecutive months, except that a permanent disability shall not include a physical or mental disability which occurs in connection with the Executive's employment hereunder. In the event of termination by reason of death or permanent disability, the Employer's obligation to pay further compensation hereunder

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shall cease on the date of termination, except that the Executive (or, in the case of death, his beneficiaries, or his estate if no beneficiary has been named) shall be entitled to receive his Base Salary and Bonus prorated on a calendar day basis through the date of such termination.

b. The Employer may terminate the Executive's employment hereunder for Cause (as defined below) upon not less than 30 days prior written notice specifying such Cause. If the Executive's employment hereunder is terminated for Cause, the Executive shall forfeit the Employer stock options, granted on November 4, 1993, effective as of the date of the termination of his employment, but such options shall remain exercisable for the 30-day period following the Executive's receipt of written notice required under this Section 4(b). For purposes of this Agreement, the term "Cause" shall mean (i) the Executive's willful and continued failure to substantially perform his duties hereunder, (ii) the engaging by the Executive in willful misconduct which is demonstrably and materially injurious to the Employer, or (iii) the Executive's conviction of a felony for a crime of moral turpitude. For purposes of this Section 4(b), no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Employer. The Executive shall not be terminated for Cause in the case of actions or omissions described in clauses (i) or (ii) of this Section 4(b) unless the Employer shall have given the Executive an opportunity to cure any such actions or omissions during the 30-day period after the Executive's receipt of written notice required under this Section 4(b).

c. The Executive's employment hereunder may be terminated by the Employer without Cause upon not less than 90 days prior written notice or by the Executive for "Good Reason" (as defined below) upon not less than 10 days prior written notice. In such event, (i) the Executive shall continue to receive his then current Base Salary otherwise payable pursuant to Section 3 hereof as if his employment had continued for the remainder of the Employment Period and an annual bonus for the remainder of the Employment Period equal to the average Bonus for the three calendar years immediately preceding the written notice, such bonus to be paid in the normal course at the time other executive bonuses are normally paid, and (ii) all of the outstanding unvested Employer stock options then held by Executive shall immediately vest and become exercisable upon such notice. In addition, at the Employer's expense, the Executive shall continue to participate in all of the Employer's health plans and programs until he reaches age 65 as if he remained employed until such time. For purposes of this Agreement, "Good Reason" shall mean (A) a failure by the Employer to comply with any material provision of this Agreement which has not been cured

within ten (10) days after notice of such noncompliance has been given by the Executive to the Employer, (B) other than as provided in Section 2 herein, the assignment to the Executive by the Employer of duties inconsistent with the Executive's position, authority, duties, responsibilities or status with the

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Employer as in effect immediately after the date of execution of this Agreement, including, but not limited to, any reduction whatsoever in such position, authority, duties, responsibilities or status, or a change in the Executive's titles or offices, as then in effect, or any removal of the Executive from, or any failure to reelect the Executive to, any of such positions, except in connection with the termination of his employment on account of his death, disability, or for Cause, (C) the requirement of excessive travel on the part of the Executive, (D) a relocation by the Employer of the Executive's principal place of employment to any location outside a thirty mile radius from the Executive's current principal place of employment, (E) the failure of the Employer to have any successor to the Employer assume the Agreement, (F) the delivery to the Executive of notice of the Employer's decision to terminate the Executive's employment without Cause, or (G) any other material change in the conditions of employment if the Executive determines in good faith that his customary duties can no longer be performed because of the change.

d. The Executive shall also have the right to resign voluntarily without Good Reason from employment during the Employment Period by written notice to the Employer at least 60 days prior to the effective date of the resignation. Upon such resignation without Good Reason, the Executive shall be entitled to receive any accrued but unpaid Base Salary. The Employer shall have discretion whether or not to award the Executive a Bonus for any calendar year in which he resigns without Good Reason.

e. If the Executive's employment shall terminate by expiration of the Employment Period or is terminated by the Employer for Cause pursuant to Section 4(b), or if the Executive shall voluntarily resign for any reason other than Good Reason, the Executive's right to receive the Base Salary (except any accrued and unpaid salary and except as set forth in Section 4(f) below), the Bonus, and any other compensation and benefits to which he would otherwise be entitled under this Agreement shall be forfeited as of the date of termination of employment; provided, however, that if the Executive's employment hereunder shall terminate by expiration of the Employment Period, in accordance with Section 1 hereof, on December 31, 2002, and the Employer and the Executive have not entered into a new employment agreement on mutually satisfactory terms, the Executive shall be entitled to receive the Bonus for calendar year 2002 in accordance with Section 3(a)(ii) hereof. Employer shall be entitled to make required withholdings from any such payment.

f. If the Executive and the Employer shall not have entered into a new employment agreement on mutually satisfactory terms on or prior to December 31, 2002, then beginning on January 1, 2003, after the expiration of the Employment Period, the Executive shall be placed on a temporary leave of absence for six months. During said time period, Executive shall (i) have the status of an employee of the Company, and (ii) continue to receive Base Salary payments, but the Employer shall have the right, at its sole election, to

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replace the Executive as the Chief Executive Officer and President. During this leave of absence, the Executive shall not be precluded by this Agreement from seeking or obtaining new full time employment. At the end of said six-month temporary leave of absence, if the Executive and the Employer shall not have entered into a new employment arrangement, the Executive's employment shall be automatically terminated. In such event, the Executive shall not be entitled to any severance payments.

g. Except as provided in Section 4(b) hereof, or any relevant option agreement, the Executive's death or termination of employment shall not affect his rights under any Employer stock options.

h. Notwithstanding anything to the contrary herein, the Executive may also terminate his employment upon a "Change in Control" (as hereinafter defined). If the Executive terminates his employment upon a "Change in Control" then:

i. the Employer shall pay the Executive as severance pay in a lump sum within thirty (30) days following such termination, the following amounts, which shall not be discounted to take into account present value:

- (1) the Executive's Base Salary through the date of termination at the rate in effect immediately prior to the termination date;
- (2) an amount equal to the product of (x) the Executive's annual Base Salary at the rate in effect immediately prior to the date of termination, multiplied by (z) the number of years (including partial years) then remaining in the Employment Period; and
- (3) an amount equal to the product of (x) the average annual Bonus for the three calendar years immediately preceding the date of termination, multiplied by (z) the number of years (including partial years as full years) then remaining in the Employment Period;

ii. the Employer shall, at the Employer's expense, allow the Executive to continue to participate, until he reaches age 65, in all the Employer's benefits, to the same extent and upon the same terms and conditions as the Executive participated immediately prior to the termination, provided that the Executive's continued participation is permissible or otherwise practicable under the general terms and provisions of such benefit plan; and

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iii. on the later of (x) the day the Executive notifies the Employer he is terminating upon a Change in Control, and (y) ten (10) days prior to the date the Executive actually terminates his employment, all remaining unvested options previously granted the Executive shall become immediately exercisable on that date.

"Change in Control", as used in Section 4(h) of the Agreement, is defined to mean the occurrence of any of the following three events:

(i) a change in control of a nature that would be required to be reported in response to any form or report to the Securities and Exchange Commission or any stock exchange on which the Employer's shares are listed which requires the reporting of a change in control of the Employer;

(ii) when any "person," as such terms is used in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is or becomes the "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of 20% of the voting power of the Employer's then outstanding securities, other than (x) beneficial owners of more than 5% of the Employer's Common Stock on August 10, 1995, (y) "Exempted Persons" as defined in Section 1(a) of the Employer's Rights Agreement, dated as of November 10, 1994, (z) mutual funds, banks, investment advisors registered under the Investment Advisers Act of 1940, as amended, and other institutional investors, which either (i) became 20% beneficial owners as a result of an acquisition of Common Stock by the Employer which, by reducing the number of such shares then outstanding, increases the proportionate number of shares beneficially owned by such person to 20% or more of the outstanding Common Stock except that if such person, after such share purchased by the Employer, becomes the beneficial owner of any additional shares of Common Stock, then this exception would not apply, or (ii) were exempted from the operation of this provision with the prior approval of eighty percent of the Board of Directors of the Employer; or

(iii) when the individuals who, on the effective date of this Agreement constitute the Board of Directors of the Employer cease for any reason to constitute at least a majority thereof, provided, however, that a director who was not a director on the effective date of this Agreement shall be deemed to have been a director at that date if such director

was elected by, or on the recommendation of or with the approval of, at least sixty percent of the directors who were directors on the effective date of this Agreement (either directly or by prior operation of this provision);

provided, however, that an occurrence shall cease to be a "Change in Control" for purposes of this Section 4(h) six months after the occurrence of an event that would otherwise constitute a "Change in Control," except that, for purposes of computing this six-month period, the six-month time period shall not commence until, as to clause (i), the date on which a change in control form or report is actually filed, and as to clause (ii), the date

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on which a beneficial owner discloses in a public filing that it has crossed the 20% threshold.

5. Notices.

Any notice or other communication hereunder shall be made in writing by hand-delivery and shall be deemed to have been delivered and received when delivered by hand, if personally delivered, as follows: (a) if to the Executive at the address shown at the beginning of this Agreement or to such other person(s) or address(es) as the Executive shall have furnished to the Employer in writing, and (b) if to the Employer at the address shown at the beginning of this Agreement, attention of the Board of Directors, with copies to the Employer at the same address, Attention: General Counsel, and to Willkie Farr & Gallagher, One Citicorp Center, 153 E. 53rd Street, New York, New York 10022, Attention: Robert B. Hodes, Esq., or to such other person(s) or address(es) as such persons or the Employer shall have furnished to the Executive in writing.

6. Certain Additional Payments by the Employer.

a. Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, distribution, waiver of Employer rights, acceleration of vesting of any stock options or restricted stock, or any other payment or benefit in the nature of compensation to or for the benefit of the Executive, alone or in combination (whether such payment, distribution, waiver, acceleration or other benefit is made pursuant to the terms of this Agreement or any other agreement, plan or arrangement providing payments or benefits in the nature of compensation to or for the benefit of the Executive, but determined without regard to any additional payments required under this Section 6) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision) or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes with respect to the Gross-Up Payment (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

b. Subject to the provisions of Section 6(c), all determinations required to be made under this Section 6, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the nationally recognized accounting firm then auditing the accounts of the Employer (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the

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Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is unwilling or unable to perform its obligations pursuant to this Section 6, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to hereunder as the Accounting Firm). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, determined pursuant to this Section 6, shall be paid by the Employer to the Executive within five days of the receipt of the Accounting Firm's determination. Any

determination by the Accounting Firm shall be binding upon the Employer and the Executive. The parties hereto acknowledge that, as a result of the potential uncertainty in the application of Section 4999 of the Code (or any successor provision) at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Employer will not have made Gross-Up Payments which should have been made consistent with the calculations required to be made hereunder (an "Underpayment"). In the event that the Employer exhausts its remedies pursuant to Section 6(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Executive.

c. The Executive shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than 20 business days after the Executive is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which he gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

i. give the Employer any information reasonably requested by the Employer relating to such claim,

ii. take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

iii. cooperate with the Employer in good faith in order effectively to contest such claim, and

iv. permit the Employer to participate in any proceedings relating to such claim;

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provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this Section 6(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Executive to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Executive, on an interest-free basis, and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

d. If, after the receipt by the Executive of an amount advanced by the Employer pursuant to Section 6(c), the

Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Employer's complying with the requirements of Section 6(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Employer pursuant to Section 6(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Employer does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

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7. Executive Loan.

The Employer agrees, at Executive's option, to lend Executive up to five million dollars (\$5,000,000), on a full recourse basis, which loan would be evidenced by a promissory note in favor of the Employer, in the form attached as Exhibit 1 to the Agreement.

8. Assignability.

This Agreement shall not be assignable by the Employer except to a majority-owned subsidiary or parent entity of the Employer and shall be binding upon and inure to the benefit of the Employer and its successors and assigns. This Agreement shall not be assignable by the Executive, but it shall be binding upon, and to the extent provided in Section 4(a) shall inure to the benefit of, the Executive's heirs, executors, administrators and legal representatives.

9. Entire Agreement.

This Agreement supersedes the Existing Employment Agreement and all prior understandings between the Executive and the Employer as to the subject matter hereof.

10. Waivers, Amendments and Further Agreements.

Neither this Agreement nor any term or condition hereof, including without limitation the terms and conditions of this Section 10, may be waived, modified or amended in whole or in part as against the Employer or the Executive except by written instrument executed by each of the parties expressly stating that it is intended to operate as a waiver, modification or amendment of this Agreement or the applicable term or condition hereof. Each of the parties hereto agrees to execute all such further instruments and documents and to take all such further action as the other party may reasonably require in order to effectuate the terms and purposes of this Agreement.

11. Severability.

In case one or more of the provisions contained in this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12. No Conflicting Obligations.

The Executive represents and warrants to the Employer that the Executive is not now under any obligation to anyone other than the Employer and other entities of which he is a non-executive director and has no interest which is inconsistent or in conflict with this Agreement, or would prevent, limit or impair, in any way, the Executive's performance of any of the covenants or duties hereinabove set forth. However, subject to Section 2 hereof, nothing herein shall be

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deemed to limit the Executive's participation in, or pursuit of, non-conflicting business interests.

13. Survival.

Except as otherwise provided herein, the covenants, agreements, representations and warranties contained in or made pursuant to this Agreement shall survive the Executive's termination of employment, irrespective of any investigation made by or on behalf of any party.

14. Governing Law.

This Agreement shall be governed by and construed and enforced in accordance with the law of the State of Tennessee, without regard to the principles of conflicts of law thereof.

15. Arbitration; Legal Fees.

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach thereof shall be finally settled by arbitration by a single arbitrator in accordance with the rules then in effect of the American Arbitration Association in an arbitration in Memphis, Tennessee. Judgment upon an award rendered by the arbitrator may be entered in any court of competent jurisdiction. To the extent that the Executive prosecutes or defends, whether by arbitration or through a judicial proceeding, a dispute, controversy or claim relating to this Agreement which results in a judgment, award or settlement in the Executive's favor in any material respect, the Employer shall reimburse the Executive for all reasonable fees and costs (including legal fees) incurred by the Executive in such successful prosecution or defense.

16. Headings.

The headings in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

17. Counterparts.

This Agreement may be executed in counterparts each of which shall be deemed an original but which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement effective as of the date first above written.

MUELLER INDUSTRIES, INC.

By: /s/ Harvey L. Karp
Name: Harvey L. Karp
Title: Chairman of the Board
Date: September 17, 1997

/s/ William D. O'Hagan
William D. O'Hagan
Date: September 17, 1997

[Form of Promissory Note]

PROMISSORY NOTE

\$ _____ [1] _____ [2] _____

William D. O'Hagan, an individual living at _____
[3] _____ ("Borrower"), hereby promises to pay to Mueller
Industries, Inc., a Delaware corporation ("Mueller") the
principal sum of _____ [1] _____ (\$ _____ [1] _____), on the
earlier of (i) the date Mueller pays Borrower any severance pay
pursuant to Section 4 of Borrower's Employment Agreement with
Mueller, and (ii) December 31, 2002, and to pay interest
(computed on the basis of a 360-day year) on the unpaid principal
balance thereof from the date of this Note at the rate of
_____ [4] _____ percent (____ [4] ____%) per annum until the principal
amount hereof shall become due and payable. Interest is payable
on March 15 of each year, but, at Borrower's option, can be
deferred until the maturity date of the Note to the extent such
interest payment exceeds the after-tax portion of Executive's
bonus for the preceding fiscal year.

Payments of principal and interest shall be made in
such coin or currency of the United States of America as at the
time of payment is legal tender for the payment of public and
private debts to the address designated by Mueller.

This Note shall be secured by either (A) common stock
of Mueller having, at the time the Note is executed, a fair
market value of at least 125% of the face amount of the Note, or
(B) other marketable property acceptable to Mueller having, at
the time the note is executed, a fair market value of at least
150% of the face amount of the Note. Borrower shall deliver such
stock or other acceptable property to Mueller within ten (10)
days of the time this Note is executed, and shall take such
further action, and execute such further documents, as Mueller
deems necessary to fully perfect its security interest in the
pledged collateral. Borrower represents that the pledged
collateral is currently unencumbered and agrees that he will not
otherwise sell, assign, pledge, encumber, transfer or otherwise
hypothesize said stock or other acceptable property so long as
this Note is outstanding, provided, however, that if Borrower has
pledged shares of common stock of Mueller, Borrower is free to
sell any or all such shares so long as the Borrower pays down
this Note with the net after-tax proceeds from any such sale.
Borrower and Mueller agree to cooperate, in the event of a
partial sale, in order to facilitate such a sale, while
preserving Mueller's security interest in the remaining shares.

If Borrower shall default in the payment of interest or
principal on the Note when the same shall become due and payable
and such default continues for more than ten (10) days after
receipt of written notice from Mueller, Mueller shall have and
may execute all rights and remedies afforded to a secured party
under the Tennessee Uniform Commercial Code applicable thereto,

including, without limitation, the right to sell the pledged collateral at a public or private sale (provided that Mueller shall give Borrower at least fifteen (15) days prior written notice of the date in which any public sale is to be held or the date after which any private sale may be made), at which sale Mueller may purchase such pledged collateral and have the right to retain such pledged collateral in partial or full satisfaction of Borrower's obligations under the Note in accordance with the provisions of the Tennessee Uniform Commercial Code.

This Note may be prepaid, at any time, in whole or in part, without penalty.

THIS NOTE IS GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, INTERNAL TENNESSEE LAW.

William D. O'Hagan

1. Principal amount of Note is equal to the amount requested be loaned, up to \$5,000,000.00.
2. Date shall be date Borrower borrows money from Mueller pursuant to this Note.
3. Borrower's then current residential address shall be inserted.
4. The interest rate shall be the higher of (i) the comparable treasury rate in effect when this Note is executed, and (ii) the rate at which Mueller is itself then able to borrow funds having a comparable maturity, in each case based on the length of time between the date the note is executed and December 31, 2002.

MUELLER INDUSTRIES, INC.
1994 STOCK OPTION PLAN

1. Purposes.

The Mueller Industries, Inc. 1994 Stock Option Plan (the "Plan") is intended to attract and retain the best available personnel for positions of substantial responsibility with Mueller Industries, Inc., a Delaware corporation (the "Company"), and its subsidiary corporations, and to provide additional incentive to such persons to exert their maximum efforts toward the success of the Company and its subsidiary corporations. The above aims will be effectuated through the granting of certain options ("Options") to purchase shares of the Company's common stock, par value \$.01 per share (the "Common Stock"). Under the Plan, the Company may grant "incentive stock options" ("ISOs") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or Options which are not intended to be ISOs ("Non-Qualified Options").

2. Administration of the Plan.

The Plan shall be administered by a committee (the "Committee") consisting of at least two persons, appointed by the Board of Directors of the Company (the "Board of Directors"), each of whom shall be a "disinterested person" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 (the "Exchange Act"). The Committee may exercise the power and authority vested in the Board of Directors under the Plan. Within the limits of the express provisions of the Plan, the Committee shall have the authority, in its discretion, to take the following actions under the Plan:

- (a) to determine the individuals to whom, and the time or times at which, Options shall be granted, the number of shares of Common Stock to be subject to each Option and whether such Options shall be ISOs or Non-Qualified Options;
- (b) to interpret the Plan;
- (c) to prescribe, amend and rescind rules and regulations relating to the Plan;
- (d) to determine the terms and provisions of the respective stock option agreements granting Options, including the date or dates upon which Options shall become exercisable, which terms need not be identical;
- (e) to accelerate the vesting of any outstanding Options; and
- (f) to make all other determinations and take all other actions necessary or advisable for the administration of the Plan.

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In making such determinations, the Committee may take into account the nature of the services rendered by such individuals, their present and potential contributions to the Company's success, and such other factors as the Committee, in its discretion, shall deem relevant. An individual to whom an Option has been granted under the Plan is referred to herein as an "Optionee". The Committee's determinations on the matters referred to in this Section 2 shall be conclusive.

3. Shares Subject to the Plan.

The total number of shares of Common Stock which shall be subject to Options granted under the Plan shall not exceed 200,000, subject to adjustment as provided in Section 7 hereof. The Company shall at all times while the Plan is in force reserve such number of shares of Common Stock as will be sufficient to satisfy the requirements of outstanding Options. The shares of Common Stock to be issued upon exercise of Options shall be authorized and unissued or reacquired shares of Common Stock. The shares of Common Stock relating to the unexercised portion of any expired, terminated or cancelled Option shall thereafter be available for the grant of Options under the Plan.

