

UNITED STATES
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 25, 2004 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. []

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 aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the Registrant's most recently completed second fiscal quarter was \$1,232,634,595.

The number of shares of the Registrant's common stock outstanding as of March 1, 2005 was 36,589,824 excluding 3,501,678 treasury shares.

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DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following document are incorporated by reference into this Report: Registrant's Definitive Proxy Statement for the 2005 Annual Meeting of Stockholders, scheduled to be mailed on or about March 28, 2005 (Part III).

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. The Company also resells imported brass and plastic plumbing valves, malleable iron fittings, steel nipples, faucets and plumbing specialty 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 copper tube in Europe which is sold in Europe and the Middle East. 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 2004, 2003 and 2002.

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 and geographic information appears under "Note 15 - Industry Segments" in the Notes to Consolidated Financial Statements for the year ended December 25, 2004 in Item 8 of this Report, which is incorporated herein by reference.

The Company is a Delaware corporation incorporated on October 3, 1990.

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 service 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.

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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.

Through its subsidiary, B&K Industries, SPD resells imported brass and plastic plumbing valves, malleable iron fittings, steel nipples, faucets, and plumbing specialty products to plumbing wholesalers, distributors to the manufactured housing and recreational vehicle industries and building materials retailers. Additionally, on August 27, 2004, the Company acquired 100 percent of the outstanding stock of Vemco Brasscapri Limited (Vemco). Vemco, located in Wellington, Somerset, England, is an import distributor of plumbing products with annual sales of approximately \$26 million to plumbers' merchants and builders' merchants throughout the U.K. and Ireland.

On December 14, 2004, the Company acquired shares in seven companies and inventory of another (collectively Mueller Comercial S.A.). These operations, with annual sales of approximately \$60 million, include pipe nipple manufacturing in Mexico and import distribution businesses which product lines include malleable iron fittings and other plumbing specialties.

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.

In December 2002, the Company initiated a plan to sell or liquidate its French manufacturing operations, Mueller Europe S.A. 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, 2003, 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. In 2003, the Company recognized operating losses from discontinued operations incurred by Mueller Europe S.A. for the period the business operated.

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. 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 25, 2004 was not significant.

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The Company competes with various companies, depending on the product line. In the U.S. copper tubing business, the domestic competition includes Cerro Flow Products, Inc., Cambridge-Lee Industries (Reading Tube Corporation), Wolverine Tube, Inc., and Howell Metal Company (a subsidiary of Commercial Metals Company), as well as many actual and potential foreign competitors. In the European copper tubing business, Mueller competes with at least eight European-based manufacturers of copper tubing as well as other foreign-based manufacturers. In the copper fittings market, competitors include Elkhart Products Company, a subsidiary of Aalberts Industries N.V., and NIBCO, Inc., as well as several foreign manufacturers. Additionally, the Company's copper tube and fittings businesses compete with a large number of manufacturers of substitute products made from other metals and plastic. The plastic fittings competitors include NIBCO, Inc., Charlotte Pipe & Foundry, and other companies. Management believes that no single competitor offers such a wide-ranging product line as Mueller and that this is a competitive advantage in some markets.

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, as well as 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 25, 2004 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.

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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.

Labor Relations

At December 25, 2004, the Company employed approximately 4,500 employees, of which approximately 2,400 were represented by various unions. The union contracts that cover employees at the Company's Port Huron, Michigan facilities expire April 1, 2007, and the union contract that covers employees at the Company's Wynne, Arkansas facility expires December 1, 2009. The Company expects to renew these contracts without material disruption of its operations. The union contract at the Company's U.K. operation is renewed annually. Other contracts expire on various dates through October 2006.

On February 25, 2005, the union contract that covers employees at the Company's Fulton, Mississippi facility was extended through August 1, 2007.

On June 25, 2004, employees at the Company's operations in Brighton, Michigan voted to seek representation through collective bargaining. The election has been certified by the National Labor Relations Board and bargaining will begin in early 2005. Approximately 160 employees will be represented.

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 have historically been available to the Company from primary producers, metal brokers, and scrap dealers. 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, to date they have not materially hampered the Company's operations.

During the first portion of 2004, an increasing demand for copper and copper alloy from China had an affect on the global distribution of such commodities. The increased demand for copper (cathode and scrap) and copper alloy products from the export market caused a tightening in the domestic raw materials market. Mueller's copper tube facilities can accommodate both refined copper and copper scrap as the primary feedstock. The Company has commitments from refined copper producers for a portion of its metal requirements for 2005. Adequate quantities of copper scrap are currently available and this represents a major source of supply. While the Company will continue to react to market developments, resultant pricing volatility or supply disruptions, if any, could nonetheless adversely affect the Company.

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Environmental Matters

Compliance with environmental laws and regulations is a matter of high priority for the Company. Mueller's provision for environmental compliance related to non-operating properties was \$1.0 million in 2004, \$1.2 million in 2003, and \$1.6 million in 2002. Environmental costs related to operating properties is classified as cost of goods sold and is not significant. Other than as discussed below, the Company is not involved in any Superfund sites other than as one of numerous potentially responsible parties (PRPs) in which cases management believes that any obligation would be insignificant. 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 2005 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. These properties and related obligations were transferred to MRRC as part of a court-ordered bankruptcy reorganization in 1990. MRRC was the owner of property at a Superfund site in Midvale, Utah but the Company's obligation to contribute to remediation was resolved by a settlement with the Government in 1990. This property was sold during 2004.

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 such point as compliance with the order is achieved or, through the Use Attainability Analysis process, the designated, beneficial uses of the respective watercourses are modified, allowing for the adoption of alternative receiving water limits. At this site, MRRC estimates it will spend between \$0.5 and \$1.0 million annually over the next ten years. Future expenditures beyond a ten year horizon are not reasonably estimable or foreseeable.

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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 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 PRPs that had adversely impacted natural resources. Lead Refinery is in

settlement negotiations in an effort to settle its natural resources damages.

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 3, 2005, 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. 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 at the Lead Refinery site. Site activities, which began in December 1996, have been substantially concluded. Additionally, Lead Refinery is aware that the EPA is evaluating whether further action in the area near Lead Refinery's facility should be undertaken. Lead Refinery, without additional assistance from MRRC, lacks the financial resources needed to complete any additional remediation determined to be required.

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

In October 2003, Lead Refinery received a settlement offer from private settlers for \$0.9 million for CERCLA contribution to past and future response costs incurred at the NL/Taracorp Superfund site located in Granite City, Illinois. Lead Refinery declined that offer. In February of 2004, NL Industries, Inc. filed a contribution action against all non-settling PRPs on the EPA's allocation list, including Lead Refinery, seeking payments of an equitable share of clean-up costs incurred by that corporation. Lead Refinery has not been served with the complaint and will, if necessary, contest this action.

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Other

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 in 1998.

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 2004, 2003, or 2002. No material portion of the Registrant's business involves governmental contracts. Seasonality of the Company's sales is not significant.

SEC Filings

We make available through our Internet website 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

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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
Standard Products Division		
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.
Portage, 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.

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Location	Approximate Property Size	Description
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Upper Sandusky, OH	82,000 sq. ft. 7.52 acres	Plastic fittings plant. Produces DWV fittings using injection molding equipment.
Fort Pierce, FL	69,875 sq. ft. 5.60 acres	Plastic fittings plant. Produces pressure fittings using injection molding equipment.
Monterrey, Mexico	120,000 sq. ft. (4) 3.4 acres	Pipe nipples plant. Produces pipe nipples, cut pipe and merchant couplings.
Tijuana, Mexico	25,000 sq. ft. (4) 0.7 acres	Pipe nipples plant. Produces pipe nipples, cut pipe and merchant couplings.
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.

Industrial Products Division

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.

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Location	Approximate Property Size	Description
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.

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

- (1) Facility, or some portion thereof, 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.

Copper Tube Antitrust Litigation

The Company has been named as a defendant in several purported class action complaints brought by direct and indirect purchasers alleging anticompetitive activities with respect to the sale of copper plumbing tubes and arising out of conduct allegedly occurring in Europe. Two such purported class actions are pending in the United States District Court for the Western District of Tennessee (the Federal Actions), four are pending in the Superior Court of the State of California, County of San Francisco (the California Actions), and one is pending in the Circuit Court for Shelby County, Tennessee (with the Federal Actions and the California Actions, the Actions). The Company's wholly owned subsidiaries, WTC Holding Company, Inc., Deno Holding Company, Inc., and Mueller Europe Ltd., are named in all of the Actions, and Deno Acquisition Eurl is named in all but one of the Actions. All of the Actions, which are similar, seek declaratory and monetary relief. Plaintiffs' motions to consolidate and for appointment of lead counsel in the Federal Actions and plaintiffs' motion to consolidate the California Actions has been granted. The Company has not yet been required to respond to any of the complaints in the Actions. The Company believes that the claims for relief in the Actions are without merit and intends to defend the Actions vigorously.