4. Eligibility.

- (a) Options may be granted under the Plan only to (i) employees of the Company and (ii) employees of any "subsidiary corporation" (a "Subsidiary") of the Company within the meaning of Section 424(f) of the Code. The term "Company," when used in the context of an

Optionee's employment, shall be deemed to include Subsidiaries of the Company.

(b) Nothing contained in the Plan shall be construed to limit the right of the Company to grant stock options otherwise than under the Plan for proper corporate purposes.

5. Terms of Options.

The terms of each Option granted under the Plan shall be determined by the Committee consistent with the provisions of the Plan, including the following:

(a) The purchase price of the shares of Common Stock subject to each Option shall be fixed by the Committee, in its discretion, at the time such Option is granted; provided, however, that in no event shall such purchase price be less than the Fair Market Value (as defined in paragraph (g) of this Section 5) of the shares of Common Stock as of the date such Option is granted.

(b) The dates on which each Option (or portion thereof) shall be exercisable shall be fixed by the Committee, in its discretion, at the time such Option is granted.

(c) The expiration of each Option shall be fixed by the Committee, in its discretion, at the time such Option is granted. No Option shall be exercisable after the expiration of ten (10) years from the date of its grant and each Option shall be subject to earlier termination as determined by the Committee, in its discretion, at the time such Option is granted.

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(d) Options shall be exercised by the delivery to the Company at its principal office or at such other address as may be established by the Committee (Attention: Corporate Treasurer) of written notice of the number of shares of Common Stock with respect to which the Option is being exercised accompanied by payment in full of the purchase price of such shares. Unless otherwise determined by the Committee at the time of grant, payment for such shares may be made (i) in cash, (ii) by certified check or bank cashier's check payable to the order of the Company in the amount of such purchase price, (iii) by delivery to the Company of shares of Common Stock having a Fair Market Value equal to such purchase price, (iv) by irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay such purchase price and to sell the shares of Common Stock to be issued upon exercise of the Option and deliver the cash proceeds less commissions and brokerage fees to the Optionee or to deliver the remaining shares of Common Stock to the Optionee, or (v) by any combination of the methods of payment described in (i) through (iv) above.

(e) An Optionee shall not have any of the rights of a holder of the Common Stock with respect to the shares of Common Stock subject to an Option until such shares are issued to such Optionee upon the exercise of such Option.

(f) An Option shall not be transferable, except by will or the laws of descent and distribution, and may be exercised, during the lifetime of an Optionee, only by the Optionee. No Option granted under the Plan shall be subject to execution, attachment or other process.

(g) For purposes of the Plan, as of any date when the Common Stock is quoted on the National Association of Securities Dealers Automated Quotation System National Market System ("NASDAQ-NMS") or listed on one or more national securities exchanges, the "Fair Market Value" of the Common Stock as of any date shall be deemed to be the mean between the highest and lowest sale prices of the Common Stock reported on the NASDAQ-NMS or the principal national securities exchange on which the Common Stock is listed and traded on the immediately preceding date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported. If the Common Stock is not quoted on the NASDAQ-NMS or listed on an exchange, or representative quotes are not otherwise available, the "Fair Market Value" of the Common Stock shall mean the amount determined by the Committee to be the fair market value based upon a good faith attempt to value the Common Stock accurately.

(h) In no event shall any single Optionee be granted under the Plan Options covering more than 50,000 shares of Common Stock during the life of the Plan.

6. Special Provisions Applicable to ISOs.

The following special provisions shall be applicable to ISOs granted under the Plan.

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(a) No ISOs shall be granted under the Plan after ten (10) years from the earlier of (i) the date the Plan is adopted, or (ii) the date the Plan is approved by the holders of the Common Stock.

(b) ISOs may not be granted to a person who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, any of its Subsidiaries, or any "parent corporation" (a "Parent") of the Company within the meaning of Section 424(e) of the Code.

(c) If the aggregate Fair Market Value of the Common Stock with respect to which ISOs are exercisable for the first time by any Optionee during a calendar year (under all plans of the Company and its Parents and Subsidiaries) exceeds \$100,000, such ISOs shall be treated, to the extent of such excess, as Non-Qualified Options. For purposes of the preceding sentence, the Fair Market Value of the Common Stock shall be determined at the time the ISOs covering such shares were granted.

7. Adjustment upon Changes in Capitalization.

(a) In the event that the outstanding shares of Common Stock are changed by reason of reorganization, merger, consolidation, recapitalization, reclassification, stock split, combination or exchange of shares and the like, or dividends payable in shares of Common Stock, an appropriate adjustment shall be made by the Committee in the aggregate number of shares of Common Stock available under the Plan and in the number of shares of Common Stock and price per share of Common Stock subject to outstanding Options. If the Company shall be reorganized, consolidated, or merged with another corporation, or if all or substantially all of the assets of the Company shall be sold or exchanged, an Optionee shall at the time of issuance of the stock under such corporate event be entitled to receive upon the exercise of his Option the same number and kind of shares of stock or the same amount of property, cash or securities as he would have been entitled to receive upon the occurrence of any such corporate event as if he had been, immediately prior to such event, the holder of the number of shares of Common Stock covered by his Option.

(b) Any adjustment under this Section 7 in the number of shares of Common Stock subject to Options shall apply proportionately to only the unexercised portion of any Option granted hereunder. If fractions of a share would result from any such adjustment, the adjustment shall be revised to the next lower whole number of shares.

8. Further Conditions of Exercise.

(a) Unless prior to the exercise of an Option the shares of Common Stock issuable upon such exercise are the subject of a registration statement filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act"), and there is then in effect a prospectus filed as part of such registration statement meeting the requirements of Section 10(a)(3) of the Securities Act, the notice of exercise with respect to such Option shall be accompanied by a representation or agreement of the

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Optionee to the Company to the effect that such shares are being acquired for investment only and not with a view to the resale or distribution thereof, or such other documentation as may be required by the Company, unless, in the opinion of counsel to the Company, such representation, agreement or documentation is not necessary to comply with the Securities Act.

(b) Anything in subparagraph (a) of this Section 8 to the contrary notwithstanding, the Company shall not be obligated to issue or sell any shares of Common Stock until they have been listed on each securities exchange on which the shares of Common Stock may then be listed and until and unless, in the opinion of counsel to the Company, the Company may issue such shares pursuant to a qualification or an effective registration statement, or an exemption from registration, under such state and federal laws, rules or regulations as such counsel may deem applicable. The Company shall use reasonable efforts to effect such listing, qualification and registration, as the case may be.

9. Termination, Modification and Amendment.

(a) The Plan (but not Options previously granted under the Plan) shall terminate ten (10) years from the date of its adoption by the Board of Directors, and no Option shall be granted after termination of the Plan.

(b) The Plan may at any time be terminated or, from time to time, be modified or amended by (i) the affirmative vote of the holders of a majority of the shares of the capital stock of the Company present in person or by proxy and entitled to vote at the meeting; and (ii) the Board of Directors; provided, however, that the Board of Directors shall not, without approval by the affirmative vote of the holders of a majority of the shares of the capital stock of the Company present in person or by proxy and entitled to vote at the meeting, increase (except as provided by Section 7) the maximum number of shares of Common Stock as to which Options may be granted under the Plan or change the class of persons eligible to receive Options under the Plan.

(c) No termination, modification or amendment of the Plan may adversely affect the rights conferred by any Options without the consent of the affected Optionee.

10. Effectiveness of the Plan.

The Plan shall become effective upon adoption by the Board of Directors of the Company, subject to the approval by the shareholders of the Company. Options may be granted under the Plan prior to receipt of such approval, provided that, in the event such approval is not obtained, the Plan and all Options granted under the Plan shall be null and void and of no force and effect.

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11. Not a Contract of Employment.

Nothing contained in the Plan or in any stock option agreement executed pursuant hereto shall be deemed to confer upon any Optionee any right to remain in the employ of the Company or of any Subsidiary.

12. Governing Law.

The Plan shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws thereof.

13. Withholding.

As a condition to the exercise of any Option, the Committee may require that an Optionee satisfy, through withholding from other compensation or otherwise, the full amount of all federal, state and local income and other taxes required to be withheld in connection with such exercise.

MUELLER INDUSTRIES, INC.
1994 NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN

1. Purpose. The 1994 Non-Employee Director Stock Option Plan (the "Plan") is intended to promote the interests of Mueller Industries, Inc. (the "Company") by providing an inducement to obtain and retain the services of qualified persons who are neither employees nor officers of the Company to serve as members of the Board of Directors and to demonstrate the Company's appreciation for their service upon the Company's Board of Directors.
2. Rights to be Granted. Under the Plan, options are granted that give an Optionee the right for a specified time period to purchase a specified number of shares of common stock, par value \$0.01, of the Company (the "Common Shares"). The option price is determined in each instance in accordance with the terms of the Plan.
3. Available Shares. The total number of Common Shares for which options may be granted shall not exceed twenty-five thousand (25,000), subject to adjustment in accordance with Section 13 hereof. Shares subject to the Plan are authorized but unissued shares or shares that were once issued and subsequently reacquired by the Company. If any options granted under the Plan are surrendered before exercise or lapse without exercise, in whole or in part, the shares reserved therefor revert to the option pool and continue to be available for grant under the Plan.
4. Administration. The Plan shall be administered by the Compensation Committee of the Board of Directors of the Company (the "Committee"). The Committee shall, subject to the provisions of the Plan and Section 17 hereof in particular, have the power to construe the Plan, to determine all questions thereunder, and to adopt and amend such rules and regulations for the administration of the Plan as it may deem desirable.
5. Option Agreement. Each option granted under the provisions of the Plan shall be evidenced by an Option Agreement, in such form as may be approved by the Board, which Agreement shall be duly executed and delivered on behalf of the Company and by the individual to whom such option is granted. The Agreement shall contain such terms, provisions, and conditions not inconsistent with the Plan as may be determined by the Board.
6. Eligibility and Limitations. Options may be granted pursuant to the Plan only to nonemployee members of the Board of Directors of the Company.
7. Option Price. The purchase price of the Common Shares covered by an option granted pursuant to the Plan shall be 100% of the Fair Market Value of such shares on the day the option is granted. The option price will be subject to adjustment in accordance with the provisions of Section 13 hereof. For purposes of the Plan, as of any date when the Common Shares are quoted on the National Association of Securities Dealers Automated Quotation System National Market System ("NASDAQ-NMS") or listed on one or more national securities exchanges, the "Fair Market Value" of the shares shall be deemed to be the mean between the highest and lowest sale prices of the Common shares reported on the NASDAQ-NMS or the principal national securities exchange on which the Common Shares are listed and traded on the immediately preceding date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported. If the Common Shares are not quoted on the NASDAQ-NMS or listed on an exchange, or representative quotes are not otherwise available, the "Fair Market Value" of the Common Shares shall mean the amount determined by the Committee to be the fair market value based upon a good faith attempt to value the Common Shares accurately.
8. Automatic Grant of Options. Each year, on the date of the Company's Annual Meeting of Stockholders, each member of the Company's Board of Directors who is neither an employee nor an officer of the Company shall be automatically granted on such date without further action by the Board an option to purchase five hundred (500) Common Shares. Anything in the Plan to the contrary notwithstanding, the effectiveness of the Plan and of the grant of all options hereunder is in all respects subject to, and the Plan and options granted under it shall be of no force and effect unless and until, and no option granted hereunder shall in any way vest or become exercisable in any respect unless and until the approval of the Plan by the affirmative vote of a majority of the Company's shares present in person or by proxy and entitled to vote at a meeting of shareholders at which the Plan is presented for approval.
9. Period of Option. The options granted hereunder shall expire on a date which is five (5) years after the date of grant of the options and the Plan shall terminate when all options granted hereunder have terminated.

10. Exercise of Option. Options shall be exercised by the delivery to the Company at its principal office or at such other address as may be established by the Committee (Attention: Corporate Treasurer) of written notice of the number of Common Shares with respect to which the Option is being exercised accompanied by payment in full of the purchase price of such shares. Unless otherwise determined by the Committee at the time of grant, payment for such shares may be made (i) in cash, (ii) by certified check or bank cashier's check payable to the order of the Company in the amount of such purchase price, (iii) by delivery to the Company of Common Shares having a Fair Market Value equal to such purchase price, (iv) by irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay such purchase price and to sell the Common Shares to be issued upon exercise of the Option and deliver the cash proceeds less commissions and brokerage fees to the Optionee or to deliver the remaining Common Shares to the Optionee, or (v) by any combination of the methods of payment described in (i) through (iv) above.

11. Vesting of Shares and Non-Transferability of Options.

(a) Vesting. Options granted under the Plan shall be fully vested and exercisable on the date of grant.

(b) Legend on Certificates. The certificates representing such shares shall carry such appropriate legend, and such written instructions shall be given to the Company's transfer agent, as may be deemed necessary or advisable by counsel to the Company in order to comply with the requirements of the Securities Act of 1933 or any state securities laws.

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(c) Non-Transferability. Any option granted pursuant to the Plan shall not be assignable or transferable other than by will or the laws of descent and distribution, and shall be exercisable during the Optionee's lifetime only by him.

12. Termination of Option Rights.

(a) In the event an Optionee ceases to be a member of the Board of Directors of the Company for any reason other than death or disability, any then unexercised options granted to such Optionee may be exercised, within a period of ten (10) days following such time the Optionee so ceases to be a member of the Board of Directors, but in no event later than the expiration of the option.

(b) In the event that an Optionee ceases to be a member of the Board of Directors of the Company by reason of his or her disability or death, any option granted to such Optionee may be exercised (by the Optionee's personal representative, heir or legatee, in the event of death) during the period ending one hundred eighty (180) days after the date the Optionee so ceases to be a member of the Board of Directors, but in no event later than the expiration date of the option.

13. Adjustments Upon Changes in Capitalization and other Matters. In the event that the outstanding Common Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation by reason of any reorganization, merger, consolidation, recapitalization or reclassification, or in the event of a stock split, combination of shares or dividends payable in capital stock, automatic adjustment shall be made in the number and kind of shares as to which outstanding options or portions thereof then unexercised shall be exercisable and in the available shares set forth in Section 3 hereof, to the end that the proportionate interest of the option holder shall be maintained as before the occurrence of such event. Such adjustment in outstanding options shall be made without change in the total price applicable to the unexercised portion of such options and with a corresponding adjustment in the option price per share.

If an option hereunder shall be assumed, or a new option substituted therefor, as a result of sale of the Company, whether by a corporate merger, consolidation or sale of property or stock, then membership on the Board of Directors of such assuming or substituting corporation or by a parent corporation or a subsidiary thereof shall be considered for purposes of an option to be membership on the Board of Directors of the Company.

14. Restrictions on Issuance of Shares. Notwithstanding the provisions of Sections 8 and 10 hereof, the Company shall have no obligation to deliver any certificate or certificates upon exercise of an option until the following conditions shall be satisfied:

(i) The shares with respect to which the option has been exercised are at the time of the issue of such shares effectively registered under

applicable Federal and state securities acts as now in force or hereafter amended; or

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(ii) Counsel for the Company shall have given an opinion that such shares are exempt from registration under Federal and state securities acts as now in force or hereafter amended;

and the Company has complied with all applicable laws and regulations, including without limitation all regulations required by any stock exchange upon which the Common Shares are then listed.

The Company shall use its best efforts to bring about compliance with the above conditions within a reasonable time, except that the Company shall be under no obligation to cause a registration statement or a post-effective amendment to any registration statement to be prepared at its expense solely for the purpose of covering the issue of shares in respect of which any option may be exercised.

15. Representation of Optionee. The Company shall require the Optionee to deliver written warranties and representations upon exercise of the option that are necessary to show compliance with Federal and state securities laws including to the effect that a purchase of shares under the option is made for investment and not with a view to their distribution (as that term is used in the Securities Act of 1933).

16. Approval of Stockholders. The effectiveness of this Plan and of the grant of all options hereunder is in all respects subject to approval by the Company's shareholders as more fully set forth in Section 8 hereof.

17. Termination and Amendment of Plan. The Board may at any time terminate the Plan or make such modification or amendment thereof as it deems advisable, provided, however, that (i) the Board may not, without approval by the affirmative vote of the holders of a majority of the shares present in person or by proxy and entitled to vote at the meeting, (a) increase the maximum number of shares for which options may be granted under the Plan or the number of shares for which an option may be granted to any participating directors hereunder; (b) change the provisions of the Plan regarding the termination of the options or the time when they may be exercised; (c) change the period during which any options may be granted or remain outstanding or the date on which the Plan shall terminate; (d) change the designation of the class of persons eligible to receive options; (e) change the price at which options are to be granted; or (f) materially increase benefits accruing to option holders under the Plan; and (ii) the foregoing provisions of the Plan shall in no event be amended more than once every six months other than to comport with changes in the Internal Revenue Code. Termination or any modification or amendment of the Plan shall not, without consent of a participant, affect his rights under an option previously granted to him.

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MUELLER INDUSTRIES, INC.
1998 STOCK OPTION PLAN

1. PURPOSES.

The Mueller Industries, Inc. 1998 Stock Option Plan (the "Plan") is intended to attract and retain the best available personnel for positions of substantial responsibility with Mueller Industries, Inc., a Delaware corporation (the "Company"), and its subsidiary corporations, and to provide additional incentive to such persons to exert their maximum efforts toward the success of the Company and its subsidiary corporations. The above aims will be effectuated through the granting of certain options ("Options") to purchase shares of the Company's common stock, par value \$.01 per share (the "Common Stock"). Under the Plan, the Company may grant "incentive stock options" ("ISOs") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or Options which are not intended to be ISOs ("Non-Qualified Options").

2. ADMINISTRATION OF THE PLAN.

The Plan shall be administered by the Board of Directors of the Company (the "Board of Directors"), or a committee consisting of at least two persons, appointed by the Board of Directors, each of whom shall be both a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 (the "Exchange Act") and an "outside director" within the meaning of Section 162(m) of the Code (the entity administering the Plan hereinafter called the "Committee"). The Committee may exercise the power and authority vested in the Board of Directors under the Plan. Within the limits of the express provisions of the Plan, the Committee shall have the authority, in its discretion, to take the following actions under the Plan:

(a) to determine the individuals to whom, and the time or times at which, Options shall be granted, the number of shares of Common Stock to be subject to each Option and whether such Options shall be ISOs or Non-Qualified Options;

(b) to interpret the Plan;

(c) to prescribe, amend and rescind rules and regulations relating to the Plan;

(d) to determine the terms and provisions of the respective stock option agreements granting Options, including the date or dates upon which Options shall become exercisable, which terms need not be identical;

(e) to accelerate the vesting of any outstanding Options; and

(f) to make all other determinations and take all other actions necessary or advisable for the administration of the Plan.

In making such determinations, the Committee may take into account the nature of the services rendered by such individuals, their present and potential contributions to the Company's success, and such other factors as the

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Committee, in its discretion, shall deem relevant. An individual to whom an Option has been granted under the Plan is referred to herein as an "Optionee". The Committee's determinations on the matters referred to in this Section 2 shall be conclusive.

3. SHARES SUBJECT TO THE PLAN.

The total number of shares of Common Stock which shall be subject to Options granted under the Plan shall not exceed 300,000, subject to adjustment as provided in Section 7 hereof. The Company shall at all times while the Plan is in force reserve such number of shares of Common Stock as will be sufficient to satisfy the requirements of outstanding Options. The shares of Common Stock to be issued upon exercise of Options shall be authorized and unissued or reacquired shares of Common Stock. The shares of Common Stock relating to the unexercised portion of any expired, terminated or cancelled Option shall thereafter be available for the grant of Options under the Plan.

4. ELIGIBILITY.

(a) Options may be granted under the Plan only to (i) employees of the Company and (ii) employees of any "subsidiary corporation" (a "Subsidiary") of the Company within the meaning of Section 424(f) of the Code; PROVIDED, HOWEVER, that no person may be granted Options under the Plan with respect to more than 70,000 shares of Common Stock in any one year. The term "Company," when used in the context of an Optionee's employment, shall be deemed to

include Subsidiaries of the Company.

(b) Nothing contained in the Plan shall be construed to limit the right of the Company to grant stock options otherwise than under the Plan for proper corporate purposes.

5. TERMS OF OPTIONS.

The terms of each Option granted under the Plan shall be determined by the Committee consistent with the provisions of the Plan, including the following:

(a) The purchase price of the shares of Common Stock subject to each Option shall be fixed by the Committee, in its discretion, at the time such Option is granted; PROVIDED, HOWEVER, that in no event shall such purchase price be less than the Fair Market Value (as defined in paragraph (g) of this Section 5) of the shares of Common Stock as of the date such Option is granted.