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Other Matters

The Company is aware of investigations of competition in certain markets in which it participates, or has participated in the past, in Europe and Canada. The Company has not been fined as a result of any such investigations and does not anticipate any material adverse effect on its business or financial condition as a result of the European Commission's action or other investigations.

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

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

As of March 1, 2005, the number of holders of record of Mueller's Common Stock was approximately 1,850. On March 1, 2005, the closing price for Mueller's Common Stock on the New York Stock Exchange was \$31.55.

Issuer Purchases of Equity Securities

<TABLE>

<CAPTION>

	(a)	(b)	(c)	(d)
	Total	Average	Total	Maximum
	Number of	Price Paid	Number of	Number of
	Shares	per Share	Shares	Shares
	Purchased		Purchased as	that May
			Part of	yet Be
			Publicly	Purchased
			Announced	Under the
			Plans or	Plans or
			Programs	Programs
<S>	<C>	<C>	<C>	<C>
				7,647,030 (3)
September 26 -				
October 30, 2004	98,856	(1) \$42.125		
September 26 -				
October 30, 2004	225,576	(2) 42.249		
October 31 -				
November 27, 2004	1,837	(1) 27.775		
October 31 -				
November 27, 2004	16,459	(2) 29.555		

</TABLE>

- (1) Shares withheld by the Company sufficient to cover the minimum withholding taxes incurred by the exercise of certain employee stock options.
- (2) Shares tendered to the Company by employee stock option holders in payment of the option purchase price upon exercise.
- (3) Shares available to be purchased under the Company's 10 million Share Repurchase Authorization until October 2005.

The Company declared its first dividend in 2004. For the year ended December 25, 2004, the Company has paid a total of 40 cents per share of Common Stock in regular ten cent quarterly cash dividends; additionally, the Company paid a special dividend composed of \$6.50 in cash per share of Common Stock and \$8.50 per share of Common Stock in the form of 6% Subordinated Debentures due 2014 (the Special Dividend). Payment of dividends in the future is dependent upon the Company's financial condition, cash flows, capital requirements, earnings, and other factors.

The high, low, and closing prices of Mueller's Common Stock on the New York Stock Exchange for each fiscal quarter of 2004 and 2003 reduced by the difference between the closing price on October 26, 2004 and the opening price on October 27, 2004, or \$14.57 per share, to adjust for the recapitalization by Special Dividend, were as follows:

<TABLE>
<CAPTION>

<S>	High <C>	Low <C>	Close <C>
2004			
Fourth quarter	\$ 30.18	\$ 25.85	\$ 32.17
Third quarter	28.53	20.53	27.70
Second quarter	22.36	15.94	21.12
First quarter	21.11	15.28	18.24
2003			
Fourth quarter	\$ 20.26	\$ 10.38	\$ 20.26
Third quarter	15.08	10.83	10.83
Second quarter	13.81	10.13	12.49
First quarter	13.66	8.42	10.35

</TABLE>

ITEM 6. SELECTED FINANCIAL DATA

(In thousands, except per share data)

<TABLE>
<CAPTION>

<S>	2004 <C>	2003 <C>	2002 <C>	2001 <C>	2000 <C>
For the fiscal year:					
Net sales (1)	\$ 1,379,056	\$ 999,078	\$ 952,983	\$ 969,106	\$ 1,157,660
Operating income (1)	112,490	49,384	85,756	105,529	145,638
Net income from continuing operations	79,416	44,221	71,177	65,423	92,985
Diluted earnings per share from continuing operations	2.15	1.19	1.92	1.76	2.44
Cash dividends per share	6.90 (2)	-	-	-	-
At year-end:					
Total assets	963,731	1,055,184	987,947	916,065	910,276

Long-term debt	310,650 (2)	11,437	14,005	46,977
100,975				

<FN>

(1) From continuing operations

(2) During 2004 the Company paid 40 cents per share in regular ten cent quarterly cash dividends; additionally the Company paid a Special Dividend composed of \$6.50 in cash per share and \$8.50 per share in the form of 6% Subordinated Debentures due 2014

</TABLE>

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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 in the caption "Financial Review" in the "Consolidated Financial Statements" submitted as a separate section of this Annual Report on Form 10-K commencing on page F-1.

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 "Consolidated Financial Statements" submitted as a separate section of this Annual Report on Form 10-K commencing on page F-1.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Financial Statements required by this item are contained in the "Consolidated Financial Statements" submitted as a separate section of this Annual Report on Form 10-K commencing on page F-1.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures designed to ensure information required to be disclosed in Company reports filed under the Securities Exchange Act of 1934, as amended, (the Exchange Act) is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial

Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures are effective.

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Management's Report on Internal Controls over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Pursuant to the rules and regulations of the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Due to inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time.

The Company acquired businesses during 2004, as discussed in Note 13 to the Consolidated Financial Statements, Acquisitions and Investments, that were excluded from management's assessment of internal controls. The book value of assets of the acquired businesses at year-end was \$78.4 million, which represents eight percent of consolidated total assets at December 25, 2004. Net sales and net income of the acquired businesses represent less than one percent of the consolidated net sales and net income of the Company for 2004. Accordingly, these acquired businesses are not included in the scope of this report.

Management has evaluated the effectiveness of its internal control over financial reporting as of December 25, 2004 based on the control criteria established in a report entitled "Internal Control-Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation we have concluded that Company's internal control over financial reporting is effective as of December 25, 2004.

The registered independent public accounting firm of Ernst & Young, LLP, as auditors of the Company, has issued an attestation report on management's assessment of the Company's internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the Company's fiscal quarter ending December 25, 2004, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting

The Board of Directors and Shareholders of Mueller Industries, Inc.

We have audited management's assessment, included in the accompanying "Managements Report on Internal Controls over Financial Reporting", that Mueller Industries, Inc. (the Company) maintained effective internal control over financial reporting as of December 25, 2004, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness

of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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As indicated in the accompanying "Management's Report on Internal Controls over Financial Reporting", management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of businesses acquired in 2004 as described in Note 13, Acquisitions and Investments, to the Consolidated Financial Statements, which are included in the 2004 consolidated financial statements of Mueller Industries, Inc. and constituted \$78.4 million of total assets, as of December 25, 2004 and \$11.6 million and \$0.7 million of revenues and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of Mueller Industries, Inc. also did not include an evaluation of the internal control over financial reporting of those businesses acquired in 2004.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 25, 2004, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 25, 2004, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Mueller Industries, Inc. as of December 25, 2004 and December 27, 2003, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 25, 2004 and our report dated March 1, 2005 expressed an unqualified opinion thereon.

/s/ERNST & YOUNG LLP

Memphis, Tennessee
March 1, 2005

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by Item 10 is contained under the captions "Ownership of Common Stock by Directors and Executive Officers and Information about Director Nominees," "Corporate Governance," "Report of the Audit Committee of the Board of Directors," and "Section 16(a) Beneficial Ownership Compliance Reporting" in the Company's Proxy Statement for its 2005 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 28, 2005 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 2005 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 28, 2005, which is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Equity Compensation Plan Information

The following table discloses information as adjusted for the Company's Special Dividend regarding the securities to be issued and the securities remaining available for issuance under the Registrant's stock-based incentive plans as of December 25, 2004 (shares in thousands):

<TABLE>
<CAPTION>

(a)	(b)	(c)
Number of securities to be issued upon exercise	Weighted average exercise price of	Number of securities remaining available for future issuance under equity compensation plans (excluding

Plan category	of outstanding options, warrants, and rights	outstanding options warrants, and rights	securities reflected in column (a))
<S>	<C>	<C>	<C>
Equity compensation plans approved by security holders	1,446	\$ 18.91	455
Equity compensation plans not approved by security holders	336	18.20	-
	-----		-----
Total	1,782	18.78	455
	=====		=====

</TABLE>

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On February 13, 2002 Mr. O'Hagan was granted an option to acquire 100,000 shares of Common Stock at an exercise price of \$31.75 per share (subsequent to the grant, on October 26, 2004 the option grant was modified to equitably adjust for the Company's Special Dividend to 155,610 shares of Common Stock at an exercise price of \$20.40 per share) and on February 13, 2003 Mr. O'Hagan was granted an option to acquire 100,000 shares of Common Stock at an exercise price of \$25.10 per share (subsequent to the grant, on October 26, 2004 the option grant was modified to equitably adjust for the Company's Special Dividend to 155,610 shares of Common Stock at an exercise price of \$16.13 per share) (collectively, the O'Hagan Treasury Options). Each of the O'Hagan Treasury Options has a term of ten years, subject to earlier expiration upon termination of employment, and vests ratably over a five-year period from the date of the grant, except that if there is a Change in Control as defined in Mr. O'Hagan's employment agreement with the Company (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.

On June 30, 2003, the Company granted to Mr. Michael O. Fifer options to acquire 20,000 shares of Common Stock at an exercise price of \$27.06 per share. Subsequent to the grant, on October 26, 2004 the remaining unexercised options were modified to equitably adjust for the Company's Special Dividend to 24,897 shares of Common Stock at an exercise price of

\$17.39 per share. These options have a term of ten years, subject to earlier expiration upon termination of employment, and vest and become exercisable ratably over a five-year period from the date of the grant. These options may only be exercised for shares of Common Stock held in treasury by the Company.

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 2005 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 28, 2005 which is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 is contained under the caption "Appointment of Auditors" in the Company's Proxy Statement for its 2005 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or about March 28, 2005 which is incorporated herein by reference.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

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

1. Financial Statements: the financial statements, notes, and report of independent registered public accounting firm described in Item 8 of this Annual Report on Form 10-K are contained in the "Consolidated Financial Statements" submitted as a separate section of this Annual Report on Form 10-K commencing on page F-1.
2. Financial Statement Schedule: the financial statement schedule described in Item 8 of this report contained in the "Consolidated Financial Statements" submitted as a separate section of this Annual Report on Form 10-K commencing on page F-1.
3. Exhibits:
 - 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 1, 2004, for the fiscal year ended December 27, 2003).
 - 3.2 By-laws of the Registrant, as amended and restated, effective November 10, 1994 (Incorporated herein by reference to Exhibit 3.2 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).
 - 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 (Incorporated herein by reference to Exhibit 4.1 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).
 - 4.2 Credit Agreement among the Registrant (as Borrower) and Standard Federal Bank and other banking institutions and Standard Federal Bank (as Agent) dated as of November 6, 2003 (Incorporated herein by reference to Exhibit 4.2 of the Registrant's Annual Report on Form 10-K, dated March 1, 2004, for the fiscal year ended December 27, 2003).
 - 4.3 First Amendment to Credit Agreement among the Registrant (as Borrower) and Standard Federal Bank and other banking institutions and Standard Federal Bank (as Agent) dated as of September 27, 2004 (Incorporated herein by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K, dated September 27, 2004).

- 4.4 Indenture, dated as of October 26, 2004, by and between Mueller Industries, Inc. and SunTrust Bank, as Trustee (Incorporated herein by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K, dated October 26, 2004).
- 4.5 Form of 6% Subordinated Debenture due 2014 (Incorporated herein by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K, dated October 26, 2004).
- 4.6 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.
- 10.1 Stock Option Agreement, dated December 4, 1991, by and between the Registrant and Harvey L. Karp (Incorporated herein by reference to Exhibit 10.4 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).
- 10.2 Stock Option Agreement, dated March 3, 1992, by and between the Registrant and Harvey L. Karp (Incorporated herein by reference to Exhibit 10.5 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).
- 10.3 Mueller Industries, Inc. 1991 Incentive Stock Option Plan (Incorporated herein by reference to Exhibit 10.6 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).
- 10.4 Summary description of the Registrant's 2005 bonus plan for certain key employees.
- 10.5 Amended and Restated Employment Agreement, effective as of September 17, 1997, by and between the Registrant and Harvey L. Karp (Incorporated herein by reference to Exhibit 10.8 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).
- 10.6 Amended and Restated Employment Agreement, effective as of September 17, 1997, by and between the Registrant and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.9 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).

- 10.7 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).
- 10.8 Mueller Industries, Inc. 1994 Stock Option Plan (Incorporated herein by reference to Exhibit 10.11 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).
- 10.9 Mueller Industries, Inc. 1994 Non-Employee Director Stock Option Plan (Incorporated herein by reference to Exhibit 10.12 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).
- 10.10 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).

- 10.11 Mueller Industries, Inc. 1998 Stock Option Plan (Incorporated herein by reference to Exhibit 10.14 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).
- 10.12 Stock Option Agreement, dated May 7, 1997, by and between the Registrant and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.12 of the Registrant's Annual Report on Form 10-K, dated March 1, 2004, for the fiscal year ended December 27, 2003).
- 10.13 Stock Option Agreement, dated October 9, 1998, by and between the Registrant and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.13 of the Registrant's Annual Report on Form 10-K, dated March 1, 2004, for the fiscal year ended December 27, 2003).
- 10.14 Stock Option Agreement, dated February 13, 2002, by and between the Registrant and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.17 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).
- 10.15 Employment Agreement, effective October 17, 2002, by and between the Registrant and Kent A. McKee (Incorporated herein by reference to Exhibit 10.18 of the Registrant's Annual Report on Form 10-K, dated March 24, 2003, for the fiscal year ended December 28, 2002).

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- 10.16 Stock Option Agreement, dated February 13, 2003, by and between the Registrant and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.16 of the Registrant's Annual Report on Form 10-K, dated March 1, 2004, for the fiscal year ended December 27, 2003).
- 10.17 Nonqualified Stock Option Agreement, dated June 30, 2003, by and between the Registrant and Michael O. Fifer (Incorporated herein by reference to Exhibit 10.18 of the Registrant's Annual Report on Form 10-K, dated March 1, 2004, for the fiscal year ended December 27, 2003).
- 10.18 Consulting Agreement, dated June 21, 2004, by and between the Registrant and Harvey Karp (Incorporated herein by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q, dated July 16, 2004, for the quarter ended June 26, 2004).
- 10.19 Consulting Agreement, dated June 21, 2004, by and between the Registrant and William D. O'Hagan (Incorporated herein by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q, dated July 16, 2004, for the quarter ended June 26, 2004).
- 10.20 Amendment, dated June 21, 2004, to the Amended and Restated Employment Agreement dated as of September 17, 1997, by and between the Registrant and Harvey Karp (Incorporated herein by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q, dated July 16, 2004, for the quarter ended June 26, 2004).
- 10.21 Securities Purchase Agreement, dated December 14, 2004, among Mueller Comercial de Mexico, S. de R.L. de C.V., WTC HOLDCO I, LLC, MIYAR LLC, NICNA, GmbH, and The Seller Parties.
- 10.22 Inventory Purchase Agreement, dated December 14, 2004, by and between Niples del Norte S.A. de C.V. and Mueller de Mexico S.A. de C.V.
- 14.0 Code of Business Conduct and Ethics (Incorporated herein by reference to Exhibit 14.0 of the Registrant's Annual Report on Form 10-K, dated March 1, 2004, for the fiscal year ended December 27, 2003).
- 18.0 Letter of Preferability from Ernst & Young LLP dated February 16, 2005 regarding an accounting change.
- 21.0 Subsidiaries of the Registrant.

23.0 Consent of Independent Registered Public Accounting Firm
(Includes report on Financial Statement Schedule).

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- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
- 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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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 4, 2005.

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 4, 2005
/s/ALEXANDER P. FEDERBUSH Alexander P. Federbush	Director	March 4, 2005
/s/GENNARO J. FULVIO Gennaro J. Fulvio	Director	March 4, 2005
/s/GARY S. GLADSTEIN Gary S. Gladstein	Director	March 4, 2005
/s/TERRY HERMANSON Terry Hermanson	Director	March 4, 2005
/s/ROBERT B. HODES Robert B. Hodes	Director	March 4, 2005
/s/WILLIAM D. O'HAGAN William D. O'Hagan	President, Chief Executive Officer, Director	March 4, 2005

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 4, 2005
/s/ RICHARD W. CORMAN Richard W. Corman Vice President - Controller	March 4, 2005

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MUELLER INDUSTRIES, INC.

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FINANCIAL REVIEW

Overview

Mueller Industries, Inc. is a leading manufacturer of copper tube and fittings; brass and copper alloy rod, bar and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; plastic fittings and valves; refrigeration valves and fittings; and fabricated tubular products. The Company also resells imported brass and plastic plumbing valves, malleable iron fittings, steel nipples, faucets and plumbing specialty 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 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. Repairs and remodeling projects are also important drivers of underlying demand for these products. The following are important economic indicators that impact the Company's businesses. New housing starts in the U.S. were 2.0 million, 1.8 million, and 1.7 million in 2004, 2003, and 2002, respectively. The seasonally adjusted annual rate of the Value of Non-Residential Construction put in place, per the U.S. Census Bureau, was \$229.2 billion in 2004, \$217.3 billion in 2003, and \$216.8 billion in 2002. At December, the average 30 year fixed mortgage rate was 5.75 percent in 2004, 5.88 percent in 2003, and 6.54 percent in 2002.

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 on profitability from fluctuations in material costs by passing through these costs to its customers. The Company's earnings and cash flow are dependent upon these spreads that fluctuate based upon market conditions.