(b) The dates on which each Option (or portion thereof) shall be exercisable shall be fixed by the Committee, in its discretion, at the time such Option is granted.

(c) The expiration of each Option shall be fixed by the Committee, in its discretion, at the time such Option is granted. No Option shall be exercisable after the expiration of ten (10) years from the date of its grant and each Option shall be subject to earlier termination as determined by the Committee, in its discretion, at the time such Option is granted.

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(d) Options shall be exercised by the delivery to the Company at its principal office or at such other address as may be established by the Committee (Attention: Corporate Treasurer) of written notice of the number of shares of Common Stock with respect to which the Option is being exercised accompanied by payment in full of the purchase price of such shares. Unless otherwise determined by the Committee, payment for such shares may be made (i) in cash, (ii) by certified check or bank cashier's check payable to the order of the Company in the amount of such purchase price, (iii) by delivery to the Company of shares of Common Stock (held by the Optionee for at least six months prior to such delivery) having a Fair Market Value equal to such purchase price, (iv) by irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay such purchase price and to sell the shares of Common Stock to be issued upon exercise of the Option and deliver the cash proceeds less commissions and brokerage fees to the Optionee or to deliver the remaining shares of Common Stock to the Optionee, or (v) by any combination of the methods of payment described in (i) through (iv) above.

(e) An Optionee shall not have any of the rights of a holder of the Common Stock with respect to the shares of Common Stock subject to an Option until such shares are issued to such Optionee upon the exercise of such Option.

(f) Generally, an Option shall not be transferable, except by will or the laws of descent and distribution, and may be exercised, during the lifetime of an Optionee, only by the Optionee; PROVIDED, HOWEVER, that the Committee may, in its sole discretion, at the time of grant or at any time thereafter, allow for the transfer of Options that are not ISOs to other persons or entities, subject to such conditions or limitations as it may establish. No Option granted under the Plan shall be subject to execution, attachment or other process.

(g) For purposes of the Plan, as of any date when the Common Stock is quoted on the NASDAQ Stock Market or listed on one or more national securities exchanges, the "Fair Market Value" of the Common Stock as of any date shall be deemed to be the mean between the highest and lowest sale prices of the Common Stock reported on the NASDAQ Stock Market or the principal national securities exchange on which the Common Stock is listed and traded on the immediately preceding date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported. If the Common Stock is not quoted on the NASDAQ Stock Market or listed on an exchange, or representative quotes are not otherwise available, the "Fair Market Value" of the Common Stock shall mean the amount determined by the Committee to be the fair market value based upon a good faith attempt to value the Common Stock accurately.

6. SPECIAL PROVISIONS APPLICABLE TO ISOS.

The following special provisions shall be applicable to ISOs granted under the Plan.

(a) No ISOs shall be granted under the Plan after ten (10) years from the

earlier of (i) the date the Plan is adopted, or (ii) the date the Plan is approved by the holders of the Common Stock.

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(b) ISOs may not be granted to a person who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, any of its Subsidiaries, or any "parent corporation" (a "Parent") of the Company within the meaning of Section 424(e) of the Code.

(c) If the aggregate Fair Market Value of the Common Stock with respect to which ISOs are exercisable for the first time by any Optionee during a calendar year (under all plans of the Company and its Parents and Subsidiaries) exceeds \$100,000, such ISOs shall be treated, to the extent of such excess, as Non-Qualified Options. For purposes of the preceding sentence, the Fair Market Value of the Common Stock shall be determined at the time the ISOs covering such shares were granted.

7. ADJUSTMENT UPON CHANGES IN CAPITALIZATION.

(a) In the event that the outstanding shares of Common Stock or the capital structure of the Company are changed by reason of reorganization, merger, consolidation, recapitalization, reclassification, stock split, reverse stock split, combination or exchange of shares and the like, or dividends payable in shares of Common Stock, the Committee shall make such appropriate adjustment to the aggregate number of shares of Common Stock available under the Plan, the number of shares of Common Stock subject to Options that may be granted to any person in any one year, and in the number of shares of Common Stock and price per share of Common Stock subject to outstanding Options as determined by the Committee, in its sole discretion to be appropriate. If the Company shall be reorganized, consolidated, or merged with another corporation, or if all or substantially all of the assets of the Company shall be sold or exchanged, an Optionee shall at the time of issuance of the stock under such corporate event be entitled to receive upon the exercise of his Option the same number and kind of shares of stock or the same amount of property, cash or securities as he would have been entitled to receive upon the occurrence of any such corporate event as if he had been, immediately prior to such event, the holder of the number of shares of Common Stock covered by his Option; PROVIDED, HOWEVER, that if any such event occurs or if the Company enters into an agreement to undertake any such event, the Committee may, in its sole discretion, cancel any outstanding options and pay to such Optionees, in cash or stock, or any combination thereof, the value of such Options as determined by the Committee based on the price per share of Common Stock received or to be received by the stockholders of the Company upon such event.

(b) Any adjustment under this Section 7 in the number of shares of Common Stock subject to Options shall apply proportionately to only the unexercised portion of any Option granted hereunder. If fractions of a share would result from any such adjustment, the adjustment shall be revised to the next lower whole number of shares.

8. FURTHER CONDITIONS OF EXERCISE.

(a) The obligation of the Company to issue shares of Common Stock pursuant to the exercise of Options shall be subject to all applicable laws, rules and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any of the provisions hereof, the Optionee may not exercise the Options, and the Company will be under no obligation to offer to sell or to sell and shall be prohibited from offering to sell or selling any

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shares of Common Stock pursuant to the exercise of any Option unless such exercise, offer or sale shall be properly registered pursuant to the Securities Act of 1933 (as now in effect or as hereafter amended) (the "Securities Act") with the Securities and Exchange Commission or unless the Company has received an opinion of counsel, satisfactory to the Company, that such shares may be offered or sold without such registration pursuant to an available exemption therefrom and the terms and conditions of such exemption have been fully complied with. Any determination in this connection by the Committee shall be final, binding and conclusive. The Company shall use reasonable efforts to register the offer or sale of shares of Common Stock underlying any Option pursuant to the Securities Act and to take any other affirmative action in order to cause the exercise of the Options or the issuance or transfer of shares pursuant thereto to comply with any law or regulation of any governmental authority. If the shares of Common Stock offered for sale or sold under any Option are offered or sold pursuant to an exemption from registration under the Securities Act, the Company may restrict the transfer of such shares and may legend the Common Stock certificates representing such shares in such manner as it deems advisable to

ensure the availability of any such exemption.

(b) The Company is relieved from any liability for the non-issuance or non-transfer or any delay in issuance or transfer of any shares of Common Stock subject to Options which results from the inability of the Company to obtain or in any delay in obtaining from any regulatory body having jurisdiction all requisite authority to issue or transfer shares of Common Stock of the Company either upon exercise of the Options or shares of Common Stock issued as a result of such exercise if counsel for the Company deems such authority necessary for lawful issuance or transfer of any such shares.

9. TERMINATION, MODIFICATION AND AMENDMENT.

(a) The Plan (but not Options previously granted under the Plan) shall terminate ten (10) years from the date of its adoption by the Board of Directors, and no Option shall be granted after termination of the Plan.

(b) The Plan may at any time be terminated or, from time to time, be modified or amended by the Board of Directors; PROVIDED, HOWEVER, that the Board of Directors shall not, without approval by the affirmative vote of the holders of a majority of the shares of the capital stock of the Company present in person or by proxy and entitled to vote at the meeting, amend the Plan to (i) increase (except as provided by Section 7) the maximum number of shares of Common Stock as to which Options may be granted under the Plan, (ii) increase the maximum number of shares as to which Options may be granted to any person in any single year, (iii) decrease the purchase price for Options below Fair Market Value at the time of grant, or (iv) change the class of persons eligible to receive Options under the Plan.

(c) No termination, modification or amendment of the Plan may adversely affect the rights conferred by any Options without the consent of the affected Optionee.

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10. EFFECTIVENESS OF THE PLAN.

The Plan shall become effective upon adoption by the Board of Directors of the Company, subject to the approval by the shareholders of the Company. Options may be granted under the Plan prior to receipt of such approval, provided that, in the event such approval is not obtained, the Plan and all Options granted under the Plan shall be null and void and of no force and effect.

11. NOT A CONTRACT OF EMPLOYMENT.

Nothing contained in the Plan or in any stock option agreement executed pursuant hereto shall be deemed to confer upon any Optionee any right to remain in the employ of the Company or of any Subsidiary.

12. GOVERNING LAW.

The Plan shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws thereof.

13. WITHHOLDING.

As a condition to the exercise of any Option, the Committee may require that an Optionee satisfy, through withholding from other compensation or otherwise, the full amount of all federal, state and local income and other taxes required to be withheld in connection with such exercise. The Committee may, in its sole discretion, allow for the retention by the Company of shares of Common Stock otherwise to be delivered to the Optionee upon the exercise of any Option in order to satisfy this withholding requirement.

As adopted by the Board of Directors of
Mueller Industries, Inc. as of February 12, 1998.

STOCK OPTION AGREEMENT

This Option Agreement (the "Agreement") is made as of the 13th day of February, 2002, between Mueller Industries, Inc., a Delaware corporation (the "Company"), and William D. O'Hagan (the "Optionee").

WHEREAS, the Company desires to afford the Optionee the opportunity to purchase shares of Common Stock, par value \$.01 per share (the "Common Stock"), of the Company.

NOW, THEREFORE, in connection with the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of Option. By action of its Board of Directors dated February 12, 2002, the Company hereby grants to the Optionee the right and option (the "Option") to purchase up to, but not exceeding in the aggregate, 100,000 shares of Common Stock, on the terms and conditions herein set forth. Provided that the Compensation Committee of the Board of Directors of the Company gives its prior written approval, Optionee shall have the right to transfer all or part of the options granted hereunder to family members or family trusts.

2. Definitions; Conflicts. The Option is not being granted pursuant to the Mueller Industries, Inc. 1998 Stock Option Plan (amended and restated as of June 30, 2000) (the "Plan"), and shall be exercisable only for shares of Common Stock held in treasury by the Company. The Company shall at all times maintain a sufficient number of treasury shares to allow for the exercise of the vested and exercisable portion of the Option. Notwithstanding that the Option is not being granted under the Plan, the terms and provisions of the Plan are incorporated herein by reference as if it had been so granted, except for the provisions of Sections 4(a) and 8 thereof.

3. Purchase Price. The purchase price of each share of Common Stock covered by the Option shall be \$31.75 (the "Purchase Price").

4. Term of Options. The term of the Option shall be ten (10) years from the date hereof, subject to earlier termination as provided in Section 6 hereof.

5. Vesting of Options. The Option, subject to the terms, conditions and limitations contained herein, shall vest and become exercisable with respect to the shares of Common Stock in accordance with the following installments: 20% on the first anniversary of the date hereof, and an additional 20% on each of the succeeding four anniversaries of the date hereof; provided that, with respect to each such installment, the Optionee has remained in continuous employment with the Company from the date hereof through the date such installment is designated to vest. Notwithstanding the foregoing, if there is a "Change in Control," as such term is defined in the Amended and Restated Employment Agreement, effective September 17, 1997, as amended May 12, 2000, between Optionee and the Company, all remaining options shall become exercisable as provided in said Employment Agreement, as amended.

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6. Termination of Employment. Except as otherwise provided in Optionee's existing employment agreement with the Company:

(a) In the event the Optionee's employment with the Company is terminated for any reason other than death or disability (within the meaning of Section 22(e) (3) of the Internal Revenue Code of 1986, as amended (the "Code")), the Option shall immediately lapse as of the date of such termination whether or not exercisable on such date.

(b) In the event that the Optionee's employment with the Company is terminated by reason of the Optionee's death or disability (within the meaning of Section 22(e) (3) of the Code), the Option shall remain exercisable for a period of up to twelve months after termination of employment, to the extent exercisable at the time of termination of employment, and shall lapse as to any shares of Common Stock for which it has yet to become exercisable as of the date of such termination of employment.

7. No Rights as a Shareholder. The Optionee shall have no rights as a shareholder with respect to any shares of Common Stock issuable upon the exercise of an Option until the date of issuance to the Optionee of a certificate evidencing such shares of Common Stock. No adjustments, other than as provided in Section 7 of the Plan, shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions for which the record date is prior to the date the certificate for such shares of Common Stock issued.

8. Method of Exercising Option. Subject to the terms and conditions of this Agreement, the Option may be exercised by written notice to the Company at its principal executive offices, presently located at 8285 Tournament Drive, Suite 150, Memphis, TN 38125, Attn: General Counsel. Such notice shall state the election to exercise the Option and the number of shares of Common Stock in respect of which the Option is being exercised, shall be signed by the person or persons so exercising the Option and shall either:

(a) be accompanied by payment in full of the Purchase Price for such shares of Common Stock; or

(b) fix a date, not less than five (5) nor more than ten (10) business days from the date such notice shall be delivered to the Company, for the payment in full of the Purchase Price for such shares of Common Stock.

Payment of such Purchase Price shall be made in United States dollars by certified check or bank cashier's check payable to the order of the Company. Subject to such procedures and rules as may be adopted from time to time by the Option Plan Committee of the Board of Directors, the Optionee may also pay such Purchase Price by (i) tendering to the Company shares of Common Stock with an aggregate Fair Market Value (as defined in the Plan) on the date of exercise equal to such Purchase Price, (ii) delivery to the Company of a copy of irrevocable instructions to a stockbroker to sell shares of Common Stock and to deliver promptly to the Company an amount sufficient to pay such Purchase Price, or (iii) any combination of the methods of payment described in clauses (i) and (ii) and in the preceding sentence. The certificate for shares of Common Stock as to which the Option shall have been so exercised shall be registered in the name of the person or persons so exercising the

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Option. All shares of Common Stock purchased upon the exercise of the Option as provided herein shall be fully paid and non-assessable.

9. Income Tax Withholding. The Company may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of all federal, state, local and other taxes required by law to be withheld with respect to the exercise of the Option and the issuance of the shares of Common Stock, including, but not limited to, deducting the amount of any such withholding taxes from any other amount then or thereafter payable by the Company, or any subsidiary thereof, to the Optionee, or requiring the Optionee, or the beneficiary or legal representative of the Optionee, to pay to the Company the amount required to be withheld or to execute such documents as the Company deems necessary or desirable to enable it to satisfy its withholding obligations.

10. Non-Incentive Stock Option. The Option granted hereunder is not intended to be an "incentive stock option" within the meaning of Section 422 of the Code.

11. Registration. The Company shall file a registration statement on Form S-8 under the Securities Act of 1993, as amended (the "Act"), with respect to the sale of shares of Common Stock subject to the Option and shall take such other action as may be required to complete the registration of such shares under the Act and to comply with applicable blue sky laws.

12. Binding Effect. This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

13. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such State.

14. Headings. Headings are for the convenience of the parties and are not deemed to be part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

MUELLER INDUSTRIES, INC.

By:/s/Harvey L. Karp
Name: Harvey L. Karp
Title: Chairman of the Board

OPTIONEE

/s/William D. O'Hagan
Name: William D. O'Hagan

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, effective as of October 17, 2002, by and between MUELLER INDUSTRIES, INC., a Delaware corporation having its principal address at 8285 Tournament Drive, Suite 150, Memphis, Tennessee 38125 (the "Employer"), and KENT A. MCKEE, an individual residing at 2530 Guilford Cove, Germantown, Tennessee 38139 (the "Executive").

W I T N E S S E T H:

WHEREAS, the Executive has been employed by the Employer in several capacities since March 9, 1990, and currently as Vice President and Chief Financial Officer; and

WHEREAS, the parties desire to provide for the ongoing employment of the Executive by the Employer as set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the Executive and the Employer hereby agree as follows:

1. Term of Employment.

The Employer agrees to employ the Executive, and the Executive hereby accepts such employment, as Vice President and Chief Financial Officer of the Employer, for a rolling three-year term. This Agreement shall commence as of the date hereof, and be automatically extended so that the unexpired term on any date is always three years (the "Employment Period"), until such time as either party gives written notice to the other party of its election not to extend such term. The Employment Period shall end three years from the date on which such notice is given unless it is terminated earlier as provided in Section 4 hereof.

2. Duties and Authority.

During the Employment Period the Executive shall serve as Vice President and Chief Financial Officer of the Employer. The Executive shall devote his best efforts and full working time and attention to services for the Employer. The Executive agrees to hold any additional office or position with the Employer or any of the Employer's subsidiaries without additional compensation if elected or appointed to such office or position.

3. Compensation.

a. As compensation for the Executive's services in all capacities during the Employment Period, the Employer shall pay the Executive the following:

i. a base salary at a rate of \$240,000 per annum to be paid in equal installments in accordance with normal payroll practices of the Employer but not less frequently than monthly, provided that in each subsequent calendar year or part thereof during which the Executive is employed commencing in 2003, the Executive's base salary shall be adjusted upward annually from the Executive's current base salary at a rate commensurate with increases granted to other key executives (the "Base Salary").

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ii. a discretionary annual cash incentive bonus (the "Bonus") for each calendar year or part thereof during which the Executive is employed, the amount of such bonus to be consistent with the executive bonus program which the Employer establishes for other key executives.

b. The Executive shall be entitled to reimbursement for reasonable business and travel expenses incurred in the performance of his duties in accordance with the Employer's normal reimbursement practices.

c. Subject to the terms of the applicable plan and/or program, the Executive shall participate in all bonus, incentive, stock option, pension, disability and health plans and programs and all fringe benefits plans maintained by or on behalf of the Employer and in which senior executives of the Employer are entitled to participate.

d. Subject to Section 4(c) herein, the Executive's existing stock options with respect to the Employer's common stock shall continue to be governed by and subject to the terms and conditions set forth in the respective option agreements.

4. Termination of Employment.

a. The Executive's employment hereunder shall terminate upon the Executive's death, and the Employer shall have the right to terminate the Executive's employment upon his permanent disability. A permanent disability

is a physical or mental disability which results in the Executive's inability to substantially perform his duties hereunder for a period of 180 consecutive days or for a period of 200 days within any period of 12 consecutive months, except that a permanent disability shall not include a physical or mental disability which occurs in connection with the Executive's employment hereunder. In the event of termination by reason of death or permanent disability, the Employer's obligation to pay further compensation hereunder shall cease on the date of termination, except that the Executive (or, in the case of death, his beneficiaries, or his estate if no beneficiary has been named) shall be entitled to receive his Base Salary and Bonus prorated on a calendar day basis through the date of such termination.

b. The Employer may terminate the Executive's employment hereunder for Cause (as defined below) upon not less than 30 days prior written notice specifying such Cause. For purposes of this Agreement, the term "Cause" shall mean (i) the Executive's willful and continued failure to substantially perform his duties hereunder, (ii) the engaging by the Executive in willful misconduct which is demonstrably and materially injurious to the Employer, or (iii) the Executive's conviction of a felony for a crime of moral turpitude. For purposes of this Section 4(b), no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Employer. The Executive shall not be terminated for Cause in the case of actions or omissions described in clauses (i) or (ii) of this Section 4(b) unless the Employer shall have given the Executive an opportunity to cure any such actions or omissions during the 30-day period after the Executive's receipt of written notice required under this Section 4(b).