Earnings and profitability are also subject to market trends such as substitute products and imports. Plastic plumbing systems are the primary substitute product; these products represent an increasing share of consumption. Imports of copper tubing from Mexico have increased in recent years, although U.S. consumption is still predominantly supplied by U.S. manufacturers.

Recapitalization through Special Dividend

In September, 2004, the Company authorized a special dividend consisting of \$6.50 in cash and \$8.50 in principal amount of the Company's 6% Subordinated Debentures due 2014 (the Debentures) for each share of Common Stock (the Special Dividend). The Special Dividend, distributed in the fourth quarter of 2004, substantially reduced the Company's cash position by \$245.6 million and its stockholders' equity by \$545.1 million, and increased its long-term debt by \$299.5 million.

Results of Operations

2004 Performance Compared with 2003

Consolidated net sales in 2004 were \$1.4 billion, a 38 percent increase over net sales of \$999 million in 2003. The increase is primarily attributable to higher raw material costs (which are passed through in the form of higher selling prices as discussed above), and increased volume. Pounds of product sold totaled 735 million in 2004 compared with 696 million pounds sold in 2003. Net selling prices generally fluctuate with changes in raw material prices. The COMEX average copper price in 2004 was approximately \$1.29 per pound, or 59 percent more than the 2003 average of 81 cents. This change increased the Company's net sales and cost of goods sold.

Cost of goods sold increased \$300 million, to \$1.1 billion in 2004. This increase was attributable primarily to higher raw material costs (as discussed above) and increased volume. Gross profit was \$263 million or 19.1 percent of net sales in 2004 compared with \$183 million or 18.3 percent of net sales in 2003. The increase in gross profit was due to higher spreads in core product lines, primarily copper tube, fittings, and brass rod.

Depreciation and amortization increased to \$40.6 million in 2004 from \$39.0 million in 2003. Selling, general, and administrative expense increased to \$106.4 million in 2004; this \$11.5 million increase was due to (i) higher incentive compensation costs resulting from increased volume and profitability of approximately \$9.5 million, (ii) increased distribution cost of approximately \$2.5 million, and (iii) net reduction of other costs of \$0.5 million.

During 2004, the Company recognized a \$3.9 million impairment charge related to its subsidiary, Overstreet-Hughes Co., Inc., of which \$2.3 million was goodwill and the remainder was property, plant, and equipment. The results of Overstreet-Hughes, a component of IPD, which manufactures tubular components and assemblies primarily for the OEM air-conditioning market, have not met expectations. Furthermore, Overstreet-Hughes' primary customer has announced the closure of its facility that consumes the majority of Overstreet-Hughes' output. Consequently, the Company has reduced its carrying cost in these long-lived assets to its best estimate of fair value. This estimate was determined based on a discounted cash flow method.

Interest expense increased to \$4.0 million in 2004 from \$1.2 million in 2003. This increase was primarily due to the issuance of the Debentures on October 26, 2004. Other income includes (i) gains on the sale of land for approximately \$5.7 million, (ii) interest income on invested cash balances of \$2.4 million, and (iii) rents, royalties and other of \$1.7 million, offset by

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equity in loss of an unconsolidated subsidiary (Conbraco Industries, Inc.) of \$2.0 million, which includes a provision of \$2.3 million for certain federal income tax audit exposures of Conbraco that were assessed in 2004. If an IRS proposed settlement is approved, a reduction of that provision may be recognized.

The expense related to environmental remediation at certain non-operating properties of the Company, classified as non-operating expense, totaled \$1.0 million in 2004 compared with \$1.2 million in 2003. The environmental expense related to operating properties is included as a component of cost of goods sold and was not significant for the periods presented.

Income tax expense was \$35.9 million, for an effective rate of 31 percent, for 2004; this rate is lower than the expected rate due to (i) the recognition of a capital loss carryforward related to sales of land that had a tax basis significantly less than the realized proceeds, (ii) recognition of foreign tax credits, (iii) recognition of foreign net operation loss carryforwards and (iv) a deferred income tax benefit by reducing a valuation allowance that primarily relates to the closure of open tax years. During 2003, the Company recognized a deferred income tax benefit, upon the closure of the open tax year, by reducing a valuation allowance of \$9.3 million related to an operating loss resulting from the 1999 sale of a subsidiary. Realization of the tax benefit occurred during the year of sale.

During 2003 the Company recognized a \$1.7 million gain to reflect adjustments to estimates on disposition of Mueller Europe S.A. as no further obligations or contingencies are expected from these discontinued operations.

The Company's employment was approximately 4,500 at the end of 2004 compared with 3,500 at the end of 2003. This increase primarily relates to businesses acquired during 2004.

Standard Products Division

Net sales by SPD were \$1.0 billion in 2004 compared with \$717.6 million in 2003 for a 39.6 percent increase. Operating income was \$108.3 million in 2004 compared with \$54.1 million in 2003. This \$54.2 million increase in operating

profit was due to higher spreads and volume in certain product lines. Of this increase in operating income, approximately \$44 million was from copper tube and copper fittings with the remainder attributable to other product lines.

Industrial Products Division

IPD's net sales were \$392 million in 2004 compared with \$292 million in 2003. Operating income increased by \$8.9 million to \$20.6 million in 2004 compared with \$11.7 million in 2003. This increase is due primarily to improved spreads and volume in brass rod. Of this increase in operating income, approximately \$11 million is attributable to Brass Rod, Forgings, Impacts and Micro Gauge, and the balance attributable to other product lines offset by a \$3.9 million impairment charge for Overstreet-Hughes (as discussed above).

2003 Performance Compared with 2002

Consolidated net sales in 2003 were \$999.1 million, a 4.8 percent increase over net sales of \$953.0 million in 2002. Pounds of product sold totaled 695.8

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million in 2003 compared with 694.0 million pounds sold in 2002. Net selling prices generally fluctuate with changes in raw material prices. The COMEX average copper price in 2003 was approximately 81 cents per pound, or 13 percent more than the 2002 average of 72 cents. This change impacted the Company's net sales and cost of goods sold, particularly in the later part of the year as COMEX steadily climbed, ending the year at \$1.04 per pound.

Cost of goods sold increased \$71.1 million, to \$815.8 million in 2003. This increase was attributable primarily to higher raw material costs. Gross profit was \$183.2 million or 18.3 percent of net sales in 2003 compared with \$208.2 million or 21.8 percent of net sales in 2002. The decline in gross profit was due to lower spreads in core product lines, primarily copper tube, fittings, and brass rod. The quarterly gross profit trend bottomed out in the first quarter and steadily improved throughout the year.

Depreciation and amortization increased to \$39.0 million in 2003 from \$37.4 million in 2002; the increase was due to capital expenditures. Selling, general, and administrative expense increased to \$94.9 million in 2003; this \$9.9 million increase was due to increases in (i) distribution costs, related to expansion of dedicated warehousing, of \$4.3 million, (ii) health and medical benefit plans of \$1.2 million, (iii) pension costs of \$3.5 million, and (iv) additional provisions for doubtful accounts of \$2.8 million that relates primarily to two specific customer accounts that were determined to be uncollectible, offset by a \$1.9 million net reduction of other costs.

Interest expense decreased to \$1.2 million in 2003 from \$1.5 million in 2002. This decrease was primarily due to debt reductions. Environmental expense related to non-operating properties totaled \$1.2 million in 2003 compared with \$1.6 million in 2002; environmental costs related to operating properties is classified as cost of goods sold and was not significant in 2003 or 2002. Other income was slightly lower due to lower interest income yields on invested cash balances.

Income tax expense declined substantially to \$7.2 million, for an effective rate of 14 percent, due to the recognition of a deferred income tax benefit. During the third quarter of 2003, the Company recognized a deferred income tax benefit, upon the closure of the open tax year, by reducing a valuation allowance of \$9.3 million related to an operating loss resulting from the 1999 sale of a subsidiary. Realization of the tax benefit occurred during the year of sale.

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 Company expects no further obligations or contingencies from these discontinued operations and, therefore, during 2003 it recognized a \$1.7 million gain to reflect adjustments to the previous estimates on disposition.

The Company's employment was approximately 3,500 at the end of 2003 compared with 3,600 at the end of 2002.

Standard Products Division

Net sales by SPD were \$718 million in 2003 compared with \$679 million in 2002 for a 5.6 percent increase. Operating income was \$54.1 million in 2003

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compared with \$79.0 million in 2002. The decline in operating profit was due to lower spreads in certain product lines, primarily copper tube and fittings, and increased distribution costs.

Industrial Products Division

IPD's net sales were \$292 million in 2003 compared with \$280 million in 2002. Operating income was \$11.7 million in 2003 compared with \$20.4 million in 2002. Brass rod earnings declined on lower volume and spreads. The division's results also declined due to poor performance of certain product lines including Overstreet-Hughes.

Liquidity and Capital Resources

The Company's cash and cash equivalents balance decreased to \$47.4 million at year-end. Major components of the 2004 change included \$154.8 million of cash provided by operating activities, \$70.6 million of cash used in investing activities and \$292.3 million of cash used in financing activities.

Net income from continuing operations of \$79.4 million in 2004 was the primary component of cash provided by operating activities. Depreciation and amortization of \$40.6 million and income tax benefit from exercise of stock options for \$31.8 million were the primary non-cash adjustments. Major changes in working capital included a \$18.0 million increase in trade accounts receivable due to better volumes and increased selling prices in 2004 compared with 2003, and \$26.2 million increase in inventories due to higher raw material costs.

The major components of net cash used for investing activities during 2004 included \$20.0 million used for capital expenditures and \$56.9 million used for the acquisition of Vemco (\$14.6 million) and Mueller Comercial S.A. (\$42.3 million).

Net cash used in financing activities totaled \$292.3 million consisting of \$259.9 million for cash dividends, \$6.6 million for debt repayments, \$42.6 million for the acquisition of treasury stock offset by the proceeds from the sale of treasury stock of \$19.0 million. These treasury stock transactions relate to stock option exercises; the Company made no open market purchases of treasury stock during 2004.

The Company has a \$150 million unsecured line-of-credit (Credit Facility) which expires in November 2007. At year-end, the Company had no borrowings against the Credit Facility. Approximately \$9.0 million in letters of credit were backed by the Credit Facility at the end of 2004. At December 25, 2004, the Company's total debt was \$316.0 million or 47 percent of its total capitalization.

Covenants contained in the Company's financing obligations require, among other things, the maintenance of minimum levels of tangible net worth and meet certain minimum financial ratios. At December 25, 2004 the Company was in compliance with all of its debt covenants.

The Company expects to invest between \$20 and \$25 million for capital expenditures during 2005.

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Contractual cash obligations of the Company at December 25, 2004 included the following:

<TABLE>
(In millions)
<CAPTION>

	Total	Payments Due by Year			
		2005	2006-2007	2008-2009	Thereafter
Long-term debt, including capital lease obligations	\$316.0	\$ 5.3	\$ 0.7	\$ 0.3	\$309.7
Consulting agreements	12.7	-	-	2.7	10.0
Operating leases	18.9	5.8	8.1	3.8	1.2
Purchase commitments (1)	171.2	171.2	-	-	-
	-----	-----	-----	-----	-----
Total contractual cash obligations	\$518.8	\$182.3	\$ 8.8	\$ 6.8	\$320.9
	=====	=====	=====	=====	=====

</TABLE>

(1) Purchase commitments include \$16.7 million of open fixed price purchases of raw materials. Additionally, the Company has contractual supply commitments, totaling \$154.5 million at year-end prices, for raw materials consumed in the ordinary course of business; these contracts contain variable pricing based upon COMEX.

The above obligations will be satisfied with existing cash, the Credit

Facility, and cash generated by operations. Additionally, the cash flow to Fund pension and OPEB obligations was \$1.9 million in 2004 and in 2003. During 2004 and 2003, funded pension assets recovered a significant portion of market value declines experienced in 2002. 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. Since the end of the third quarter of 2003, there has been a significant increase in COMEX copper prices. From the September 30, 2003 close through the end of 2004, the cost has risen to approximately \$1.45 per pound, or approximately 80 percent.

The Company's Board of Directors declared a regular quarterly dividend of 10 cents per share on its Common Stock during each quarter of 2004. Additionally, the Company distributed a Special Dividend composed of \$6.50 in cash and \$8.50 in principal amount of the Company's 6% Subordinated Debentures due 2014 per share of Common Stock. Payment of dividends in the future is dependent upon the Company's financial condition, cash flows, capital requirements, earnings, and other factors.

Management believes that cash provided by operations, the Credit Facility, and currently available cash of \$47.4 million will be adequate to meet the Company's normal future capital expenditure and operational needs. The Company's current ratio was 2.5 to 1 at December 25, 2004.

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The Company's Board of Directors has authorized the repurchase, until October 2005, of up to ten million shares of the Company's Common Stock through open market transactions or through privately negotiated transactions. 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. Any purchases will be funded primarily through existing cash and cash from operations. The Company may hold any shares purchased in treasury or use a portion of the repurchased shares for employee benefit plans, as well as for other corporate purposes. Through December 25, 2004, the Company had repurchased approximately 2.4 million shares under this authorization.

Environmental Matters

The Company ended 2004 with total environmental reserves of approximately \$9.5 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 Risks

The Company is exposed to market risk from changes in raw material costs, foreign currency exchange, 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 Consolidated Financial Statements.

Cost and Availability 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, or the lack of availability 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. The effective portion of 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 \$0.7 million of copper over the next three months.

Futures contracts may also be used to manage price risk associated with natural gas purchases. The effective portion of 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 \$1.3 million of natural gas over the next three months.

Interest Rates

At December 25, 2004 and December 27, 2003, the fair value of the Company's debt was estimated at \$307.5 million and \$15.5 million, respectively, primarily using market yields and taking into consideration the underlying terms of the debt. Such fair value was less than the carrying value of debt at December 25, 2004 by \$8.5 million and exceeded the carrying value at December 27, 2003 by \$1.2 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 \$5.9 million at December 25, 2004 and \$0.2 million at December 27, 2003.

The Company had \$5.5 million of variable-rate debt outstanding at December 25, 2004 and none at December 27, 2003. 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.

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 \$120.8 million at December 25, 2004 and \$60.6 million at December 27, 2003. The primary reason for the increase in 2004 is from businesses acquired during the year. 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 25, 2004 and December 27, 2003 amounted to \$12.1 million and \$6.1 million, respectively. This change would be reflected in the equity section of the Company's Consolidated Balance Sheet.

Critical Accounting Policies and Estimates

The Company's Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States.

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Application of these principles requires the Company to make estimates, assumptions, 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 and estimates 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; the domestic copper inventories are valued under the LIFO method. The market price of copper cathode and scrap are subject to volatility. During periods when open market prices decline below net book value, the Company may need to provide an allowance to reduce the carrying value of its inventory. 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. Changes in these estimates related to the value of inventory, if any, may result in a materially adverse or positive impact on the Company's 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.

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, ongoing monitoring costs, and estimated legal fees; communications with regulatory agencies; and changes in environmental law. If the Company were to determine that its estimates of the duration or extent of its environmental obligations were no longer accurate, the Company would adjust its environmental liabilities accordingly in the period that such determination is made. Estimated future

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expenditures for environmental remediation are not discounted to their present value. Accrued environmental liabilities are not reduced by potential insurance reimbursements.

Environmental expenses that relate to ongoing operations are included as a component of cost of goods sold. Environmental expenses related to certain non-operating properties are classified as non-operating expense on the consolidated statements of income.

Allowance for Doubtful Accounts

The Company provides an allowance for receivables that may not be fully collected. In circumstances where the Company is aware of a customer's inability to meet its financial obligations (i.e., bankruptcy filings or substantial down-grading of credit ratings), it records a reserve for bad debts against amounts due to reduce the net recognized receivable to the amount it believes most likely 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., greater 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

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123(R), "Share-Based Payment", which is a revision of SFAS No. 123 and supersedes Accounting Principals Board Opinion No. 25. SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be valued at fair value on the date of grant, and to be expensed over the applicable vesting period. Pro forma disclosure of the income statement effects of share-based payments is no longer an alternative. The Company is required to adopt the provisions of SFAS No. 123(R) effective as of the beginning of the third quarter of 2005. SFAS No. 123(R) provides alternative methods of adoption which include prospective application and a modified retroactive application. The Company is currently evaluating the financial impact, including the available alternatives of adoption, of SFAS No. 123(R). SFAS No. 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption. While the Company cannot estimate what those amounts will be in the future (because they depend on, among other things, when employees exercise stock options), the amount of operating cash flows recognized in 2004 for such excess tax deductions was \$31.8 million.

In November 2004, the FASB issued SFAS No. 151, "Inventory Cost". This statement amends the guidance in Accounting Research Bulletin No. 43, Chapter 4, "Inventory Pricing", to clarify the accounting for abnormal amounts

of idle facility expense, freight, handling costs, and wasted material (spoilage). This statement is effective for inventory cost incurred during fiscal years beginning after June 15, 2005. This statement will be considered and adopted by the Company at the appropriate future point in time. The Company is currently assessing the impact of adopting SFAS No. 151 to its consolidated results of operations.

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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) the domestic housing and commercial construction industry environment; (iii) availability and price fluctuations in commodities (including copper, natural gas, and other raw materials, including crude oil that indirectly effects plastic resins); (iv) competitive factors and competitor responses to the Company's initiatives; (v) stability of government laws and regulations, including taxes; (vi) availability of financing; and (vii) continuation of the environment to make acquisitions, domestic and foreign, including regulatory requirements and market values of candidates.