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c. The Executive's employment hereunder may be terminated by the Employer without Cause upon not less than 90 days prior written notice or by the Executive for "Good Reason" (as defined below) upon not less than 10 days prior written notice. In such event, (i) the Executive shall continue to receive his then current Base Salary otherwise payable pursuant to Section 3 hereof as if his employment had continued for the remainder of the Employment Period and an annual bonus for the remainder of the Employment Period equal to the average Bonus for the three calendar years immediately preceding the written notice, such bonus to be paid in the normal course at the time other executive bonuses are normally paid, and (ii) all of the outstanding unvested Employer stock options then held by Executive shall immediately vest and become exercisable upon such notice. In addition, at the Employer's expense, the Executive shall continue to participate in all of the Employer's health plans and programs until he reaches age 65 as if he remained employed until such time. For purposes of this Agreement, "Good Reason" shall mean (A) a failure by the Employer to comply with any material provision of this Agreement which has not been cured within ten (10) days after notice of such noncompliance has been given by the Executive to the Employer, (B) other than as provided in Section 2 herein, the assignment to the Executive by the Employer of duties inconsistent with the Executive's position, authority, duties, responsibilities or status with the Employer as in effect immediately after the date of execution of this Agreement, including, but not limited to, any reduction whatsoever in such position, authority, duties, responsibilities or status, or a change in the Executive's titles or offices, as then in effect, or any removal of the Executive from, or any failure to reelect the Executive to, any of such positions, except in connection with the termination of his employment on account of his death, disability, or for Cause, (C) the requirement of excessive travel on the part of the Executive, (D) a relocation by the Employer of the Executive's principal place of employment to any location outside a thirty mile radius from the Executive's current principal place of employment, (E) the failure of the Employer to have any successor to the Employer assume the Agreement, (F) the delivery to the Executive of notice of the Employer's decision to terminate the Executive's employment without Cause, or (G) any other material change in the conditions of employment if the Executive determines in good faith that his customary duties can no longer be performed because of the change.

d. The Executive shall also have the right to resign voluntarily without Good Reason from employment during the Employment Period by written notice to the Employer at least 60 days prior to the effective date of the resignation. Upon such resignation without Good Reason, the Executive shall be entitled to receive any accrued but unpaid Base Salary. The Employer shall have discretion whether or not to award the Executive a Bonus for any calendar year in which he resigns without Good Reason.

e. If the Executive's employment shall terminate by expiration of the Employment Period or is terminated by the Employer for Cause pursuant to Section 4(b), or if the Executive shall voluntarily resign for any reason other than Good Reason, the Executive's right to receive the Base Salary (except any accrued and unpaid salary and except as set forth in Section 4(f) below), the Bonus, and any other compensation and benefits to which he would

otherwise be entitled under this Agreement shall be forfeited as of the date of termination of employment.

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f. Except as provided in Section 4(b) hereof, or any relevant option agreement, the Executive's death or termination of employment shall not affect his rights under any Employer stock options.

g. Notwithstanding anything to the contrary herein, the Executive may also terminate his employment upon a "Change in Control" (as hereinafter defined). If the Executive terminates his employment upon a "Change in Control" then:

i. the Employer shall pay the Executive as severance pay in a lump sum within thirty (30) days following such termination, the following amounts, which shall not be discounted to take into account present value:

- (1) the Executive's Base Salary through the date of termination at the rate in effect immediately prior to the termination date;
- (2) an amount equal to the product of (x) the Executive's annual Base Salary at the rate in effect immediately prior to the date of termination, multiplied by (z) the number of years (including partial years) then remaining in the Employment Period; and
- (3) an amount equal to the product of (x) the average annual Bonus for the three calendar years immediately preceding the date of termination, multiplied by (z) the number of years (including partial years as full years) then remaining in the Employment Period;

ii. the Employer shall, at the Employer's expense, allow the Executive to continue to participate, until he reaches age 65, in all the Employer's benefits, to the same extent and upon the same terms and conditions as the Executive participated immediately prior to the termination, provided that the Executive's continued participation is permissible or otherwise practicable under the general terms and provisions of such benefit plan; and

iii. on the later of (x) the day the Executive notifies the Employer he is terminating upon a Change in Control, and (y) ten (10) days prior to the date the Executive actually terminates his employment, all remaining unvested options previously granted the Executive shall become immediately exercisable on that date.

"Change in Control", as used in Section 4(g) of the Agreement, is defined to mean the occurrence of any of the following three events:

(i) a change in control of a nature that would be required to be reported in response to any form or report to the Securities and Exchange Commission or any stock exchange on which the Employer's shares are listed which requires the reporting of a change in control of the Employer;

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(ii) when any "person," as such terms is used in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is or becomes the "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of 20% of the voting power of the Employer's then outstanding securities, other than (x) beneficial owners of more than 5% of the Employer's Common Stock on August 10, 1995, (y) "Exempted Persons" as defined in Section 1(a) of the Employer's Rights Agreement, dated as of November 10, 1994, (z) mutual funds, banks, investment advisors registered under the Investment Advisers Act of 1940, as amended, and other institutional investors, which either (i) became 20% beneficial owners as a result of an acquisition of Common Stock by the Employer which, by reducing the number of such shares then outstanding, increases the proportionate number of shares beneficially owned by such person to 20% or more of the outstanding Common Stock except that if such person, after such share purchased by the Employer, becomes the beneficial owner of any additional shares of Common Stock, then this exception would not apply, or (ii) were exempted from the operation of this provision with the prior approval of eighty percent of the Board of Directors of the Employer; or

(iii) when the individuals who, on the effective date of this Agreement constitute the Board of Directors of the Employer cease for any reason to constitute at least a majority thereof, provided, however, that a director who was not a director on the effective date of this Agreement shall be deemed to have been a director at that date if such director was elected by, or on the recommendation of or with the approval of, at least sixty percent of the directors who were directors on the effective date of this Agreement (either directly or by prior operation of this provision);

provided, however, that an occurrence shall cease to be a "Change in Control" for purposes of this Section 4(g) six months after the occurrence of an event that would otherwise constitute a "Change in Control," except that, for purposes of computing this six-month period, the six-month time period shall not commence until, as to clause (i), the date on which a change in control form or report is actually filed, and as to clause (ii), the date on which a beneficial owner discloses in a public filing that it has crossed the 20% threshold.

5. Notices.

Any notice or other communication hereunder shall be made in writing by hand-delivery and shall be deemed to have been delivered and received when delivered by hand, if personally delivered, as follows: (a) if to the Executive at the address shown at the beginning of this Agreement or to such other person(s) or address(es) as the Executive shall have furnished to the Employer in writing, and (b) if to the Employer at the address shown at the beginning of this Agreement, attention of the Board of Directors, with copies to the Employer at the same address, Attention: General Counsel, and to Willkie Farr & Gallagher, 787 Seventh Avenue, New York, New York 10019, Attention: Neil Novikoff, Esq., or to such other person(s) or address(es) as such persons or the Employer shall have furnished to the Executive in writing.

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6. Certain Additional Payments by the Employer.

a. Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, distribution, waiver of Employer rights, acceleration of vesting of any stock options or restricted stock, or any other payment or benefit in the nature of compensation to or for the benefit of the Executive, alone or in combination (whether such payment, distribution, waiver, acceleration or other benefit is made pursuant to the terms of this Agreement or any other agreement, plan or arrangement providing payments or benefits in the nature of compensation to or for the benefit of the Executive, but determined without regard to any additional payments required under this Section 6) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision) or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes with respect to the Gross-Up Payment (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

b. Subject to the provisions of Section 6(c), all determinations required to be made under this Section 6, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the nationally recognized accounting firm then auditing the accounts of the Employer (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is unwilling or unable to perform its obligations pursuant to this Section 6, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to hereunder as the Accounting Firm). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, determined pursuant to this Section 6, shall be paid by the Employer to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Executive. The parties hereto acknowledge that, as a result of the potential uncertainty in the

application of Section 4999 of the Code (or any successor provision) at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Employer will not have made Gross-Up Payments which should have been made consistent with the calculations required to be made hereunder (an "Underpayment"). In the event that the Employer exhausts its remedies pursuant to Section 6(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Executive.

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c. The Executive shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than 20 business days after the Executive is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which he gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

i. give the Employer any information reasonably requested by the Employer relating to such claim,

ii. take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

iii. cooperate with the Employer in good faith in order effectively to contest such claim, and

iv. permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this Section 6(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Executive to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Executive, on an interest-free basis, and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

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d. If, after the receipt by the Executive of an amount advanced by the Employer pursuant to Section 6(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Employer's complying with the requirements of Section 6(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Employer pursuant to Section 6(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Employer does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall

be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

7. Assignability.

This Agreement shall not be assignable by the Employer except to a majority-owned subsidiary or parent entity of the Employer and shall be binding upon and inure to the benefit of the Employer and its successors and assigns. This Agreement shall not be assignable by the Executive, but it shall be binding upon, and to the extent provided in Section 4(a) shall inure to the benefit of, the Executive's heirs, executors, administrators and legal representatives.

8. Entire Agreement.

This Agreement supersedes any and all prior understandings between the Executive and the Employer as to the subject matter hereof.

9. Waivers, Amendments and Further Agreements.

Neither this Agreement nor any term or condition hereof, including without limitation the terms and conditions of this Section 9, may be waived, modified or amended in whole or in part as against the Employer or the Executive except by written instrument executed by each of the parties expressly stating that it is intended to operate as a waiver, modification or amendment of this Agreement or the applicable term or condition hereof. Each of the parties hereto agrees to execute all such further instruments and documents and to take all such further action as the other party may reasonably require in order to effectuate the terms and purposes of this Agreement.

10. Severability.

In case one or more of the provisions contained in this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

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11. No Conflicting Obligations.

The Executive represents and warrants to the Employer that the Executive is not now under any obligation to anyone other than the Employer and other entities of which he is a non-executive director and has no interest which is inconsistent or in conflict with this Agreement, or would prevent, limit or impair, in any way, the Executive's performance of any of the covenants or duties hereinabove set forth. However, subject to Section 2 hereof, nothing herein shall be deemed to limit the Executive's participation in, or pursuit of, non-conflicting business interests.

12. Survival.

Except as otherwise provided herein, the covenants, agreements, representations and warranties contained in or made pursuant to this Agreement shall survive the Executive's termination of employment, irrespective of any investigation made by or on behalf of any party.

13. Governing Law.

This Agreement shall be governed by and construed and enforced in accordance with the law of the State of Tennessee, without regard to the principles of conflicts of law thereof.

14. Arbitration; Legal Fees.

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach thereof shall be finally settled by arbitration by a single arbitrator in accordance with the rules then in effect of the American Arbitration Association in an arbitration in Memphis, Tennessee. Judgment upon an award rendered by the arbitrator may be entered in any court of competent jurisdiction. To the extent that the Executive prosecutes or defends, whether by arbitration or through a judicial proceeding, a dispute, controversy or claim relating to this Agreement which results in a judgment, award or settlement in the Executive's favor in any material respect, the Employer shall reimburse the Executive for all reasonable fees and costs (including legal fees) incurred by the Executive in such successful

prosecution or defense.

15. Headings.

The headings in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

16. Counterparts.

This Agreement may be executed in counterparts each of which shall be deemed an original but which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement effective as of the date first above written.

MUELLER INDUSTRIES, INC.

By: /s/Harvey L. Karp
Name: Harvey L. Karp
Title: Chairman
Date: October 17, 2002

/s/William D. O'Hagan
Name: William D. O'Hagan
Title: Chief Executive Officer
Date: October 17, 2002

/s/Kent A. McKee
Kent A. McKee
Date: October 17, 2002

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MUELLER INDUSTRIES
2002 ANNUAL REPORT

Mueller Industries, Inc. (NYSE: MLI) is the leading U.S. 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 was once again recognized by "Forbes" magazine, appearing on it's "Platinum List: Best Big Companies." The Company's operations are located throughout the United States, and in the United Kingdom, Canada and Mexico.

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MUELLER INDUSTRIES, INC.
2002 Financial Highlights
(In thousands, except per share data)
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<CAPTION>

<S>	<C> 2002	<C> 2001	<C> 2000	<C> 1999	<C> 1998
Summary of Operations					
Net sales	\$ 952,983	\$ 969,106	\$ 1,157,660	\$ 1,110,361	\$ 854,030
Product shipments (in millions of pounds)	694.0	649.9	732.5	759.9	589.5
Net income	\$ 77,992	\$ 66,955	\$ 92,690	\$ 99,279	\$ 75,445
Diluted earnings per share	\$ 2.11	\$ 1.80	\$ 2.43	\$ 2.51	\$ 1.90
Significant Year-End Data					
Cash and cash equivalents	\$ 217,601	\$ 121,862	\$ 100,268	\$ 149,454	\$ 80,568
Ratio of current assets to current liabilities	4.7 to 1	4.0 to 1	3.4 to 1	2.9 to 1	2.7 to 1
Long-term debt (including current portion)	\$ 18,166	\$ 50,973	\$ 106,884	\$ 149,870	\$ 194,549

Debt as a percent of total capitalization		2.4%	7.0%	14.8%	20.8%	27.9%
Stockholders' equity	\$	753,523	\$ 672,933	\$ 614,105	\$ 569,430	\$ 502,122
Book value per share	\$	22.00	\$ 20.11	\$ 18.41	\$ 16.31	\$ 14.02
Capital expenditures	\$	23,265	\$ 46,624	\$ 62,876	\$ 38,272	\$ 45,639

</TABLE>

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[GRAPH]
Stockholders' Equity
<TABLE>
(Dollars in millions)
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	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>
Stockholders' Equity	\$502	\$569	\$614	\$673	\$754

</TABLE>

[GRAPH]
Debt as a Percent of Total Capitalization
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(in %)
<CAPTION>

	1998	1999	2000	2001	2002
<S>	<C>	<C>	<C>	<C>	<C>
Debt as a Percent of Total Capitalization	27.9%	20.8%	14.8%	7.0%	2.4%

</TABLE>

2002 Operating Highlights

Strengthened Financial Position in 2002

- Increased cash to \$218 million
- Reduced debt by \$34 million
- No net debt at year-end
- Stockholders' equity rose 12% to a record \$754 million
- \$200 million line-of-credit, fully available

Expanded Market Penetration

- Acquired manufacturer of pressure plastic fittings
- Acquired minority interest in manufacturer of flow control valves

To Our Stockholders, Customers, and Employees

Mueller's net sales for 2002 totaled \$953 million compared with \$969 million in 2001. Income from continuing operations was \$71.2 million in 2002 versus \$65.4 million for the prior year. Earnings per diluted share from continuing operations for 2002 were \$1.92 compared with \$1.76 for the year before. And pounds of product shipped increased to 694 million pounds from 650 million pounds in 2001.

The reference above to "continuing operations" reflects the fact that in 2002 Mueller sold the Utah Railway and also made the decision to sell or liquidate its manufacturing operation in France. These two events, when taken together, had a positive net effect on earnings of 19 cents per diluted share. In total, earnings from combined continuing and discontinued operations were \$2.11 per diluted share in 2002 compared with \$1.80 in 2001.

Importantly, the sale of the Utah Railway allowed Mueller to utilize tax benefits, which increased earnings per diluted share by 34 cents, and as required by Generally Accepted Accounting Principles, was incorporated in income from continuing operations.

The housing and construction industry, the most significant market for Mueller's products, had a good year in 2002. However, Mueller did not realize the full benefits from this vibrant market because our profit margins, particularly in the copper tube business, were compressed by market conditions.

Mueller is Financially Strong

Mueller ended 2002 with \$218 million in cash. Cash flow from continuing operations during the year was \$124.2 million. In addition, cash received from the sale of the Utah Railway totaled \$55.4 million. Also, in 2002, Mueller paid down debt by \$34.1 million, to a remaining balance of \$18.2 million. Consequently, our debt-to-total capitalization level is virtually nil and, in fact, we currently have no net debt as cash on hand far exceeds total debt.

Our current ratio is a favorable 4.7 to 1. And stockholders' equity climbed during 2002 by 12 percent to an all-time high of \$754 million. We have available a \$200 million line-of-credit provided by a syndicate of banks that has no outstanding borrowings. The terms of the credit facility are comparable to a single "A" credit rating which reflects the underlying strength of our financial condition.

Mueller's depreciation provision is approximately \$37 million annually. In the past, we re-invested this amount, and more, in capital improvement projects. However, given the fact that we aggressively pursued improvements over the past seven years, it is likely that capital spending will be less than depreciation for the next several years. Of course, this will have a further positive effect on cash flow.

Mueller's financial strength should enable us to grow and expand our business as opportunities arise. For example, late in 2002 we acquired a minority stake in Conbraco Industries, Inc., a North Carolina based manufacturer of flow control products including Apollo(r) ball valves, butterfly valves, check valves, and other products for commercial and industrial applications. Early in 2003, we increased our ownership in Conbraco to approximately 34 percent by acquiring an additional 45,000 shares for approximately \$10.8 million. We look forward to working with Conbraco's management to achieve mutual benefits for our companies.

Domestic Copper Tube Operations

We encountered pricing pressures in our domestic copper tube business during 2002. Volumes were slightly below 2001, but margins were depressed for much of the year, accounting for the majority of the Company's decline in operating income. We will continue our emphasis on being the low cost manufacturer and vigorously defend our market position.

Fittings Operations

Our copper fittings operations had an excellent year. Both volume and margins were solid.

In plastic fittings, we acquired a manufacturer of pressure fittings in Fort Pierce, Florida. In the coming years, we will modernize and upgrade this operation. By broadening our plastic product line, we now offer customers a single, hassle-free source for their copper and plastic fittings requirements.

B&K Industries

B&K, our subsidiary that imports residential and commercial plumbing products, enjoyed an outstanding year. B&K's import business exceeded all sales and profit expectations. Additionally, we have leveraged our manufacturing and distribution efforts through increased sales to the big box retailers. We will continue our focus on expanding our product offering through this growth channel while implementing initiatives to minimize the costs related thereto.

European Operations

Late in 2002, we made the difficult decision to liquidate our interests in the French manufacturing activity. We continued to encounter difficult business conditions. Our efforts to improve this operation have been frustrating. By exiting this activity, we will have more management resources devoted to our promising U.K. operation. While the U.K. operations were profitable during 2002, we expect better results in 2003. After completing the modernization of our operation in Bilston, England in 2001, we have a world-class copper tube mill with the potential to provide excellent returns for years to come.

In January 2003, Mr. Pat Donovan was appointed managing director of our European Operations. Pat has been in the industry for 30 years and brings a wealth of knowledge to us as we begin to leverage our investment in the U.K.

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Industrial Products

Brass rod consumption in the U.S. was up 6 percent in 2002 after a 20 percent decline in 2001. Margins have improved somewhat, but remain lower than previous levels.

We combined our Micro Gauge and Impacts businesses and, working together to meet customer needs, they enjoyed an excellent year. We also benefited from additional business as automotive customers launched several new parts programs.

Business Outlook for 2003

The housing and construction industry was a strong contributor to our national economy in 2002. Housing starts and new building permits were at a 16-year high. Moreover, mortgage rates declined to a 40-year low. The demographic factors underlying the strength of the housing market are clearly in place, as demonstrated by the increase in home ownership to 68 percent.

Looking ahead, we believe the housing market will continue its strong performance in 2003. With 15-year mortgage rates near 5.3 percent, consumers have a powerful inducement to purchase homes. And for most people, the investment in their home has proven to be financially wise and personally satisfying.

We believe that the housing and construction industry will do better than the economy as a whole in 2003. Of equal importance to Mueller is the potential for improvement in our profit margins but, as always, that is subject to the vicissitudes of the marketplace.

In Closing

We are pleased to welcome Terry Hermanson as a director of our Company. Mr. Hermanson is an experienced executive who heads an import company selling products to mass merchandisers. As an independent director, he will serve on the Board's Audit Committee.

Mueller's employees are talented and dedicated. They are committed to making our Company the most successful company in our industry. We appreciate their efforts and we are proud of them.

Sincerely,

/s/Harvey L. Karp

Harvey L. Karp
Chairman of the Board

/s/William D. O'Hagan
William D. O'Hagan
President and Chief Executive Officer

March 17, 2003

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MUELLER INDUSTRIES, INC.