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Mueller Industries, Inc.
 Consolidated Statements of Income
 Years ended December 25, 2004, December 27, 2003, and December 28, 2002

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

	2004	2003	2002
<S>	<C>	<C>	<C>
Net sales	\$1,379,056	\$ 999,078	\$ 952,983
Cost of goods sold	1,115,612	815,849	744,781
Gross profit	263,444	183,229	208,202
Depreciation and amortization	40,613	38,954	37,440
Selling, general, and			

administrative expense	106,400	94,891	85,006
Impairment charge	3,941	-	-
	-----	-----	-----
Operating income	112,490	49,384	85,756
Interest expense	(3,974)	(1,168)	(1,460)
Other income, net	6,842	3,220	4,171
	-----	-----	-----
Income from continuing operations			
before income taxes	115,358	51,436	88,467
Income tax expense	(35,942)	(7,215)	(17,290)
	-----	-----	-----
Income from continuing operations	79,416	44,221	71,177
Discontinued operations, net of income taxes:			
Loss from operation of discontinued operations	-	(539)	(886)
Gain on disposition of discontinued operations	-	1,699	7,701
	-----	-----	-----
Net income	\$ 79,416	\$ 45,381	\$ 77,992
	=====	=====	=====

See accompanying notes to consolidated financial statements.

</TABLE>

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Mueller Industries, Inc.
Consolidated Statements of Income (continued)
Years ended December 25, 2004, December 27, 2003, and December 28, 2002

<TABLE>

(In thousands, except per share data)

<CAPTION>

	2004	2003	2002
<S>	<C>	<C>	<C>
Weighted average shares for basic earnings per share	35,321	34,264	33,993
Effect of dilutive stock options	1,590	2,597	3,055
	-----	-----	-----
Adjusted weighted average shares for diluted earnings per share	36,911	36,861	37,048
	=====	=====	=====
Basic earnings (loss) per share:			
From continuing operations	\$ 2.25	\$ 1.29	\$ 2.09
From discontinued operations	-	(0.02)	(0.03)
From gain on disposition of discontinued operations	-	0.05	0.23
	-----	-----	-----
Basic earnings per share	\$ 2.25	\$ 1.32	\$ 2.29
	=====	=====	=====
Diluted earnings (loss) per share:			
From continuing operations	\$ 2.15	\$ 1.19	\$ 1.92
From discontinued operations	-	(0.01)	(0.02)
From gain on disposition of discontinued operations	-	0.05	0.21
	-----	-----	-----
Diluted earnings per share	\$ 2.15	\$ 1.23	\$ 2.11
	=====	=====	=====
Dividends per share	\$ 15.40	\$ -	\$ -
	=====	=====	=====

See accompanying notes to consolidated financial statements.

</TABLE>

Mueller Industries, Inc.
 Consolidated Balance Sheets
 As of December 25, 2004 and December 27, 2003
 <TABLE>
 (In thousands)
 <CAPTION>

<S>	2004	2003
Assets	<C>	<C>
Current assets		
Cash and cash equivalents	\$ 47,449	\$ 255,088
Accounts receivable, less allowance for doubtful accounts of \$3,925 in 2004 and \$4,734 in 2003	201,396	163,006
Inventories	187,853	140,548
Current deferred income taxes	15,276	9,035
Other current assets	3,357	2,678
	-----	-----
Total current assets	455,331	570,355
Property, plant, and equipment, net	335,610	345,537
Goodwill	136,615	104,849
Other assets	36,175	34,443
	-----	-----
Total Assets	\$ 963,731	\$ 1,055,184
	=====	=====

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

Mueller Industries, Inc.
 Consolidated Balance Sheets (continued)
 As of December 25, 2004 and December 27, 2003
 <TABLE>
 (In thousands, except share data)
 <CAPTION>

<S>	2004	2003
	<C>	<C>

Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 5,328	\$ 2,835
Accounts payable	79,723	42,081
Accrued wages and other employee costs	37,992	25,631
Other current liabilities	57,775	48,314
	-----	-----
Total current liabilities	180,818	118,861
Long-term debt, less current portion	310,650	11,437
Pension liabilities	19,611	18,077
Postretirement benefits other than pensions	13,556	13,566
Environmental reserves	9,503	9,560
Deferred income taxes	67,479	58,379
Other noncurrent liabilities	10,361	10,238
	-----	-----
Total liabilities	611,978	240,118
	-----	-----
Minority interest in subsidiaries	67	208
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 36,389,824 in 2004 and 34,276,343 in 2003	401	401
Additional paid-in capital, common	252,931	259,110
Retained earnings	175,537	655,495
Accumulated other comprehensive income (loss)	3,085	(5,586)
Treasury common stock, at cost	(80,268)	(94,562)
	-----	-----
Total stockholders' equity	351,686	814,858
	-----	-----
Commitments and contingencies	-	-
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 963,731	\$ 1,055,184
	=====	=====

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

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Mueller Industries, Inc.
Consolidated Statements of Stockholders' Equity
Years ended December 25, 2004, December 27, 2003, and December 28, 2002
(In thousands)
<TABLE>
<CAPTION>

Total	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	
	Number of Shares	Amount				Number of Shares	Cost
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
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 from exercise stock options	-	-	(15,951)	-	-	(1,247)
19,155 3,204						
Repurchase of common stock (14,754) (14,754)	-	-	-	-	-	456
Tax benefit related to employee stock options	-	-	13,243	-	-	-
- 13,243						

Balance, December 28, 2002 753,523	40,092	401	258,939	610,114	(21,133)	5,834 (94,798)

See accompanying notes to consolidated financial statements.

</TABLE>

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Mueller Industries, Inc.
Consolidated Statements of Stockholders' Equity (continued)
Years ended December 25, 2004, December 27, 2003, and December 28, 2002
(In thousands)

<TABLE>
<CAPTION>

	Common Stock Number of Shares	Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Number of Shares	Cost
Total	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 28, 2002 \$ 753,523	40,092	\$ 401	\$ 258,939	\$ 610,114	\$ (21,133)	5,834	\$ (94,798)
Comprehensive income:							
Net income	-	-	-	45,381	-	-	-
- 45,381							
Other comprehensive income (loss):							
Foreign currency translation	-	-	-	-	10,941	-	-
- 10,941							
Minimum pension liability adjustment, net of applicable income taxes of \$3	-	-	-	-	4,277	-	-
- 4,277							
Change in fair value of derivatives, net of applicable income taxes of \$156	-	-	-	-	255	-	-
- 255							
Losses reclassified into earnings from other comprehensive income, net of applicable income tax benefit of \$45	-	-	-	-	74	-	-
- 74							

Comprehensive income
60,928
Issuance of shares
from exercise

stock options	-	-	153	-	-	(19)	
236 389							
Repurchase of common stock	-	-	-	-	-		
-							
Tax benefit related to employee stock options	-	-	18	-	-	-	
- 18							
	-----	----	-----	-----	-----	-----	-----
Balance, December 27, 2003	40,092	401	259,110	655,495	(5,586)	5,815	(94,562)
814,858							

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

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Mueller Industries, Inc.
Consolidated Statements of Stockholders' Equity (continued)
Years ended December 25, 2004, December 27, 2003, and December 28, 2002
(In thousands)
<TABLE>
<CAPTION>

	Common Stock Number of Shares	Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Number of Shares	Cost
Total	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 27, 2003	40,092	\$ 401	\$ 259,110	\$ 655,495	\$ (5,586)	5,815	\$ (94,562)
\$ 814,858							
Comprehensive income:							
Net income	-	-	-	79,416	-	-	-
- 79,416							
Other comprehensive							
Income (loss):							
Foreign currency translation	-	-	-	-	8,560	-	-
- 8,560							
Minimum pension liability							
adjustment, net of							
applicable income taxes							
of \$2	-	-	-	-	(2)	-	-
- (2)							
Change in fair value of							
derivatives, net of							
applicable income taxes							
of \$134	-	-	-	-	219	-	-
- 219							
Gains reclassified into							
earnings from other							
comprehensive income, net							
of applicable income taxes							
of \$65	-	-	-	-	(106)	-	-
- (106)							

Comprehensive income							
88,087							
Dividends	-	-	-	(559,374)	-	-	-
- (559,374)							
Issuance of shares							
from exercise							
stock options	-	-	(37,957)	-	-	(3,242)	-
56,935 18,978							
Repurchase of common stock	-	-	-	-	-	1,129	-
(42,641) (42,641)							
Tax benefit related to							
employee stock options	-	-	31,778	-	-	-	-
- 31,778							
	-----	----	-----	-----	-----	-----	-----

--	-----							
Balance, December 25, 2004	40,092	\$ 401	\$ 252,931	\$ 175,537	\$ 3,085	3,702	\$	
(80,268) \$ 351,686								
	=====	=====	=====	=====	=====	=====	=====	=====
=====								