Ten-Year Review

(Dollars in thousands, except per share data)

	2002	2001	2000	1999	1998
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA					
Net sales	\$ 952,983	\$ 969,106	\$ 1,157,660	\$ 1,110,361	\$ 854,030
Cost of goods sold	744,781	740,366	887,635	840,364	657,664
--	-----	-----	-----	-----	-----
Gross profit	208,202	228,740	270,025	269,997	196,366
Depreciation and amortization	37,440	39,461	34,043	32,901	21,127
Selling, general, and administrative expense	85,006	83,750	90,344	91,420	69,784
--	-----	-----	-----	-----	-----
Operating income	85,756	105,529	145,638	145,676	105,455
Interest expense	(1,460)	(3,311)	(8,623)	(11,090)	
(5,517)					
Environmental expense	(1,639)	(3,600)	(2,049)	-	
(2,133)					
Other income, net	5,810	5,787	9,115	8,317	6,492
--	-----	-----	-----	-----	-----
Income from continuing operations before income taxes	88,467	104,405	144,081	142,903	104,297
Income tax expense	(17,290)	(38,982)	(51,096)	(43,541)	
(30,309)					
--	-----	-----	-----	-----	-----
Net income from continuing operations	71,177	65,423	92,985	99,362	73,988
Income (loss) from discontinued operations	6,815	1,532	(295)	(83)	1,457
--	-----	-----	-----	-----	-----
Net income	\$ 77,992	\$ 66,955	\$ 92,690	\$ 99,279	\$ 75,445
75,445	=====	=====	=====	=====	=====
Adjusted weighted average shares (000)	37,048	37,245	38,096	39,605	39,644
Diluted earnings per share	\$ 2.11	\$ 1.80	\$ 2.43	\$ 2.51	\$ 1.90
	=====	=====	=====	=====	=====
BALANCE SHEET DATA					
Cash and cash equivalents	\$ 217,601	\$ 121,862	\$ 100,268	\$ 149,454	\$ 80,568
Current assets	500,347	403,913	405,171	440,746	382,324
Working capital	393,996	302,425	287,322	287,685	239,750
Total assets	987,947	916,065	910,276	904,080	874,694
Current liabilities	106,351	101,488	117,849	153,061	142,574
Debt	18,166	50,973	106,884	149,870	194,549
Stockholders' equity	753,523	672,933	614,105	569,430	502,122
SELECTED OPERATING DATA					
Cash provided by operations	\$ 124,217	\$ 121,453	\$ 120,619	\$ 164,869	\$ 91,508
Capital expenditures	\$ 23,265	\$ 46,624	\$ 62,876	\$ 38,272	\$ 45,639
Number of employees	3,575	3,420	3,965	4,048	4,340
Current ratio	4.7 to 1	4.0 to 1	3.4 to 1	2.9 to 1	2.7 to 1
Return on average equity	10.9%	10.4%	15.7%	18.5%	16.4%
Debt to total capitalization	2.4%	7.0%	14.8%	20.8%	27.9%
Outstanding shares (000)	34,257	33,467	33,358	34,919	35,808
Book value per share	\$ 22.00	\$ 20.11	\$ 18.41	\$ 16.31	\$ 14.02

Historical data has been reclassified to reflect Utah Railway Company and Mueller Europe S.A. as discontinued operations

</TABLE>

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MUELLER INDUSTRIES, INC.
Ten-Year Review (continued)
(Dollars in thousands, except per share data)
<TABLE>
<CAPTION>

	1997	1996	1995	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA					
Net sales	\$ 843,545	\$ 709,850	\$ 670,581	\$ 545,136	\$ 499,542
Cost of goods sold	665,874	555,570	550,846	451,983	407,598
--	-----	-----	-----	-----	-----
Gross profit	177,671	154,280	119,735	93,153	91,944
Depreciation and amortization	19,311	18,317	15,308	12,456	13,917
Selling, general, and administrative expense	60,294	53,670	48,416	43,969	45,589
--	-----	-----	-----	-----	-----
Operating income	98,066	82,293	56,011	36,728	
32,438					
Interest expense	(4,920)	(5,153)	(3,922)	(4,414)	
(3,560)					
Environmental expense	(3,100)	(2,045)	(1,421)	(2,914)	
(1,060)					
Other income (expense), net	7,306	4,125	5,058	3,480	
(353)					
--	-----	-----	-----	-----	-----
Income from continuing operations before income taxes	97,352	79,220	55,726	32,880	27,465
Income tax expense	(28,338)	(23,862)	(16,441)	(9,846)	
(9,956)					
--	-----	-----	-----	-----	-----
Net income from continuing operations	69,014	55,358	39,285	23,034	17,509
Income (loss) from discontinued operations	756	5,815	5,538	4,892	3,627
--	-----	-----	-----	-----	-----
Net income	\$ 69,770	\$ 61,173	\$ 44,823	\$ 27,926	\$
21,136	=====	=====	=====	=====	=====
Adjusted weighted average shares (000)	39,250	38,993	38,298	39,560	41,772
Diluted earnings per share	\$ 1.78	\$ 1.57	\$ 1.17	\$ 0.71	\$ 0.51
	=====	=====	=====	=====	=====
BALANCE SHEET DATA					
Cash and cash equivalents	\$ 69,978	\$ 96,956	\$ 48,357	\$ 34,492	\$ 77,336
Current assets	309,051	274,712	211,038	183,551	194,411
Working capital	208,494	195,756	143,154	116,330	146,981
Total assets	610,776	509,357	450,835	430,755	369,743
Current liabilities	100,557	78,956	67,884	67,221	47,430
Debt	72,093	59,650	75,902	94,736	
62,711					
Stockholders' equity	418,040	348,082	285,875	241,948	222,114
SELECTED OPERATING DATA					
Cash provided by operations	\$ 66,131	\$ 71,631	\$ 49,052	\$ 15,567	\$ 47,432
Capital expenditures	\$ 33,396	\$ 17,182	\$ 40,663	\$ 48,097	\$ 11,010
Number of employees	2,961	2,290	2,227	2,206	1,967
Current ratio	3.1 to 1	3.5 to 1	3.1 to 1	2.7 to 1	4.1 to 1
Return on average equity	18.2%	19.3%	17.0%	12.0%	9.9%
Debt to total capitalization	14.7%	14.6%	21.0%	28.1%	22.0%
Outstanding shares (000)	35,017	34,870	34,699	34,796	38,333
Book value per share	\$ 11.94	\$ 9.98	\$ 8.24	\$ 6.95	\$ 5.79

Historical data has been reclassified to reflect Utah Railway Company and Mueller Europe S.A. as discontinued operations
</TABLE>

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Standard Products Division

The Standard Products Division of Mueller Industries includes nine plants in the U.S. and one in Great Britain that manufacture a wide range of copper tubing and copper and plastic fittings. The products are sold through leading distributors and retailers worldwide.

The Company manufactures copper tubes in sizes from 1/8 inch to 8 inch diameters that are used in residential, commercial, and industrial applications. Mueller's copper and plastic fittings and related components for the plumbing and heating industry are used in water distribution systems,

heating systems, air-conditioning, refrigeration applications, and drainage, waste, and vent systems.

We are the leading supplier of copper tube and fittings to the air-conditioning, compressor, and refrigeration markets. This is a market with specialized distribution channels that differ from the plumbing market. We have developed strong relationships with leading distributors in this market and our products are frequently specified by name in new installations. We have maintained our market position by providing high quality products and leading the market with new innovations.

Mueller acquired the Fort Pierce, Florida operations of Colonial Engineering, Inc. in September 2002, expanding the Company's product line into the pressure plastic (PVC and CPVC) fittings business. This acquisition was a strategic move to broaden the Company's overall product lines and to improve sales opportunities with retail customers and distributors. The markets for pressure plastic fittings include irrigation, potable water, residential, and commercial applications. With the addition of the pressure plastic product lines, Mueller enhanced its market position by becoming a one-stop supplier for a full range of PVC, ABS, and CPVC fittings. We have already been awarded a large volume of plastic fittings business by a major retail customer.

Over the past five years, Mueller has invested over \$150 million in new plant and equipment upgrades in the Standard Products Division. These investments have targeted key areas to reduce costs of production, enhance quality, shorten lead times, and improve customer delivery. A \$40 million modernization of Mueller's U.K. copper tube mill in Bilston was completed in late 2001. The state-of-the-art facility includes continuous casting, drawing machinery, and finishing and packaging equipment. The Bilston investments increase our competitiveness as one of the lowest cost producers in Europe, a growing market for copper tube sold to builders' merchants, plumbing, refrigeration, and heating wholesalers.

With major investments already made in our plants, our continuing focus will be on driving down costs. Our operations are focused on reducing conversion costs, improving yield, and reducing direct labor content to be the low-cost producer in our industry. We are also working more closely with our key customers to be a more valuable strategic partner. This includes programs focused on improved inventory management to meet customer demands and broadened product lines to increase our share of each customer's business. We are driving towards continuous improvement in each of these areas to make Mueller Industries the preferred supplier in our markets.

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Industrial Products Division

Mueller has ten plants in the U.S. that manufacture brass rod, nonferrous forgings, impact extrusions, machined components, refrigeration valves and tubular assemblies, gas valves and manifolds, and drawn tubular products. These Industrial Products Division plants supply OEMs in the plumbing, refrigeration, fluid power, LP gas, heating, appliance, and automotive industries.

Brass Rod - Mueller's brass rod mill employs state-of-the-art casting, extrusion, and finishing equipment to manufacture a broad range of rounds, squares, hexagons, and other special shapes. Significant upgrades in the Company's Port Huron, Michigan plant have resulted in improved quality, higher yield, and shortened delivery times. New equipment has eliminated production bottlenecks and enabled scheduling practices to take advantage of new high speed drawing equipment. Several customers recognized the plant in 2002 for its service levels.

Forgings, Impacts, and Micro Gauge - Brass and aluminum hot forgings, cold-formed aluminum products, and high volume machining operations were combined into a single business unit during 2002 to take advantage of complementary processes and product applications. The new unit experienced significant sales growth of formed and machined components to the automotive industry and other OEMs. New press and machining capabilities were added during the year to improve efficiency and yield.

Gas Products - Mueller has three plants that manufacture valves and assemblies for the gas appliance and barbecue grill markets. Operations at these plants continued to focus on improving manufacturing efficiencies and developing new products and applications.

Refrigeration - Mueller acquired Overstreet-Hughes Company in 2002, adding capabilities in tube forming, welding, and brazing of refrigeration components. This acquisition expands Mueller's product offering in refrigeration and air-conditioning components, and complements the Company's existing product line of valves and custom products.

Precision Tube - The Company makes tubing for a wide array of applications requiring tight tolerances from medical instruments to appliances. This unit focused on improved productivity and enhanced customer service programs during 2002.

Mueller has made significant investments in plant and equipment in its Industrial Products Division and has consolidated key business units to take advantage of manufacturing and marketing synergies. The focus for 2003 will be on continuous process improvements. These programs will focus on enhancing manufacturing capabilities to improve yield, quality, and cycle time.

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OPERATIONAL OVERVIEW

Standard Products Division

Copper Tube

PLANTS:

Fulton, Mississippi
Wynne, Arkansas

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 fittings plants and OEMs
Wholesalers and OEMs

Copper Fittings

PLANTS

Fulton, Mississippi
Covington, Tennessee
Port Huron, Michigan

PRODUCTS AND APPLICATIONS

Over 1,500 wrot copper elbows, tees and adapters, and assorted 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
Fort Pierce, Florida

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

PRODUCTS AND APPLICATIONS

Copper tube in various lengths, diameters, and hardnesses for plumbing, refrigeration, and heating
Industrial tube for redraw, copper fittings, etc.

CUSTOMERS

Builders' merchants, plumbing, refrigeration, and heating wholesalers
OEMs

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Industrial Products Division

Brass Rod

PLANTS

Port Huron, Michigan

PRODUCTS AND APPLICATIONS

A broad range of brass rod 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
 Carthage, Tennessee
 Jacksboro, Tennessee
 Waynesboro, Tennessee
 Middletown, Ohio
 North Wales, Pennsylvania

PRODUCTS AND APPLICATIONS

Brass and aluminum hot forgings in various 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 valves and assemblies for the gas appliance and barbecue grill markets
 Shaped and formed tube, produced to tight tolerances, for baseboard heating, appliances, medical instruments, etc.

CUSTOMERS

OEMs and refrigeration wholesalers

Selected Financial Data

(In thousands, except per share data)

	2002	2001	2000	1999	1998
For the fiscal year:					
Net sales (1)	\$ 952,983	\$ 969,106	\$ 1,157,660	\$ 1,110,361	\$ 854,030
Operating income (1)	85,756	105,529	145,638	145,676	105,455
Net income from continuing operations	71,177	65,423	92,985	99,362	73,988
Diluted earnings per share from continuing operations	1.92	1.76	2.44	2.51	1.87
At year-end:					
Total assets	987,947	916,065	910,276	904,080	874,694
Long-term debt	14,005	46,977	100,975	118,858	174,569

(1) From continuing operations

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 operations are located throughout the United States and in Canada, Mexico, and Great Britain.

The Company's businesses are managed and organized into two segments: (i) Standard Products Division (SPD) and (ii) Industrial Products Division (IPD). SPD manufactures and sells copper tube, and copper and plastic fittings and valves. Outside of the United States, SPD manufactures and sells copper tube in Europe. SPD sells these products to wholesalers in the HVAC (heating, ventilation, and air-conditioning), plumbing and refrigeration markets, to distributors to the manufactured housing and recreational vehicle industries, and to building material retailers. 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.

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 these costs through to its customers. Spreads fluctuate based upon market conditions.

During 2002, the Company sold its wholly owned subsidiary, Utah Railway Company, and initiated steps to sell or liquidate its French manufacturing operations, Mueller Europe S.A. The operations and cash flows of these two businesses have been eliminated from the ongoing operations of the Company, and are reported as discontinued operations.

Results of Operations

2002 Performance Compared with 2001

Consolidated net sales in 2002 were \$953 million, 1.7 percent less than net sales of \$969 million in 2001. Pounds of product sold totaled 694 million in 2002 or 6.8 percent more than the 650 million pounds sold in 2001. This increase in pounds sold was primarily attributable to the brass rod business. 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 2002 was approximately 1.2 percent less than the 2001 average. This change impacted the Company's net sales and cost of goods sold.

Cost of goods sold increased \$4.4 million, to \$745 million in 2002. This increase was attributable to increased volumes. Gross profit was \$208 million or 21.8 percent of net sales in 2002 compared with \$229 million or 23.6 percent of net sales in 2001. The decline in gross profit was due to lower spreads in certain product lines, primarily copper tube.

Depreciation and amortization decreased to \$37.4 million in 2002 from \$39.5 million in 2001. The decrease was due primarily to discontinuing goodwill amortization, totaling \$4.4 million in 2001, in accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets". Selling, general, and administrative expense increased 1.5 percent to \$85.0 million in 2002, reflecting increased volume.

Interest expense decreased to \$1.5 million in 2002 from \$3.3 million in 2001. This decrease was primarily due to debt reductions. No interest was capitalized during 2002, whereas \$1.4 million of interest was capitalized on major capital improvement projects in 2001. Environmental expense totaled \$1.6 million in 2002 compared with \$3.6 million in 2001. Other income remained flat at \$5.8 million in 2002 and 2001.

During 2002, the Company sold its wholly owned subsidiary, Utah Railway Company, to Genessee & Wyoming Inc. Proceeds from the sale were \$55.4 million. The Company recognized a gain of \$21.1 million, net of income taxes of \$11.6 million, from the sale; additionally, the Company realized income tax benefits as discussed below. Also during 2002, the Company initiated steps to sell or liquidate its French manufacturing operations, Mueller Europe S.A. The Company recognized a loss of \$13.4 million, net of \$15.2 million income tax benefit, to write-down the value of the French business to its net realizable value.

Subsequent to year-end, on March 3, 2003, Mueller Europe S.A. filed a petition for liquidation with the Commercial Court of Provins Province, France and, on March 4, the Court declared the entity to be in liquidation. The disposition of remaining assets and obligations of Mueller Europe S.A. is under the jurisdiction of the Court. The Company will recognize operating losses from discontinued operations incurred by Mueller Europe S.A. for the period the business operated during 2003; however, the loss from disposition of the entity was fully provided in 2002.

The Company provided \$17.3 million for income taxes attributable to continuing operations in 2002, of which \$9.7 million was deferred. The sale of Utah Railway Company enabled the Company to utilize previously unrecognized capital loss carryforwards. In accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", the recognition of this capital loss carryforward benefit of \$12.7 million was classified as a reduction to current income taxes on continuing operations. Current income tax expense of \$7.6 million reflects the benefit of recognizing this capital loss carryforward. The 2002 effective tax rate was 19.5 percent while the 2001 rate was 37.3 percent.

The Company's employment at its ongoing operations was approximately 3,600 at the end of 2002. This compares with approximately 3,400 at the 2001 year-end. This increase is attributable to acquisitions.

Standard Products Division

Net sales by SPD were \$679 million in 2002 compared with \$722 million in 2001 for a 6 percent decrease. Operating income was \$79.0 million in 2002 compared with \$105 million in 2001. The decline in operating profit was due to lower spreads in certain product lines, primarily copper tube. In September 2002, the Company acquired certain assets of Colonial Engineering, Inc.'s Fort Pierce, Florida operations. These operations manufacture injected

molded plastic pressure fittings for plumbing, agricultural, and industrial use including a line of PVC Schedule 40 and 80 and CPVC fittings. These operations generated sales of approximately \$15 million in 2001. Total consideration paid was approximately \$14.1 million.

Industrial Products Division

IPD's net sales were \$280 million in 2002 compared with \$252 million in 2001. Operating income was \$20.4 million in 2002 compared with \$17.5 million in 2001. Volume increases were responsible for the increase in current year earnings. In August 2002, the Company acquired 100 percent of the outstanding stock of Overstreet-Hughes, Co., Inc. Overstreet-Hughes, located in Carthage, Tennessee, manufactures precision tubular components and assemblies primarily for the OEM air-conditioning market and had sales in 2001 of approximately \$8 million. Total consideration paid at closing, including assumption of debt, was approximately \$6.3 million. A contingent payment of up to \$2 million will be paid if certain financial targets are achieved.

2001 Performance Compared with 2000

Consolidated net sales in 2001 were \$969 million, 16 percent less than net sales of \$1.16 billion in 2000. Pounds of product sold totaled 650 million in 2001 or 11 percent less than the 732 million pounds sold in 2000. This decrease in pounds sold was a result of the economic slowdown experienced during 2001. The COMEX average copper price in 2001 was approximately 14 percent less than the 2000 average. This change impacted the Company's net sales and cost of goods sold.

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Cost of goods sold decreased \$147 million, to \$740 million in 2001. This decrease was attributable to lower raw material costs, mostly copper, and reduced volumes. Gross profit was \$229 million or 23.6 percent of net sales in 2001 compared with \$270 million or 23.3 percent of net sales in 2000. The decline in gross profit was due to lower volumes and reduced spreads in certain product lines, partially offset by reductions in manufacturing conversion costs.

Depreciation and amortization increased to \$39.5 million in 2001 compared with \$34.0 million in 2000. This increase was due to capital expenditures in recent years. Selling, general, and administrative expense decreased to \$83.8 million in 2001 reflecting lower volume and results of cost containment measures.

Interest expense decreased to \$3.3 million in 2001 from \$8.6 million in 2000. This decrease was due to debt reductions combined with lower borrowing rates. The Company capitalized interest of \$1.4 million for major capital improvement projects in 2001 compared with \$1.2 million in 2000. Environmental expense totaled \$3.6 million in 2001 compared with \$2.0 million in 2000. Other income decreased to \$5.8 million in 2001 from \$9.1 million in 2000, primarily due to less interest income.

The Company provided \$39.0 million for income taxes attributable to continuing operations in 2001, of which \$15.7 million was deferred. Current income tax expense of \$23.2 million decreased from 2000 primarily due to decreased earnings. The 2001 effective tax rate of 37.3 percent compares with the 2000 rate of 35.5 percent.

The Company's employment at its ongoing operations was approximately 3,400 at the end of 2001. This compares with approximately 4,000 at the 2000 year-end.

Standard Products Division

Net sales by SPD were \$722 million in 2001 compared with \$854 million in 2000 for a 15 percent decrease. Operating income was \$105 million in 2001 compared with \$124 million in 2000. During 2001, the Company began moving its line set operations from Clinton, Tennessee, to its Wynne, Arkansas, copper tube mill. Benefits from this move, including reduced in-process inventories and reduced material handling, commenced in 2002. The Company also discontinued manufacturing metric copper fittings at its Strathroy, Ontario, Canada facility. Sales of metric fittings exported into the European market totaled less than \$7 million in 2001. Approximately \$1.2 million was charged to operations in 2001 for the rationalization of these two businesses.

Industrial Products Division

IPD's net sales were \$252 million in 2001 compared with \$307 million in 2000. Operating income was \$17.5 million in 2001 compared with \$30.6 million in 2000. Volume declines, as well as reduced spreads were responsible for the

shortfall in 2001.

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Liquidity and Capital Resources

The Company's cash and cash equivalents balance increased to \$218 million at year-end. Major components of the 2002 change included \$124 million of cash provided by operating activities, \$15.0 million of cash provided by investing activities and \$45.7 million of cash used in financing activities.

Net income from continuing operations of \$71.2 million in 2002 was the primary component of cash provided by operating activities. Depreciation and amortization of \$37.4 million and the income tax benefit from exercise of stock options of \$13.2 million were the primary non-cash adjustments. Major changes in working capital included a \$13.7 million increase in inventories.

During 2002, the Chairman of the Company's Board of Directors, Mr. Harvey L. Karp, exercised options to purchase 1.2 million shares of Company stock. As provided in Mr. Karp's option agreement, the Company withheld the number of shares, at their fair market value, sufficient to cover the minimum withholding taxes incurred by the exercise. These shares withheld have been classified as acquisition of treasury stock on the Company's Consolidated Statement of Cash Flows. The income tax benefit of \$13.2 million from the exercise of stock options was recognized as a direct addition to additional paid-in capital and, therefore, had no effect on the Company's earnings.

The major components of net cash provided by investing activities during 2002 include \$55.4 million of proceeds from the sale of Utah Railway Company, offset by \$23.3 million used for capital expenditures, and \$20.5 million used for business acquisitions. Also during 2002, the Company acquired a 16 percent equity interest in Conbraco Industries, Inc. for \$7.3 million in cash. Conbraco, headquartered in Matthews, North Carolina, is a manufacturer of flow control products including Apollo(r) ball valves, automation products, backflow preventers, butterfly valves, check valves, forged steel products, marine valves, safety relief valves, strainers, and plumbing and heating products for commercial and industrial applications.

Net cash used in financing activities totaled \$45.7 million. During 2002, the Company used \$34.1 million for debt repayments and \$14.8 million to acquire Company stock.

The Company has a \$200 million unsecured line-of-credit (Credit Facility) which expires in November 2003. At year-end, the Company had no borrowings against the Credit Facility. Approximately \$6.6 million in letters of credit were backed by the Credit Facility at the end of 2002. At December 28, 2002, the Company's total debt was \$18.2 million or 2.4 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.

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The Company's major capital projects were substantially complete in 2001, including casting facilities at the Company's brass rod mill, modernization of the European copper tube mill, and installation of an additional extrusion press at the Company's Fulton, Mississippi copper tube mill. The Company expects to invest between \$30 and \$35 million for capital projects during 2003.

Contractual cash obligations of the Company at December 28, 2002 included the following:

<TABLE>
(In millions)
<CAPTION>

Payments Due by Year
2004- 2006-

<S>	Total	2003	2005	2007	Thereafter
<C>	<C>	<C>	<C>	<C>	<C>
Long-term debt, including capital lease obligations	\$ 18.2	\$ 4.2	\$ 3.0	\$ 0.7	\$ 10.3
Operating leases	14.5	4.0	6.1	3.4	1.0
	-----	-----	-----	-----	-----
Total contractual cash obligations	\$ 32.7	\$ 8.2	\$ 9.1	\$ 4.1	\$ 11.3
	=====	=====	=====	=====	=====

</TABLE>

The Company has no off-balance sheet financing arrangements except for the operating leases identified above.

Fluctuations in the cost of copper and other raw materials affect the Company's liquidity. Changes in material costs directly impact components of working capital, primarily inventories and accounts receivable.

Management believes that cash provided by operations and currently available cash of \$218 million will be adequate to meet the Company's normal future capital expenditure and operational needs. The Company's current ratio was 4.7 to 1 at December 28, 2002.

In 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 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. During 2002, the authorization was extended through October 2003. The Company has 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 28, 2002, the Company had repurchased approximately 2.4 million shares under this authorization.

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Environmental Matters

The Company ended 2002 with total environmental reserves of approximately \$9.1 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 interest rates, foreign currency exchange, 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 for derivative instruments and hedging activities is included in the Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements.

Interest Rates

At December 28, 2002 and December 29, 2001, the fair value of the Company's debt was estimated at \$19.2 million and \$51.9 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 28, 2002 by \$1.0 million and at December 29, 2001 by \$0.9 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 \$0.3 million at December 28, 2002 and \$0.5 million at December 29, 2001.

The Company had \$0.2 million of variable-rate debt outstanding at December 28, 2002 and \$30.3 million outstanding at December 29, 2001. At these borrowing levels, a hypothetical 10 percent increase in interest rates would have had an insignificant unfavorable impact on the Company's pretax earnings and cash flows. 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. Gains and losses with respect to these positions are deferred in stockholders' equity as a component of comprehensive income and reflected in earnings upon collection of receivables. At year-end, the Company had no open forward contracts to exchange foreign currencies.

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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 Euro, 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 in foreign subsidiaries translated into U.S. dollars using the year-end exchange rates was \$73.6 million at December 28, 2002 and \$115 million at December 29, 2001. 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 28, 2002 and December 29, 2001 amounted to \$7.6 million and \$11.5 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 component of the Company's variable costs 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 forward contracts to hedge risks associated with forward fixed-price arrangements. The Company may also utilize forward contracts to manage price risk associated with inventory. Gains or losses with respect to these positions are deferred in stockholders' equity as a component of comprehensive income and 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 forward contracts to purchase approximately \$0.9 million of copper over the next 12 months.

Futures contracts may also be used to manage price risk associated with natural gas purchases. Gains and losses with respect to these positions are deferred in stockholders' equity as a component of comprehensive income and 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 \$0.6 million of natural gas over the next 3 months.

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Critical Accounting Policies and Estimates

The Company's Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States. Application of these principles requires the Company to make estimates and judgments that affect the amounts reported in the Consolidated Financial Statements. Management believes the most complex and sensitive judgments, because of their significance to the Consolidated Financial

Statements, result primarily from the need to make estimates about the effects of matters which are inherently uncertain. The accounting policies that are most critical to aid in understanding and evaluating the results of operations and financial position of the Company include the following:

Inventory Valuation

Inventories are valued at the lower of cost or market. The most significant component of the Company's inventory is copper. Open market prices and the mix of cathode and scrap purchases determine the cost of copper for the Company. Open market prices are subject to volatility. During periods when open market prices decline, the Company may need to provide an allowance to reduce the carrying value of its inventory. In order to provide such an allowance, the Company must estimate the market price of scrap purchases as well as the mix of cathode and scrap in its raw material, WIP, and finished goods inventory. Changes in the Company's estimates of either the market price of scrap inventory or the mix of cathode and scrap in its raw material, WIP, and finished goods inventory, may result in a materially adverse or positive impact on its reported financial position or results of operations. In addition, certain items in inventory may be considered obsolete and, as such, the Company may establish an allowance to reduce the carrying value of those items to their net realizable value. Accordingly, the Company would estimate both the volume of obsolete inventory as well as the net realizable value of the obsolete inventory. Changes in the Company's estimates of either the volume or the net realizable value of its obsolete inventory may result in a materially adverse or positive impact on its reported financial position or results of operations. The Company recognizes the impact of any changes in estimates, assumptions, and judgments in income in the period in which it is determined.

Deferred Taxes

Deferred tax assets and liabilities are recognized on the difference between the financial statement and the tax law treatment of certain items. Realization of certain components of deferred tax assets is dependent upon the occurrence of future events. The Company records a valuation allowance to reduce its deferred tax asset to the amount it believes is more likely than not to be realized. These valuation allowances can be impacted by changes in tax laws, changes to statutory tax rates, and future taxable income levels and are based on the Company's judgment, estimates, and assumptions regarding those future events. In the event the Company were to determine that it would not be able to realize all or a portion of the net deferred tax assets in the future, the Company would increase the valuation allowance through a charge to income in the period that such determination is made. Conversely, if the Company were to determine that it would be able to realize its deferred tax assets in the future, in excess of the net carrying amounts, the Company would decrease the recorded valuation allowance through an increase to income in the period that such determination is made.

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Environmental Reserves

The Company recognizes an environmental liability when it is probable the liability exists and the amount is reasonably estimable. The Company estimates the duration and extent of its remediation obligations based upon reports of outside consultants, internal analyses of clean-up costs and ongoing monitoring, communications with regulatory agencies, and changes in environmental law. If the Company's estimates of the duration or extent of its environmental obligations changes, the Company would adjust its environmental liabilities accordingly in the period that such change in estimates are made.

Allowance for Doubtful Accounts

The Company provides an allowance for receivables it believes it may not collect in full. It evaluates the collectibility of its accounts based on a combination of factors. In circumstances where it is aware of a specific customer's inability to meet its financial obligations (i.e., bankruptcy filings or substantial down-grading of credit ratings), it records a specific reserve for bad debts against amounts due to reduce the net recognized receivable to the amount it reasonably believes will be collected. For all other customers, the Company recognizes reserves for bad debts based on its historical collection experience. If circumstances change (i.e., higher than expected defaults or an unexpected material adverse change in a major customer's ability to meet its financial obligations), the Company's estimates of the recoverability of amounts due could be reduced by a material amount.

Recently Issued Accounting Standards

The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143), in June 2001. SFAS No. 143 applies to legal obligations associated with the retirement of certain tangible long-lived assets. This statement is effective for fiscal years beginning after June 15, 2002. The adoption of SFAS No. 143 will not have a significant effect on

earnings or the financial position of the Company.

In September 2002, Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities", was issued. This statement provides guidance on the recognition and measurement of liabilities associated with exit or disposal activities and requires that such liabilities be recognized when incurred. This statement is effective for exit and disposal activities initiated on or after January 1, 2003 and does not impact recognition of costs under the Company's existing program. Adoption of this standard may impact the timing of recognition of costs, if any, associated with future exit and disposal activities.

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In November 2002, FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others", was issued. The interpretation provides guidance on the guarantor's accounting and disclosure requirements for guarantees, including indirect guarantees of indebtedness of others. The Company has adopted the disclosure requirements of the interpretation as of December 28, 2002. The accounting guidelines are applicable to guarantees issued after December 28, 2002 and require that the Company record a liability for the fair value of such guarantees in the balance sheet. The adoption of this interpretation will not have a significant effect on earnings or the financial position of the Company.

In January 2003, FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46), was issued. The interpretation provides guidance on consolidating variable interest entities and applies immediately to variable interest entities created after January 31, 2003. The guidelines of the interpretation will become applicable for the Company in its third quarter 2003 financial statements for variable interest entities created before February 1, 2003. The interpretation requires variable interest entities to be consolidated if the equity investment at risk is not sufficient to permit an entity to finance its activities without support from other parties or the equity investors lack certain specified characteristics. The adoption of FIN 46 will not have an 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, the Company 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) continuation of the strong domestic housing and commercial construction industry environment; (iii) fluctuations in commodity prices (including prices of copper and other raw materials); (iv) competitive factors and competitor responses to the Company's 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.

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

	2002	2001	2000
<S>	<C>	<C>	<C>
Net sales	\$ 952,983	\$ 969,106	\$1,157,660
Cost of goods sold	744,781	740,366	887,635
Gross profit	208,202	228,740	270,025
Depreciation and amortization	37,440	39,461	34,043
Selling, general, and administrative expense	85,006	83,750	90,344
Operating income	85,756	105,529	145,638
Interest expense	(1,460)	(3,311)	(8,623)
Environmental expense	(1,639)	(3,600)	(2,049)
Other income, net	5,810	5,787	9,115
Income from continuing operations before income taxes	88,467	104,405	144,081
Income tax expense	(17,290)	(38,982)	(51,096)
Income from continuing operations	71,177	65,423	92,985
Discontinued operations, net of income taxes:			
Income (loss) from operation of discontinued operations	(886)	1,532	(295)
Gain on disposition of discontinued operations	7,701	-	-
Net income	\$ 77,992	\$ 66,955	\$ 92,690

See accompanying notes to consolidated financial statements.

</TABLE>

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Mueller Industries, Inc.
Consolidated Statements of Income (continued)
Years Ended December 28, 2002, December 29, 2001, and December 30, 2000

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

	2002	2001	2000
<S>	<C>	<C>	<C>
Weighted average shares for basic earnings per share	33,993	33,409	34,305
Effect of dilutive stock options	3,055	3,836	3,791
Adjusted weighted average shares for diluted earnings per share	37,048	37,245	38,096
Basic earnings (loss) per share:			
From continuing operations	\$ 2.09	\$ 1.96	\$ 2.71
From discontinued operations	(0.03)	0.04	(0.01)
From gain on disposition of discontinued operations	0.23	-	-
Basic earnings per share	\$ 2.29	\$ 2.00	\$ 2.70
Diluted earnings (loss) per share:			
From continuing operations	\$ 1.92	\$ 1.76	\$ 2.44
From discontinued operations	(0.02)	0.04	(0.01)

From gain on disposition of discontinued operations	0.21	-	-
	-----	-----	-----
Diluted earnings per share	\$ 2.11	\$ 1.80	\$ 2.43
	=====	=====	=====

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

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Mueller Industries, Inc.
Consolidated Balance Sheets
As of December 28, 2002 and December 29, 2001
<TABLE>
(In thousands)
<CAPTION>

<S>	2002 <C>	2001 <C>
Assets		
Current assets		
Cash and cash equivalents	\$ 217,601	\$ 121,862
Accounts receivable, less allowance for doubtful accounts of \$6,443 in 2002 and \$6,573 in 2001	132,427	148,808
Inventories	142,953	126,629
Current deferred income taxes	4,506	2,654
Other current assets	2,860	3,960
	-----	-----
Total current assets	500,347	403,913
Property, plant, and equipment, net	352,469	387,533
Goodwill, net	105,551	98,749
Other assets	29,580	25,870
	-----	-----
Total Assets	\$ 987,947	\$ 916,065
	=====	=====

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

Mueller Industries, Inc.
 Consolidated Balance Sheets (continued)
 As of December 28, 2002 and December 29, 2001
 <TABLE>
 (In thousands, except share data)
 <CAPTION>

<S>	2002 <C>	2001 <C>
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 4,161	\$ 3,996
Accounts payable	41,004	34,209
Accrued wages and other employee costs	26,199	21,349
Other current liabilities	34,987	41,934
	-----	-----
Total current liabilities	106,351	101,488
Long-term debt, less current portion	14,005	46,977
Pension liabilities	22,364	9,564
Postretirement benefits other than pensions	13,186	13,182
Environmental reserves	9,110	9,203
Deferred income taxes	59,269	51,768
Other noncurrent liabilities	9,718	10,679
	-----	-----
Total liabilities	234,003	242,861
	-----	-----
Minority interest in subsidiaries	421	271
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; outstanding 34,257,419 in 2002 and 33,466,512 in 2001	401	401
Additional paid-in capital, common	258,939	261,647
Retained earnings	610,114	532,122
Accumulated other comprehensive loss	(21,133)	(22,038)
Treasury common stock, at cost	(94,798)	(99,199)
	-----	-----
Total stockholders' equity	753,523	672,933
	-----	-----
Commitments and contingencies	-	-
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 987,947	\$ 916,065
	=====	=====

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

Mueller Industries, Inc.
 Consolidated Statements of Cash Flows
 Years Ended December 28, 2002, December 29, 2001, and December 30, 2000
 <TABLE>
 (In thousands)
 <CAPTION>

<S>	2002 <C>	2001 <C>	2000 <C>
Operating activities:			
Net income from continuing operations	\$ 71,177	\$ 65,423	\$ 92,985
Reconciliation of net income from continuing operations to net cash provided by operating activities:			
Depreciation	36,979	34,539	29,345
Amortization	461	4,922	4,698
Income tax benefit from exercise of stock options	13,243	356	1,402
Deferred income taxes	9,686	15,737	8,187
Provision for doubtful accounts receivable	374	526	586
Minority interest in subsidiaries, net of dividend paid	150	(26)	(57)

Gain on disposal of properties	(485)	(249)	(413)
Changes in assets and liabilities, net of businesses acquired:			
Receivables	6,021	1,293	13,851
Inventories	(13,744)	13,778	(21,993)
Other assets	(4,154)	1,534	464
Current liabilities	3,683	(14,591)	(3,725)
Other liabilities	(91)	(585)	(1,014)
Other, net	917	(1,204)	(3,697)
	-----	-----	-----
Net cash provided by operating activities	124,217	121,453	120,619
	-----	-----	-----
Investing activities:			
Proceeds from sale of Utah Railway Company	55,403	-	-
Capital expenditures	(23,265)	(46,624)	(62,876)
Acquisition of businesses	(20,457)	-	(15,245)
Proceeds from sales of properties	8,165	2,715	683
Purchase of Conbraco Industries, Inc. common stock	(7,320)	-	-
Escrowed IRB proceeds	2,445	(2,515)	-
	-----	-----	-----
Net cash provided by (used in) investing activities	14,971	(46,424)	(77,438)
	-----	-----	-----

See accompanying notes to consolidated financial statements.

</TABLE>

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Mueller Industries, Inc.
Consolidated Statements of Cash Flows (continued)
Years Ended December 28, 2002, December 29, 2001, and December 30, 2000

<TABLE>

(In thousands)

<CAPTION>

	2002	2001	2000
<S>	<C>	<C>	<C>
Financing activities:			
Repayments of long-term debt	\$ (34,119)	\$ (65,911)	\$ (132,986)
Acquisition of treasury stock	(14,754)	-	(48,411)
Proceeds from the sale of treasury stock	3,204	1,729	2,708
Proceeds from issuance of long-term debt	-	10,000	90,000
	-----	-----	-----
Net cash used in financing activities	(45,669)	(54,182)	(88,689)
	-----	-----	-----
Effect of exchange rate changes on cash	719	(1,084)	(844)
	-----	-----	-----
Increase (decrease) in cash and cash equivalents	94,238	19,763	(46,352)
Cash provided by (used in) discontinued operations	1,501	1,831	(2,834)
Cash and cash equivalents at the beginning of the year	121,862	100,268	149,454
	-----	-----	-----
Cash and cash equivalents at the end of the year	\$ 217,601	\$ 121,862	\$ 100,268
	=====	=====	=====

For supplemental disclosures of cash flow information, see
Notes 1, 5, 7, and 13.

See accompanying notes to consolidated financial statements.

</TABLE>

Mueller Industries, Inc.
 Consolidated Statements of Stockholders' Equity
 Years Ended December 28, 2002, December 29, 2001, and December 30, 2000
 (In thousands)

<TABLE>
 <CAPTION>

	Common Stock Number of Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Number of Shares	Treasury Stock Cost
Total	<C>	<C>	<C>	<C>	<C>	<C>	<C>
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 loss:							
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							
Comprehensive income:							
Net income	-	-	-	66,955	-	-	-
- 66,955							
Other comprehensive							
income (loss):							
Foreign currency translation	-	-	-	-	(4,564)	-	-
- (4,564)							
Minimum pension liability							
adjustment, net of							
applicable income tax	-	-	-	-	(4,370)	-	-
benefit of \$1,165							
- (4,370)							
Cumulative effect of change							
in accounting for							
derivative financial							
instruments, net of							
applicable income taxes	-	-	-	-	122	-	-
of \$75							
- 122							
Change in fair value of							
derivatives, net of							
applicable income tax	-	-	-	-	(2,306)	-	-
benefit of \$1,414							
- (2,306)							

See accompanying notes to consolidated financial statements.

</TABLE>

Mueller Industries, Inc.
 Consolidated Statements of Stockholders' Equity (continued)
 Years Ended December 28, 2002, December 29, 2001, and December 30, 2000
 (In thousands)

<TABLE>
 <CAPTION>

	Common Stock Number of Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Number of Shares	Stock Cost
Total	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<S>							
<C>							
Losses reclassified into earnings from other comprehensive income, net of applicable income tax benefit of \$556	-	-	-	-	906	-	-
- 906							

Comprehensive income							
56,743							
Issuance of shares under incentive stock option plan	-	-	312	-	-	(109)	
1,417 1,729							
Tax benefit related to employee stock options	-	-	356	-	-	-	
- 356							

Balance, December 29, 2001	40,092	401	261,647	532,122	(22,038)	6,625	(99,199)
672,933							
Comprehensive income:							
Net income	-	-	-	77,992	-	-	
- 77,992							
Other comprehensive income (loss):							
Foreign currency translation	-	-	-	-	10,706	-	
- 10,706							
Minimum pension liability adjustment, net of applicable income taxes of \$1,153	-	-	-	-	(12,747)	-	
- (12,747)							
Change in fair value of derivatives, net of applicable income tax benefit of \$386	-	-	-	-	(630)	-	
- (630)							
Losses reclassified into earnings from other comprehensive income, net of applicable income tax benefit of \$685	-	-	-	-	3,576	-	
- 3,576							

Comprehensive income							
78,897							
Issuance of shares under incentive stock option plan	-	-	(15,951)	-	-	(1,247)	
19,155 3,204							
Repurchase of common stock	-	-	-	-	-	456	
(14,754) (14,754)							
Tax benefit related to employee stock options	-	-	13,243	-	-	-	
- 13,243							

Balance, December 28, 2002	40,092	\$ 401	\$ 258,939	\$ 610,114	\$ (21,133)	5,834	\$ (94,798)
\$ 753,523							
=====							

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. Mueller's operations are located throughout the United States and in Canada, Mexico, and Great Britain.