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

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Mueller Industries, Inc.
Consolidated Statements of Cash Flows
Years ended December 25, 2004, December 27, 2003, and December 28, 2002
<TABLE>
(In thousands)
<CAPTION>

	2004	2003	2002
<S>	<C>	<C>	<C>
Operating activities:			
Net income from continuing operations	\$ 79,416	\$ 44,221	\$ 71,177
Reconciliation of net income from continuing operations to net cash provided by operating activities:			
Depreciation	40,316	38,531	36,979
Amortization of intangibles	297	423	461
Amortization of Subordinated Debenture costs	26	-	-
Income tax benefit from exercise of stock options	31,778	18	13,243
Impairment charge	3,941	-	-
Deferred income taxes	2,711	(287)	9,686
Provision for doubtful accounts receivable	1,404	3,172	374
Minority interest in subsidiaries, net of dividend paid	(141)	(213)	150
(Gain) loss on disposals of properties	(5,729)	290	(485)
Equity in loss of unconsolidated subsidiary	2,026	460	-
Changes in assets and liabilities, net of businesses acquired:			
Receivables	(17,995)	(35,129)	6,021
Inventories	(26,208)	2,948	(13,744)
Other assets	(2,055)	3,240	(4,154)
Current liabilities	42,913	14,620	3,683
Other liabilities	296	(54)	(91)
Other, net	1,765	1,176	917
	-----	-----	-----
Net cash provided by operating activities	154,761	73,416	124,217
	-----	-----	-----
Investing activities:			
Proceeds from sale of Utah Railway Company	-	-	55,403
Capital expenditures	(19,980)	(27,236)	(23,265)
Acquisition of businesses	(56,946)	-	(20,457)
Proceeds from sales of properties	6,334	1,412	8,165
Purchase of Conbraco Industries, Inc. common stock	-	(10,806)	(7,320)
Escrowed IRB proceeds	-	449	2,445
	-----	-----	-----
Net cash (used in) provided by investing activities	(70,592)	(36,181)	14,971
	-----	-----	-----

See accompanying notes to consolidated financial statements.

</TABLE>

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Mueller Industries, Inc.
Consolidated Statements of Cash Flows (continued)
Years ended December 25, 2004, December 27, 2003, and December 28, 2002
<TABLE>
(In thousands)

<CAPTION>

	2004	2003	2002
<S>	<C>	<C>	<C>
Financing activities:			
Repayments of long-term debt	\$ (6,608)	\$ (3,894)	\$ (34,119)
Dividends paid	(259,882)	-	-
Acquisition of treasury stock	(42,641)	-	(14,754)
Proceeds from the sale of treasury stock	18,978	389	3,204
Subordinated Debenture issuance costs	(2,187)	-	-
	-----	-----	-----
Net cash used in financing activities	(292,340)	(3,505)	(45,669)
	-----	-----	-----
Effect of exchange rate changes on cash	532	3,505	719
	-----	-----	-----
(Decrease) increase in cash and cash equivalents	(207,639)	37,235	94,238
Cash provided by discontinued operations	-	252	1,501
Cash and cash equivalents at the beginning of the year	255,088	217,601	121,862
	-----	-----	-----
Cash and cash equivalents at the end of the year	\$ 47,449	\$ 255,088	\$ 217,601
	=====	=====	=====

For supplemental disclosures of cash flow information, see Notes 1, 5, 6, 7, and 13.

See accompanying notes to consolidated financial statements.

</TABLE>

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Notes to Consolidated Financial Statements

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 also resells imported brass and plastic plumbing valves, malleable iron fittings, steel nipples, faucets, and plumbing specialty products. 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 majority owned 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. The Company accounts for its minority investment in Conbraco Industries, Inc. on the equity method.

Revenue Recognition

Revenue is recognized when title passes to the customer either when

products are shipped, provided collection is determined to be probable and no significant obligations remain for the Company, or upon the terms of the sale. Estimates for future rebates on certain product lines and bad debts are recognized in the period which the revenue is recorded. The cost of shipping product to customers is expensed as incurred as a component of cost of goods sold.

Cash Equivalents

Temporary investments with original maturities of three months or less are considered to be cash equivalents. These investments are stated at cost. At December 25, 2004 and December 27, 2003, temporary investments consisted of certificates of deposit, commercial paper, bank repurchase agreements, and U.S. and foreign government securities totaling \$46.6 million and \$254.9 million, respectively.

Allowance for Doubtful Accounts

The Company provides an allowance for receivables that may not be fully collected. In circumstances where the Company is aware of a customer's inability to meet its financial obligations (i.e., bankruptcy filings or substantial down-grading of credit ratings), it records a reserve for bad debts against amounts due to reduce the net recognized receivable to the amount it

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believes most likely 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., greater 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.

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.

The market price of copper cathode and scrap are subject to volatility. During periods when open market prices decline below net book value, the Company may need to provide an allowance to reduce the carrying value of its inventory. 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. Changes in these estimates related to the value of inventory, if any, may result in a materially adverse or positive impact on the Company's 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.

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. Repairs and maintenance are expensed as incurred.

Goodwill

Goodwill represents cost in excess of fair values assigned to the underlying net assets of acquired businesses. Under Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets", goodwill is subject to impairment testing which compares carrying values to fair values and, when appropriate, the carrying value of these assets is required to be reduced to fair value. The Company performs its annual impairment assessment as of the first day of the fourth quarter of each fiscal year, unless circumstances dictate more frequent assessments. For testing purposes, the Company uses components of its reporting segments; components of a segment having similar economic characteristics are combined. No impairment loss resulted from the 2004 or 2003 annual tests performed under SFAS No. 142; however, as discussed in Note 4, an impairment charge was recognized in the first quarter of 2004. There can be no assurance that additional goodwill impairment will not occur in the future.

Self Insurance Accruals

The Company is primarily self insured for workers' compensation claims and benefits paid under employee health care programs. Accruals are primarily

based on estimated undiscounted cost of claims, which includes incurred-but-not-reported claims and are classified as accrued wages and other employee costs.

Environmental Reserves and Environmental Expenses

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, ongoing monitoring costs, and estimated legal fees; communications with regulatory agencies; and changes in environmental law. If the Company were to determine that its estimates of the duration or extent of its environmental obligations were no longer accurate, the Company would adjust its environmental liabilities accordingly in the period that such determination is made. Estimated future expenditures for environmental remediation are not discounted to their present value. Accrued environmental liabilities are not reduced by potential insurance reimbursements.

Environmental expenses that relate to ongoing operations are included as a component of cost of goods sold. Environmental expenses related to certain non-operating properties are classified as a non-operating expense on the consolidated statements of income.

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

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 tax expense 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 a decrease to income tax expense in the period that such determination is made.

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 SFAS No. 123, "Accounting for Stock-Based Compensation", to stock-based employee compensation.

<TABLE>

(In thousands, except per share data)

<CAPTION>

	2004	2003	2002
<S>	<C>	<C>	<C>
Net income	\$ 79,416	\$ 45,381	\$ 77,992
SFAS No. 123 compensation expense, net of income taxes	(2,114)	(2,028)	(2,485)
SFAS No. 123 pro forma net income	\$ 77,302	\$ 43,353	\$ 75,507
Pro forma earnings per share:			
Basic	\$ 2.19	\$ 1.27	\$ 2.22
Diluted	\$ 2.09	\$ 1.18	\$ 2.04

Earnings per share, as reported:

Basic	\$	2.25	\$	1.32	\$	2.29
Diluted	\$	2.15	\$	1.23	\$	2.11

</TABLE>

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 geographic areas and 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.

Derivative Instruments and Hedging Activities

The Company has utilized forward contracts to manage the volatility related to purchases of copper and natural gas, and certain transactions 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, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133), the Company has recorded the fair value of these contracts in the Consolidated Balance Sheet. 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,

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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. 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 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 income into earnings.

The Company primarily executes derivative contracts with major financial institutions. These counterparties expose the Company to credit risk in the event of non-performance. The amount of such exposure is limited to the unpaid portion of amounts due to the Company pursuant to terms of the derivative instruments, if any. Although there are no collateral requirements, if a downgrade in the credit rating of these counterparties occurs, management believes that this exposure is mitigated by provisions in the derivative arrangements which allow for the legal right of offset of any amounts due to the Company from the counterparties with any amounts payable to the counterparties by the Company. As a result, management considers the risk of counterparty default to be minimal.

At December 25, 2004, the Company held open forward commitments to purchase approximately \$0.7 million of copper and approximately \$1.3 million of natural gas in the next three months.

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. Primarily using market yields, the fair value of the Company's debt instruments were estimated to be \$307.5 million and \$15.5 million at December 25, 2004 and December 27, 2003, respectively. The fair value of the Company's interest rate swap contract was approximately \$0.7 million at December 25, 2004. This value represents the estimated amount the Company would need to pay if such contract were 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 25, 2004. The Company estimates the fair value of contracts by obtaining quoted market prices.