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 of buildings, machinery, and equipment 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.

Goodwill and Other Intangible Assets

Goodwill represents cost in excess of fair values assigned to the underlying net assets of acquired businesses, and was historically amortized using the straight-line method over 20 to 25 years. Effective July 1, 2001, the Company adopted the provisions of Statements of Financial Accounting Standards No. 141, "Business Combinations" (SFAS No. 141), and No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142), applicable to business combinations completed after June 30, 2001. In accordance with these standards, goodwill acquired after June 30, 2001 is not amortized.

At the beginning of 2002, the remaining provisions of SFAS No. 142 were effective for the Company. This standard describes the accounting for intangible assets and goodwill subsequent to initial recognition. Under this standard, goodwill and intangible assets deemed to have indefinite lives are no longer subject to amortization. Therefore, amortization of goodwill ceased at the end of 2001. All other intangible assets are amortized over their estimated useful lives. Goodwill is subject to impairment testing using the guidance and criteria described in the standard. This testing compares carrying values to fair values and, when appropriate, the carrying value of these assets is required to be reduced to fair value.

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Prior to the adoption of SFAS No. 142, the Company evaluated potential impairment of goodwill on an ongoing basis and of other intangible assets when appropriate. This evaluation compared the carrying value of assets to the sum of the undiscounted expected future cash flows. If an asset's carrying value exceeded the expected cash flows, the asset would be written-down to fair value.

Revenue Recognition

Revenue is recognized when products are shipped. The Company classifies the cost of shipping its product to customers as a component of cost of goods sold.

Stock-Based Compensation

The Company accounts for its stock-based compensation plans 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. No stock-based employee compensation expense is reflected in net income 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. The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123), to stock-based employee compensation.

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

	2002	2001	2000
<S>	<C>	<C>	<C>
Net income	\$ 77,992	\$ 66,955	\$ 92,690
SFAS No. 123 pro forma compensation expense, net of income taxes	(2,485)	(1,991)	(2,257)
	-----	-----	-----
SFAS No. 123 pro forma net income	\$ 75,507	\$ 64,964	\$ 90,433
	=====	=====	=====
Pro forma earnings per share:			
Basic	\$ 2.22	\$ 1.94	\$ 2.64
Diluted	\$ 2.04	\$ 1.75	\$ 2.39
Earnings per share, as reported:			
Basic	\$ 2.29	\$ 2.00	\$ 2.70
Diluted	\$ 2.11	\$ 1.80	\$ 2.43

</TABLE>

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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" (SFAS No. 109).

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 28, 2002 and December 29, 2001, temporary investments consisted of certificates of deposit, commercial paper, bank repurchase agreements, and U.S. and foreign government securities totaling \$219.7 million and \$122.1 million, respectively.

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.

At December 28, 2002, the Company held open forward commitments to purchase approximately \$0.9 million of copper in the next 12 months and approximately \$0.6 million of natural gas in the next 3 months.

Derivative Instruments and Hedging Activities

Effective at the beginning of fiscal 2001, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133), as amended by Statement of Financial Accounting Standards No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" (SFAS No. 138), which requires that all derivative instruments be reported on the balance sheet at fair value and establishes criteria for designation and effectiveness of hedging relationships. The cumulative effect of adopting SFAS No. 133 and SFAS No. 138 as of the beginning of fiscal 2001 was not material to the Company's Consolidated Financial Statements. The amounts of gains and losses reported in accumulated other comprehensive loss upon adoption of SFAS No. 133 and SFAS No. 138 that were reclassified into earnings during the 12 months

following the adoption were also not material to the Company's Consolidated Financial Statements.

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The Company has utilized forward contracts to manage the volatility related to purchases of copper and natural gas, and sales denominated in foreign currencies. In addition, the Company has reduced its exposure to increases in interest rates by entering into an interest rate swap contract. These contracts have been designated as cash flow hedges. In accordance with SFAS No. 133, the Company has recorded the fair value of these contracts in the Consolidated Balance Sheets. The related gains and losses on the contracts are deferred in stockholders' equity as a component of comprehensive income. With respect to the copper and natural gas contracts, deferred gains and losses are recognized in cost of goods sold in the period in which the related sales or consumption of the commodities are recognized. Deferred gains and losses on foreign currency contracts are recognized in selling, general, and administrative expense in the period in which the foreign sales are collected. Deferred gain or loss on the interest rate swap contract is recognized in interest expense in the period in which the related interest payment being hedged is expensed. As of December 28, 2002, the Company expects to reclassify \$0.2 million of net losses on derivative instruments from accumulated other comprehensive loss into earnings during the next 12 months. To the extent that the changes in the fair value of the contracts do not perfectly offset the changes in the present value of the hedged transactions, that ineffective portion is immediately recognized in earnings. Gains and losses recognized by the Company in 2002 related to the ineffective portion of its hedging instruments, as well as gains and losses related to the portion of the hedging instruments excluded from the assessment of hedge effectiveness, were not material to the Company's Consolidated Financial Statements. Should these contracts no longer meet hedge criteria in accordance with SFAS No. 133, either through lack of effectiveness or because the hedged transaction is not probable of occurring, all deferred gains and losses related to the hedge will be immediately reclassified from accumulated other comprehensive loss into earnings.

Prior to the adoption of SFAS No. 133, the Company also used copper, natural gas, and foreign currency forward contracts for hedging purposes. Unrealized gains and losses on these contracts were not recognized in income. Realized gains and losses were recognized when the related operating revenue or expense was recognized. The Company executes derivative contracts with counterparties that expose the Company to credit risk in the event of non-performance. Management considers the exposure to be minimal due to the historical limited use of derivative contracts.

Fair Value of Financial Instruments

The carrying amounts for cash and cash equivalents, accounts receivable, and accounts payable approximate fair value due to the short-term maturity of these instruments. Using a discounted cash flow analysis, the fair value of the Company's long-term debt instruments exceeded their carrying value by \$1.0 million and \$0.9 million at December 28, 2002 and December 29, 2001, respectively, based on the estimated current incremental borrowing rates for similar types of borrowing arrangements. The fair value of the Company's interest rate swap contract was approximately \$(1.3) million at December 28, 2002. This value represents the estimated amount the Company would need to pay if such contract is terminated before maturity, principally resulting from market interest rate decreases. The contracted rates on committed forward contracts do not exceed the market rates for similar term contracts at December 28, 2002. The Company estimates the fair value of contracts by obtaining quoted market prices.

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Fair value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

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 in stockholders' equity as a component of comprehensive income. 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

The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143), in June 2001. SFAS No. 143 applies to legal obligations associated with the retirement of certain tangible long-lived assets. This statement is effective for fiscal years beginning after June 15, 2002. The adoption of SFAS No. 143 will not have a significant effect on earnings or the financial position of the Company.

In September 2002, Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities", was issued. This statement provides guidance on the recognition and measurement of liabilities associated with exit or disposal activities and requires that such liabilities be recognized when incurred. This statement is effective for exit and disposal activities initiated on or after January 1, 2003 and does not impact recognition of costs under the Company's existing program. Adoption of this standard may impact the timing of recognition of costs, if any, associated with future exit and disposal activities.

In November 2002, FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others", was issued. The interpretation provides guidance on the guarantor's accounting and disclosure requirements for guarantees, including indirect guarantees of indebtedness of others. The Company has adopted the disclosure requirements of the interpretation as of December 28, 2002. The accounting guidelines are applicable to guarantees issued after December 28, 2002 and require that the Company record a liability for the fair value of such guarantees in the balance sheet. The adoption of this interpretation will not have a significant effect on earnings or the financial position of the Company.

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In January 2003, FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46), was issued. The interpretation provides guidance on consolidating variable interest entities and applies immediately to variable interest entities created after January 31, 2003. The guidelines of the interpretation will become applicable for the Company in its third quarter 2003 financial statements for variable interest entities created before February 1, 2003. The interpretation requires variable interest entities to be consolidated if the equity investment at risk is not sufficient to permit an entity to finance its activities without support from other parties or the equity investors lack certain specified characteristics. The adoption of FIN 46 will not have an effect on earnings or the financial position of the Company.

Reclassifications

Certain amounts in the 2001 and 2000 Consolidated Financial Statements have been reclassified to conform to the 2002 presentation.

Note 2 - Inventories

<TABLE>
(In thousands)
<CAPTION>

	2002	2001
<S>	<C>	<C>
Raw material and supplies	\$ 22,692	\$ 28,185
Work-in-process	21,477	16,346
Finished goods	98,784	82,098
	-----	-----
Inventories	\$ 142,953	\$ 126,629
	=====	=====

</TABLE>

Inventories valued using the LIFO method totaled \$37.2 million at December 28, 2002 and \$33.7 million at December 29, 2001. At December 28, 2002 and December 29, 2001, the FIFO cost of such inventories approximates the LIFO values.

Note 3 - Property, Plant, and Equipment, Net

<TABLE>
(In thousands)

<CAPTION>

	2002	2001
<S>	<C>	<C>
Land and land improvements	\$ 11,742	\$ 9,266
Buildings	82,931	83,125
Machinery and equipment	444,570	458,898
Construction in progress	13,618	26,748
	-----	-----
	552,861	578,037
Less accumulated depreciation	(200,392)	(190,504)
	-----	-----
Property, plant, and equipment, net	\$ 352,469	\$ 387,533
	=====	=====

</TABLE>

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Note 4 - Goodwill

Effective at the beginning of 2002, the Company ceased the amortization of goodwill in accordance with SFAS No. 142. A reconciliation of reported net income and earnings per share to pro forma net income and earnings per share that would have resulted if SFAS No. 142 had been adopted at the beginning of 2000 is as follows:

<TABLE>

(In thousands, except per share data)

<CAPTION>

	2002	2001	2000
<S>	<C>	<C>	<C>
Net income	\$ 77,992	\$ 66,955	\$ 92,690
Goodwill amortization, net of tax	-	3,849	4,593
	-----	-----	-----
Pro forma net income	\$ 77,992	\$ 70,804	\$ 97,283
	=====	=====	=====
Pro forma earnings per share:			
Basic	\$ 2.29	\$ 2.12	\$ 2.83
Diluted	\$ 2.11	\$ 1.90	\$ 2.55
Earnings per share, as reported:			
Basic	\$ 2.29	\$ 2.00	\$ 2.70
Diluted	\$ 2.11	\$ 1.80	\$ 2.43

</TABLE>

The changes in the carrying amount of goodwill during the year ended December 28, 2002 were as follows:

<TABLE>

(In thousands)

<CAPTION>

	Standard Products Division	Industrial Products Division	Total
<S>	<C>	<C>	<C>
Balance at December 29, 2001	\$ 90,249	\$ 8,500	\$ 98,749
Goodwill acquired during the year	4,610	2,192	6,802
	-----	-----	-----
Balance at December 28, 2002	\$ 94,859	\$ 10,692	\$ 105,551
	=====	=====	=====

</TABLE>

Goodwill is subject to impairment testing as required under SFAS No. 142. As of December 28, 2002, the Company was not required to recognize any goodwill impairment. There can be no assurance that goodwill impairment will not occur in the future.

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Note 5 - Long-Term Debt

<TABLE>

(In thousands)

<CAPTION>

	2002	2001
<S>	<C>	<C>
Line-of-credit at floating rate, matures November 2003	\$ -	\$ 30,000

2001 Series IRBs with interest at 6.63%, due 2021	10,000	10,000
1997 Series IRBs with interest at 7.39%, due through 2014	6,625	10,125
1997 Series IRBs with interest at 3.2%, due through 2003	200	545
Other, including capitalized lease obligations	1,341	303
	-----	-----
	18,166	50,973
Less current portion of long-term debt	(4,161)	(3,996)
	-----	-----
Long-term debt	\$ 14,005	\$ 46,977
	=====	=====

</TABLE>

The Company has a Credit Agreement (the Agreement) with a syndicate of five 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 December 28, 2002, the premium was 25 basis points. 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 ratio. 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. Availability of funds under the Credit Facility is reduced by the amount of certain outstanding letters of credit, which totaled approximately \$6.6 million at December 28, 2002.

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.

On February 13, 2001, the Company, through a wholly owned subsidiary, issued \$10 million of 2001 Series IRBs. The Company entered into an interest rate swap agreement, which fixes the interest rate at 6.63 percent for seven years. Subsequent to the seven-year period, the rate will convert to LIBOR plus .90 percent. The IRBs call for quarterly interest payments through March 1, 2011 and for quarterly principal payments of \$250 thousand plus interest from June 1, 2011 to March 1, 2021.

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Aggregate annual maturities of the Company's debt are \$4.2 million, \$2.7 million, \$0.3 million, \$0.4 million, and \$0.3 million for the years 2003 through 2007 respectively, and \$10.3 million thereafter. Interest paid in 2002, 2001, and 2000 was \$1.6 million, \$5.5 million, and \$10.6 million, respectively. During 2001 and 2000, the Company capitalized interest of \$1.4 million and \$1.2 million, respectively, related to its major capital improvement programs. No interest was capitalized in 2002.

The Company has guarantees which are letters of credit issued by the Company generally to guarantee the payment of insurance deductibles and retiree health benefits. The terms of the Company's guarantees are generally one year but are renewable annually as required. The maximum potential amount of future payments the Company could be required to make under its guarantees at December 28, 2002 is \$6.6 million.

Note 6 - Stockholders' Equity

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 \$.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.

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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 through open market transactions or through privately negotiated transactions. During 2000, this authorization was expanded to purchase up to 10 million shares. During 2002, this authorization was extended through October 2003. The Company has 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 28, 2002, the Company had repurchased approximately 2.4 million shares under this authorization.

Components of accumulated other comprehensive loss are as follows:

	2002	2001
	<C>	<C>
Cumulative foreign currency translation adjustment	\$ (3,226)	\$ (16,390)
Minimum pension liability, net of income tax	(17,117)	(4,370)
Unrealized derivative losses, net of income tax	(790)	(1,278)
	-----	-----
Accumulated other comprehensive loss	\$ (21,133)	\$ (22,038)
	=====	=====

Note 7 - Income Taxes

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

	2002	2001	2000
	<C>	<C>	<C>
Domestic	\$ 90,667	\$ 114,984	\$ 148,642
Foreign	(2,200)	(10,579)	(4,561)
	-----	-----	-----
Income from continuing operations before income taxes	\$ 88,467	\$ 104,405	\$ 144,081
	=====	=====	=====

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Income tax expense attributable to continuing operations consists of the following:

<TABLE>
(In thousands)
<CAPTION>

	2002	2001	2000
<S>	<C>	<C>	<C>
Current tax expense:			
Federal	\$ 6,917	\$ 21,532	\$ 40,387
Foreign	287	595	816
State and local	400	1,118	1,706
	-----	-----	-----
Current tax expense	7,604	23,245	42,909
	-----	-----	-----
Deferred tax expense:			
Federal	9,215	15,032	7,687
Foreign	137	(54)	-
State and local	334	759	500
	-----	-----	-----
Deferred tax expense	9,686	15,737	8,187
	-----	-----	-----
Income tax expense	\$ 17,290	\$ 38,982	\$ 51,096
	=====	=====	=====

</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.

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 from continuing operations before income taxes is reconciled as follows:

<TABLE>
(In thousands)
<CAPTION>

	2002	2001	2000
<S>	<C>	<C>	<C>
Expected income tax expense	\$ 30,964	\$ 36,542	\$ 50,429
State and local income tax, net of federal benefit	594	1,542	1,500
Foreign income taxes	1,330	3,657	2,136
Valuation allowance	(14,928)	(284)	(3,923)
Other, net	(670)	(2,475)	954
	-----	-----	-----
Income tax expense	\$ 17,290	\$ 38,982	\$ 51,096
	=====	=====	=====

</TABLE>

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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>

	2002	2001
<S>	<C>	<C>
Deferred tax assets:		
Accounts receivable	\$ 1,806	\$ 1,880
Inventories	1,560	1,628
Pension, OPEB, and accrued items	10,531	11,078
Other reserves	7,905	7,365
Net operating loss carryforwards	22,043	31,775
Capital loss carryforwards	2,575	17,500
Foreign tax credits	-	95
Alternative minimum tax credit carryforwards	4,026	4,243
Other	398	3,207
	-----	-----
Total deferred tax assets	50,844	78,771
Less valuation allowance	(33,030)	(58,535)
	-----	-----

Deferred tax assets, net of

valuation allowance	17,814	20,236
	-----	-----
Deferred tax liabilities:		
Property, plant, and equipment	70,356	67,396
Other	2,221	1,954
	-----	-----
Total deferred tax liabilities	72,577	69,350
	-----	-----
Net deferred tax liability	\$ (54,763)	\$ (49,114)
	=====	=====

</TABLE>

As of December 28, 2002, the Company had recognized domestic net operating loss carryforwards (NOLs) of \$32.7 million, of which \$25.9 million expire in 2005 and \$6.8 million expire in 2006. During 2000, the Company recognized \$3.8 million of NOL tax attributes, reducing the deferred income tax provision in that 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.

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As of December 28, 2002, the Company had foreign net operating loss carryforwards (foreign NOLs) available to offset \$35.3 million of foreign subsidiary income. These foreign NOLs have not been recognized, and are available to offset foreign subsidiary income over an indefinite period. The disposition of Mueller Europe S.A. reduced the Company's foreign NOLs by \$27.9 million, which had been entirely reserved by a valuation allowance.

The 1999 sale of a subsidiary 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.

During 2002, the Company realized capital gains totaling approximately \$41.4 million, primarily from the sale of Utah Railway Company. Existing capital loss carryforwards, which for financial reporting purposes were entirely reserved by a valuation allowance, were used to offset the 2002 capital gains. The income tax benefit of approximately \$14.9 million generated by eliminating this valuation allowance was recognized as a reduction to income taxes provided for continuing operations in accordance with SFAS No. 109. Income tax expense included in the operation of discontinued operations was \$2.7 million in 2002, \$2.1 million in 2001, and \$3.1 million in 2000.

Income taxes (refunded) paid were approximately \$(0.2) million in 2002, \$28.3 million in 2001, and \$43.6 million in 2000.

Note 8 - Other Current Liabilities

Included in other current liabilities were accrued discounts and allowances of \$21.2 million at December 28, 2002, and \$22.5 million at December 29, 2001.

Note 9 - 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 28, 2002, and a statement of the plans' funded status as of December 28, 2002 and December 29, 2001:

<TABLE>
(In thousands)
<CAPTION>

<S>	Pension Benefits		Other Benefits	
	2002	2001	2002	2001
<C>	<C>	<C>	<C>	<C>
Change in benefit obligation:				
Obligation at beginning of year	\$ 103,008	\$ 103,417	\$ 8,114	\$ 7,996
Service cost	1,354	1,802	5	13
Interest cost	7,407	7,222	853	702
Participant contributions	295	408	-	-
Actuarial loss	11,000	943	2,527	1,659
Benefit payments	(6,049)	(7,324)	(770)	(1,365)
Curtailments	-	(2,429)	-	(891)
Settlement	-	(122)	-	-
Foreign currency translation adjustment	3,639	(909)	-	-
Obligation at end of year	\$ 120,654	\$ 103,008	\$ 10,729	\$ 8,114
Change in fair value of plan assets:				
Fair value of plan assets at beginning of year	\$ 112,563	\$ 126,683	\$ -	\$ -
Actual return on plan assets	(13,086)	(7,523)	-	-
Employer contributions	1,938	1,331	770	1,365
Participant contributions	295	408	-	-
Benefit payments	(6,049)	(7,324)	(770)	(1,365)
Settlement	-	(122)	-	-
Foreign currency translation adjustment	2,590	(890)	-	-
Fair value of plan assets at end of year	\$ 98,251	\$ 112,563	\$ -	\$ -
Funded status:				
Funded (underfunded) status at end of year	\$ (22,403)	\$ 9,555	\$ (10,729)	\$ (8,114)
Unrecognized prior service cost	3,149	4,005	(88)	(96)
Unrecognized (gain) loss	24,688	(10,331)	2,791	386
Net amount recognized	\$ 5,434	\$ 3,229	\$ (8,026)	\$ (7,824)

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with benefit obligations in excess of plan assets were \$93.9 million, \$91.8 million, and \$70.2 million, respectively, as of December 28, 2002, and \$43.6 million, \$42.1 million, and \$38.4 million, respectively, as of December 29, 2001.

The following table provides the amounts recognized in the Consolidated Balance Sheets as of December 28, 2002 and December 29, 2001:

<TABLE>
(In thousands)
<CAPTION>

<S>	Pension Benefits		Other Benefits	
	2002	2001	2002	2001
<C>	<C>	<C>	<C>	<C>
Prepaid benefit cost	\$ 8,967	\$ 6,956	\$ -	\$ -
Intangible asset	1,702	-	-	-
Accrued benefit liability	(22,365)	(9,262)	(8,026)	(7,824)
Accumulated other comprehensive income	17,130	5,535	-	-
Net amount recognized	\$ 5,434	\$ 3,229	\$ (8,026)	\$ (7,824)

</TABLE>

The components of net periodic benefit cost (income) are as follows:

<TABLE>

(In thousands)

<CAPTION>

	2002	2001	2000
<S>	<C>	<C>	<C>
Pension benefits:			
Service cost	\$ 1,354	\$ 1,802	\$ 2,620
Interest cost	7,407	7,222	7,193
Expected return on plan assets	(9,061)	(9,794)	(9,614)
Amortization of prior service cost	856	904	875
Amortization of net gain	(714)	(1,749)	(1,701)
	-----	-----	-----
Net periodic benefit income	\$ (158)	\$ (1,615)	\$ (627)
	=====	=====	=====
Other benefits:			
Service cost	\$ 5	\$ 13	\$ 16
Interest cost	853	702	621
Amortization of prior service cost	(8)	(8)	(8)
Amortization of net gain	122	-	(25)
Curtailement gain	-	(323)	-
	-----	-----	-----
Net periodic benefit cost	\$ 972	\$ 384	\$ 604
	=====	=====	=====

</TABLE>

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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 and 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	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Weighted average assumptions:				
Discount rate	6.42%	7.25%	6.75%	8.34%
Expected return on plan assets	8.05%	8.10%	N/A	N/A
Rate of compensation increases	4.00%	4.25%	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 7.8 to 11.0 percent for 2002, gradually decrease to 6.0 percent for 2011, 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 \$896 thousand and the service and interest cost components of net periodic postretirement benefit costs by \$76 thousand for 2002. 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 2002 by \$817 thousand and \$70 thousand, respectively.

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 2002, \$2.1 million in 2001, and \$2.0 million in 2000. The Company's match is a cash contribution.

Participants direct the investment of their account balances by allocating among a range of asset classes including mutual funds (equity, fixed income, and balanced funds), and money market funds. The plans do not offer direct investment in securities issued by the Company.

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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.

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. During 2001, the Company match was discontinued. Other expenses associated with the plan in 2002 and 2001 were insignificant. Expenses associated with the deferred compensation plan were \$0.2 million in 2000. The Company has invested in certain assets to assist in funding this plan. The fair value of these assets, included in other assets, was \$5.5 million at December 28, 2002 and December 29, 2001.

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 2002, 2001, and 2000.

Note 10 - 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 \$1.6 million in 2002, \$3.6 million in 2001, and \$2.0 million in 2000 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 position 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 position or results of operations.

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The Company is aware of investigations of competition in markets in which it participates, or has participated in the past, in Europe, Canada, and the United States. No charges or allegations have been filed against the Company, which is cooperating with the investigations. The Company does not anticipate any material adverse effect on its business or financial condition as a result of the investigations.

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 \$4.0 million in 2003, \$3.7 million in 2004, \$2.4 million in 2005, \$1.9 million in 2006, \$1.5 million in 2007, and \$1.0 million thereafter. Total lease expense amounted to \$10.6 million in 2002, \$8.8 million in 2001, and \$9.0 million in 2000.

Note 11 -Other Income, Net

<TABLE>
(In thousands)
<CAPTION>

	2002	2001	2000
<S>	<C>	<C>	<C>
Rent and royalties	\$ 2,364	\$ 686	\$ 791
Interest income	3,111	4,826	7,911
Gain on disposal of properties, net	485	249	413
Minority interest in income of subsidiaries	(150)	26	-
	-----	-----	-----
Other income, net	\$ 5,810	\$ 5,787	\$ 9,115
	=====	=====	=====

</TABLE>

Note 12 -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.

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The income tax benefit associated with the exercise of stock options reduced income taxes payable, classified as other current liabilities, by \$13.2 million in 2002, \$0.4 million in 2001, and \$1.4 million in 2000. Such benefits are reflected as additions directly to additional paid-in capital and, therefore, have no effect on the Company earnings.

<TABLE>
(Shares in thousands)
<CAPTION>

	Options	Weighted Average Exercise Price
<S>	<C>	<C>
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
Granted	76	29.43
Exercised	(120)	17.55
Expired, cancelled, or surrendered	(42)	26.03

Outstanding at December 29, 2001	4,936	7.15
Granted	261	31.79
Exercised	(1,255)	2.80
Expired, cancelled, or surrendered	(21)	30.39

Outstanding at December 28, 2002	3,921	\$ 10.06
	=====	
Options exercisable at:		
December 30, 2000	4,377	\$ 4.75
December 29, 2001	4,462	5.24
December 28, 2002	3,410	7.24

</TABLE>

Exercise prices for stock options outstanding at December 28, 2002, ranged from \$2.06 to \$37.04. Of the 3.9 million stock options that are outstanding at year-end, 2.4 million are owned by the Chairman of the Company's Board of Directors, 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 1.5 million shares is 5.9 years, and the weighted average exercise price of these shares is \$22.67. The weighted average fair value per option granted was \$12.49 in 2002, \$13.58 in 2001, and \$12.60 in 2000.

During the year ended December 28, 2002, Mr. Karp exercised options to purchase 1.2 million shares of Company stock. As provided in Mr. Karp's option agreement, the Company withheld the number of shares, at their fair market value, sufficient to cover the minimum withholding taxes incurred by the exercise. These shares withheld have been classified as acquisition of treasury stock in the Company's Consolidated Financial Statements.

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As of December 29, 2001, the Company had reserved 3.7 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.

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 2002, 2001 and 2000: 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 3.44 percent for 2002, 4.67 percent for 2001, and 5.00 percent for 2000. The volatility factor of the expected market value of the Company's common stock was 0.344 in 2002, 0.418 in 2001, and 0.479 in 2000.

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 is included in the Summary of Significant Accounting Policies.

Note 13 - Acquisitions

On September 27, 2002, the Company acquired certain assets of Colonial Engineering, Inc.'s Fort Pierce, Florida operations. These operations manufacture injected molded plastic pressure fittings for plumbing, agricultural, and industrial use including a line of PVC Schedule 40 and 80 and CPVC fittings. These operations generated sales of approximately \$15 million in 2001. The purchase price was approximately \$14.1 million.

On August 21, 2002, the Company acquired 100 percent of the outstanding stock of Overstreet-Hughes, Co., Inc. Overstreet-Hughes, located in Carthage, Tennessee, manufactures precision tubular components and assemblies primarily for the OEM air-conditioning market and had sales in 2001 of approximately \$8 million. Total consideration paid at closing, including assumption of debt, was approximately \$6.3 million. A contingent payment of up to \$2 million will be paid if certain financial targets are achieved.

On April 20, 2000, the Company 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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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 Consolidated Financial Statements

reflect the preliminary allocation of the Colonial Engineering purchase price since final appraisals of property are not yet complete.

The total fair value of assets acquired was \$23.4 million in 2002 and \$19.1 million in 2000. Liabilities assumed in these acquisitions were \$2.5 million in 2002 and \$3.9 million in 2000. The excess of the purchase price over the net assets acquired was \$6.8 million in 2002 and \$7.4 million in 2000.

On September 24, 2002, the Company acquired a 16 percent equity interest in Conbraco Industries, Inc. for \$7.3 million in cash. Conbraco is a manufacturer of flow control products including ball valves, automation products, backflow preventers, butterfly valves, check valves, forged steel products, marine valves, safety relief valves, strainers, and plumbing and heating products for commercial and industrial applications. This investment is stated at cost, and is included in the other assets classification in the Consolidated Balance Sheet.

Note 14 - Discontinued Operations

On August 28, 2002, the Company completed the sale of its wholly owned subsidiary, Utah Railway Company, to Genessee & Wyoming Inc. Proceeds from the sale were approximately \$55.4 million. The Company recognized a gain of \$21.1 million net of income taxes of \$11.6 million from the sale.

In December 2002, the Company initiated a plan to sell or liquidate its French manufacturing operations, Mueller Europe S. A. A loss of \$13.4 million was recognized to write-down this operation to its net realizable value. This loss is net of a \$15.2 million income tax benefit related to the operation's cumulative losses previously unrecognized for tax purposes. Included in the loss is a provision to expense the cumulative foreign currency translation adjustment of \$2.5 million, which was previously recognized as a component of other comprehensive loss. Major components of this operation included in the Consolidated Balance Sheet at December 28, 2002 include current assets of \$6.3 million and current liabilities of \$6.0 million. The sale or liquidation is expected to be completed during 2003.

Operating results of both businesses, net of applicable income taxes, are included in the Consolidated Statements of Income classified as income (loss) from operation of discontinued operations. The Consolidated Financial Statements and Notes for the years ended December 29, 2001 and December 30, 2000 have been restated, where applicable, to reflect these businesses as discontinued operations.

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Operating results of discontinued operations were as follows:

<TABLE>
(In thousands)
<CAPTION>

	2002	2001	2000
<S>	<C>	<C>	<C>
Net sales:			
Utah Railway Company	\$ 15,394	\$ 23,399	\$ 24,667
Mueller Europe S.A.	49,767	59,940	65,158
	-----	-----	-----
	\$ 65,161	\$ 83,339	\$ 89,825
	=====	=====	=====
Income (loss) before income taxes:			
Utah Railway Company	\$ 7,482	\$ 5,502	\$ 7,508
Mueller Europe S.A.	(5,682)	(1,915)	(4,676)
	-----	-----	-----
	\$ 1,800	\$ 3,587	\$ 2,832
	=====	=====	=====
Net income (loss):			
Utah Railway Company	\$ 4,812	\$ 3,465	\$ 4,411
Mueller Europe S.A.	(5,698)	(1,933)	(4,706)
	-----	-----	-----
	\$ (886)	\$ 1,532	\$ (295)
	=====	=====	=====

</TABLE>

Note 15 - Industry Segments

The Company's reportable segments include its Standard Products Division

(SPD) and its Industrial Products Division (IPD). 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. 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.

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. Certain expenses related primarily to retiree benefits at inactive operations were formerly combined with the operations of Utah Railway Company under a third industry segment, Other Businesses. Following the sale of Utah Railway Company and its classification as discontinued operations, these expenses of inactive operations have been combined into the unallocated expenses classification.

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Worldwide sales to one customer from the Standard Products Division totaled \$101.0 million in 2002, \$97.2 million in 2001, and \$113.9 million in 2000, which represented 11 percent in 2002, and 10 percent in 2001 and 2000 of the Company's consolidated net sales. No other customer accounted for more than 10 percent of consolidated net sales.

SEGMENT INFORMATION:

<TABLE>

(In thousands)

<CAPTION>

	2002	2001	2000
<S>	<C>	<C>	<C>
Net sales:			
Standard Products Division	\$ 679,264	\$ 721,520	\$ 853,849
Industrial Products Division	279,591	251,747	307,240
Elimination of intersegment sales	(5,872)	(4,161)	(3,429)
	-----	-----	-----
	\$ 952,983	\$ 969,106	\$1,157,660
	=====	=====	=====
Depreciation and amortization:			
Standard Products Division	\$ 24,975	\$ 27,588	\$ 23,503
Industrial Products Division	10,539	10,098	8,791
General corporate	1,926	1,775	1,749
	-----	-----	-----
	\$ 37,440	\$ 39,461	\$ 34,043
	=====	=====	=====
Operating income:			
Standard Products Division	\$ 78,964	\$ 104,603	\$ 124,397
Industrial Products Division	20,353	17,469	30,604
Unallocated expenses	(13,561)	(16,543)	(9,363)
	-----	-----	-----
	\$ 85,756	\$ 105,529	\$ 145,638
	=====	=====	=====
Expenditures for long-lived assets:			
Standard Products Division	\$ 27,400	\$ 33,902	\$ 43,581
Industrial Products Division	11,558	10,379	34,380
	-----	-----	-----
	\$ 38,958	\$ 44,281	\$ 77,961
	=====	=====	=====
Segment assets:			
Standard Products Division	\$ 594,516	\$ 604,099	\$ 621,370
Industrial Products Division	171,315	158,659	164,210
General corporate	222,116	153,307	124,696
	-----	-----	-----
	\$ 987,947	\$ 916,065	\$ 910,276
	=====	=====	=====

</TABLE>

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GEOGRAPHIC INFORMATION:

<TABLE>

(In thousands)

<CAPTION>

<S>	2002 <C>	2001 <C>	2000 <C>
Net sales:			
United States	\$ 870,457	\$ 881,357	\$1,057,132
Foreign	82,526	87,749	100,528
	-----	-----	-----
	\$ 952,983	\$ 969,106	\$1,157,660
	=====	=====	=====
Long-lived assets:			
United States	\$ 443,295	\$ 451,231	\$ 455,356
Foreign	44,305	60,921	49,749
	-----	-----	-----
	\$ 487,600	\$ 512,152	\$ 505,105
	=====	=====	=====

</TABLE>

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Note 16 - Quarterly Financial Information (Unaudited)

<TABLE>

(In thousands, except per share data)

<CAPTION>

<S>	First Quarter <C>	Second Quarter <C>	Third Quarter <C>	Fourth Quarter <C>
2002				
Net sales	\$ 249,053	\$ 260,507	\$ 227,294	\$ 216,129
Gross profit (1)	57,247	59,156	50,992	40,807
Income from				
continuing operations	17,865	18,716	25,822	8,774
Income (loss) from operations				
of discontinued operations,				
net of tax	71	(251)	(313)	(393)
Gain (loss) on disposition of				
discontinued operations,				
net of tax	-	-	21,123	(13,422)
Net income (loss)	17,936	18,465	46,632	(5,041)
Basic earnings per share:				
From continuing operations	0.54	0.55	0.75	0.25
From discontinued operations	-	(0.01)	(0.01)	(0.01)
From sale of discontinued				
operations	-	-	0.62	(0.39)
Basic earnings per share	0.54	0.54	1.36	(0.15)
Diluted earnings per share:				
From continuing operations	0.48	0.50	0.70	0.24

From discontinued operations	-	-	-	(0.01)
From sale of discontinued operations	-	-	0.57	(0.37)
Diluted earnings per share	0.48	0.50	1.27	(0.14)
2001				
Net sales	\$ 254,412	\$ 266,028	\$ 236,871	\$ 211,795
Gross profit (1)	56,017	63,712	60,994	48,017
Income from continuing operations	15,103	19,899	19,268	11,153
Income (loss) from operations of discontinued operations, net of tax	366	876	(267)	557
Net income	15,469	20,775	19,001	11,710
Basic earnings per share:				
From continuing operations	0.45	0.59	0.58	0.33
From discontinued operations	0.01	0.03	(0.01)	0.02
Basic earnings per share	0.46	0.62	0.57	0.35
Diluted earnings per share:				
From continuing operations	0.41	0.53	0.52	0.30
From discontinued operations	0.01	0.03	(0.01)	0.01
Diluted earnings per share	0.42	0.56	0.51	0.31

<FN>

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

Quarterly results have been reclassified to reflect the operations of Utah Railway Company and Mueller Europe S.A. as discontinued operations.

</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 28, 2002 and December 29, 2001, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 28, 2002. 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 28, 2002 and December 29, 2001, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 28, 2002, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 4 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets in 2002".

/s/Ernst & Young LLP

Memphis, Tennessee
January 31, 2003

Directors and Officers

Board of Directors

Harvey L. Karp	Chairman of the Board, Mueller Industries, Inc.
Gennaro J. Fulvio(1) (2) (3)	Member, Fulvio & Associates
Gary S. Gladstein(1) (2)	Senior Consultant, Soros Fund Management LLC
Terry Hermanson(1)	President, Mr. Christmas Incorporated
Robert B. Hodes(1) (3)	Counsel, Willkie Farr & Gallagher
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

James E. Browne	Assistant Secretary
Richard W. Corman	Corporate Controller
Robert J. Pasquarelli	Vice President

Standard Products Division

Michael L. Beasley	Director of Information Systems
Gregory L. Christopher	Vice President, Sales
Daniel R. Corbin	Vice President, Manufacturing-Plastics
W. Christopher Crosby	Vice President, Supply Chain Management
Robert L. Fleeman	Vice President, Export Sales
John B. Hansen	Vice President, Marketing
Tommy L. Jamison	Vice President, Manufacturing- Copper Fittings
Normand P. Lebel	General Manager, Copper Tube

Robert R. Nelson	Vice President, Sales-Pressure Plastic Fittings
Brian D. Pitt	Vice President, Sales-Copper Tube
William F. Shea	Manager Service Operations
Peter D. Berkman	President-B&K Industries
Patrick W. Donovan	Vice President and General Manager-European Operations
Industrial Products Division	
James H. Rourke	Group Vice President and General Manager-Rod
Lance K. Alton	General Manager-Forgings, Impacts, Micro Gauge
John R. Brower	General Manager-Precision Tube
Mark T. Lang	General Manager-Gas Products
Douglas J. Murdock	General Manager-Refrigeration Products
David G. Rice	Division Controller

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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 1, 2003.

Common Stock

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

Form 10-K

The Company's Annual Report on Form 10-K is available on the Company's website at www.muellerindustries.com or 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.
17 Battery Place
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.

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 2002 and 2001 were as follows:

<TABLE>
<CAPTION>

	High	Low	Close
<S>	<C>	<C>	<C>
2002			
Fourth quarter	\$ 29.70	\$ 24.29	\$ 27.33
Third quarter	31.60	23.84	25.51
Second quarter	36.12	31.15	31.75
First quarter	35.43	30.44	34.99
2001			
Fourth quarter	\$ 33.73	\$ 27.94	\$ 33.53
Third quarter	35.15	26.50	28.70
Second quarter	34.87	28.38	32.91
First quarter	32.11	25.05	30.04

</TABLE>

As of March 7, 2003, the number of holders of record of Mueller's common stock was approximately 2,200. On March 7, 2003, the closing price for Mueller's common stock on the New York Stock Exchange was \$23.69.

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

Mueller Industries, Inc.
8285 Tournament Drive, Suite 150
Memphis, TN 38125

901-753-3200

www.muellerindustries.com

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.	Delaware
Lincoln Brass Works, Inc.	
(Assumed name: Mueller Gas Products)	Michigan
Overstreet-Hughes, Co., Inc.	Tennessee
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.	
(Assumed name: Mueller Gas Products)	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

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MUELLER INDUSTRIES, INC.
List of Subsidiaries (continued)

Subsidiary*	State or Country of Incorporation
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Arava Natural Resources Company, Inc.	Delaware
United States Fuel Company	Nevada
King Coal Company	Utah
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
Macomber Building and Land Corporation
DENO Investment Company II, Inc.
MLI Financial Corporation

Ohio
Delaware
Michigan
Delaware

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

- (1) Owned by DENO Investment Company, Inc. (99.8%) and Mueller Streamline Co. (.2%).
- (2) On March 3, 2003, Mueller Europe S.A. filed a petition for liquidation with the Commercial Court of Provins Province, France and, on March 4, the Court declared the entity to be in liquidation.

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 January 31, 2003, included in the 2002 Annual Report to Stockholders of Mueller Industries, Inc.

We also consent to the incorporation by reference in the Registration Statements (Forms S-8 No. 333-91237, No. 333-72726, No. 333-52325, No. 33-54705, No. 33-41478 and No. 33-47307) pertaining to the 2002 Stock Option Plan, Stock Option Agreements for Harvey L. Karp and William D. O'Hagan, 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 January 31, 2003, with respect to the consolidated financial statements of Mueller Industries, Inc. incorporated by reference in the Annual Report (Form 10-K) for the year ended December 28, 2002 and the related financial statement schedule included therein filed with the Securities and Exchange Commission.

Our audits also included the consolidated financial statement schedule of Mueller Industries, Inc. listed in Item 15(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.

/s/ ERNST & YOUNG LLP

Memphis, Tennessee
March 21, 2003

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Mueller Industries, Inc. (the "Company") on Form 10-K for the period ending December 28, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William D. O'Hagan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William D. O'Hagan
William D. O'Hagan
Chief Executive Officer
March 24, 2003

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Mueller Industries, Inc. (the "Company") on Form 10-K for the period ending December 28, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kent A. McKee, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Kent A. McKee
Kent A. McKee
Chief Financial Officer
March 24, 2003