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.

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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, assumptions, and judgments that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Standards

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123(R), "Share-Based Payment", which is a revision of SFAS No. 123 and supersedes APB No. 25. SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be valued at fair value on the date of grant, and to be expensed over the applicable vesting period. Pro forma disclosure of the income statement effects of share-based payments is no longer an alternative. The Company is required to adopt the provisions of SFAS No. 123(R) effective as of the beginning of the third quarter of 2005. SFAS No. 123(R) provides alternative methods of adoption which include prospective application and a modified retroactive application. The Company is currently evaluating the financial impact, including the available alternatives of adoption, of SFAS No. 123(R). SFAS No. 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption. While the Company cannot estimate what those amounts will be in the future (because they depend on, among other things, when employees exercise stock options), the amount of operating cash flows recognized in 2004 for such excess tax deductions was \$31.8 million.

In November 2004, the FASB issued SFAS No. 151, "Inventory Cost". This statement amends the guidance in Accounting Research Bulletin No. 43, Chapter 4, "Inventory Pricing", to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). This statement is effective for inventory cost incurred during fiscal years beginning after June 15, 2005. This statement will be considered and adopted by the Company at the appropriate future point in time. The Company is currently assessing the impact of adopting SFAS No. 151 to its consolidated results of operations.

Reclassifications

Certain amounts in the prior years Consolidated Financial Statements have been reclassified to conform to the current year presentation.

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Note 2 - Inventories

<TABLE>
(In thousands)
<CAPTION>

	2004	2003
<S>	<C>	<C>
Raw material and supplies	\$ 34,270	\$ 22,261
Work-in-process	24,201	20,395
Finished goods	129,382	97,892
	-----	-----
Inventories	\$ 187,853	\$ 140,548
	=====	=====

</TABLE>

Inventories valued using the LIFO method totaled \$36.5 million at

December 25, 2004 and \$34.2 million at December 27, 2003. At December 25, 2004 and December 27, 2003 the approximate FIFO cost of such inventories was \$64.4 million and \$42.0 million, respectively.

Note 3 - Property, Plant, and Equipment, Net

	2004	2003
Land and land improvements	\$ 9,431	\$ 8,753
Buildings	97,679	90,279
Machinery and equipment	497,591	466,006
Construction in progress	5,479	16,976
	-----	-----
	610,180	582,014
Less accumulated depreciation	(274,570)	(236,477)
	-----	-----
Property, plant, and equipment, net	\$ 335,610	\$ 345,537
	=====	=====

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Note 4 - Goodwill

The changes in the carrying amount of goodwill were as follows:

	Standard Products Division	Industrial Products Division	Total
Balance at December 28, 2002	\$ 94,859	\$ 10,692	\$ 105,551
Adjustments to the fair value of businesses acquired during 2002	(789)	87	(702)
	-----	-----	-----
Balance at December 27, 2003	94,070	10,779	104,849
Goodwill resulting from acquisitions during the year	33,013	-	33,013
Impairment charge	-	(2,279)	(2,279)
Foreign currency translation adjustment	1,032	-	1,032
	-----	-----	-----
Balance at December 25, 2004	\$ 128,115	\$ 8,500	\$ 136,615
	=====	=====	=====

The results of the Company's wholly owned subsidiary Overstreet-Hughes Co., Inc. (Overstreet-Hughes) have not met expectations. Initiatives to improve performance have not been successful. Furthermore, Overstreet-Hughes' primary customer has announced the closure of its facility that consumes the majority of Overstreet-Hughes' output. Consequently, during 2004, the Company recognized a \$3.9 million non-cash impairment charge related to Overstreet-Hughes and reduced its goodwill by \$2.3 million and its carrying cost in long-lived assets by \$1.6 million, its best estimate of fair value. This estimate was determined based on a discounted cash flow method.

Note 5 - Long-Term Debt

	2004	2003
6% Subordinated Debentures, due 2014	\$ 299,492	\$ -

2001 Series IRBs with interest at 6.63%, due 2021	10,000	10,000
Other, including capitalized lease obligations	6,486	4,272
	-----	-----
	315,978	14,272
Less current portion of long-term debt	(5,328)	(2,835)
	-----	-----
Long-term debt	\$ 310,650	\$ 11,437
	=====	=====

</TABLE>

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On October 26, 2004, as part of a Special Dividend, the Company issued \$299.5 million in principal amount of its 6% Subordinated Debentures (the Debentures) due November 1, 2014. Interest on the Debentures is payable semi-annually on May 1 and November 1, commencing May 1, 2005. The Debentures may be redeemed in whole at any time or in part from time to time at the option of the Company at the following redemption price (expressed as a percentage of principal amount) plus any accrued but unpaid interest to, but excluding, the redemption date:

<TABLE>

If redeemed during the 12-month period beginning October 26,

<CAPTION>

Year	Redemption Price
2004	105%
2005	104
2006	103
2007	102
2008	101
2009 and thereafter	100

</TABLE>

The Company has a Credit Agreement (the Agreement) with a syndicate of banks establishing an unsecured \$150 million revolving credit facility (the Credit Facility) which matures in November 2007. Borrowings under the Credit Facility bear interest, at the Company's option, at (i) LIBOR plus a variable premium or (ii) the greater 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 37.5 to 67.5 basis points. At December 25, 2004, the premium was 60 basis points. Additionally, a facility fee is payable quarterly on the total commitment and varies from 12.5 to 20.0 basis points based upon the Company's capitalization ratio. Availability of funds under the Credit Facility is reduced by the amount of certain outstanding letters of credit, which totaled approximately \$9.0 million at December 25, 2004. There were no borrowings outstanding as of December 25, 2004.

Borrowings under the Agreement require the Company, among other things, to maintain certain minimum levels of net worth and meet certain minimum financial ratios. At December 25, 2004 the Company was in compliance with all debt covenants.

Aggregate annual maturities of the Company's debt are \$5.3 million, \$0.4 million, \$0.3 million, \$0.2 million, and \$0.1 million for the years 2005 through 2009 respectively, and \$309.7 million thereafter. Interest paid in 2004, 2003, and 2002 was \$1.1 million, \$1.2 million, and \$1.6 million, respectively. No interest was capitalized in 2004, 2003, or 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 25, 2004 was \$9.1 million.

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Note 6 - Stockholders' Equity

On October 26, 2004, the Company distributed a Special Dividend consisting of \$6.50 in cash and \$8.50 in the principal amount of the Company's 6% Subordinated Debentures due 2014 for each share of Common Stock. Additionally, the Company paid regular quarterly cash dividends of 10 cents per share per quarter in 2004.

The Company's shareholder rights plan expired on November 10, 2004, and

was not renewed. This plan was established on November 10, 1994; the Company declared a dividend distribution of one Right for each outstanding share of the Company's Common Stock. Under certain circumstances, each Right entitled 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 Company's Board of Directors has authorized the repurchase, until October 2005, of up to 10 million shares of the Company's Common Stock through open market transactions or through privately negotiated transactions. 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. Any purchases will be funded primarily through existing cash and cash from operations. The Company may hold any shares purchased in treasury or use a portion of the repurchased shares for employee benefit plans, as well as for other corporate purposes. Through December 25, 2004, the Company had repurchased approximately 2.4 million shares under this authorization.

Components of accumulated other comprehensive income (loss) are as follows:

	2004	2003
Cumulative foreign currency translation adjustment	\$ 16,275	\$ 7,715
Minimum pension liability, net of income tax	(12,842)	(12,840)
Unrealized derivative losses, net of income tax	(348)	(461)
	-----	-----
Accumulated other comprehensive income (loss)	\$ 3,085	\$ (5,586)
	=====	=====

The change in cumulative foreign currency translation adjustment primarily relates to the Company's investment in its U.K. subsidiaries and fluctuations in exchange rates between the British pound sterling and the U.S. dollar. The value of the British pound increased by approximately 8.6 percent compared with the U.S. dollar during 2004.

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Note 7 - Income Taxes

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

	2004	2003	2002
Domestic	\$ 115,488	\$ 60,937	\$ 90,667
Foreign	(130)	(9,501)	(2,200)
	-----	-----	-----
Income from continuing operations before income taxes	\$ 115,358	\$ 51,436	\$ 88,467
	=====	=====	=====

Income tax expense attributable to continuing operations consists of the following:

	2004	2003	2002
Current tax expense:			
Federal	\$ 30,920	\$ 4,928	\$ 6,917
Foreign	642	1,744	287
State and local	1,669	830	400
	-----	-----	-----
Current tax expense	33,231	7,502	7,604
	-----	-----	-----

Deferred tax expense (benefit):

Federal	3,020	504	9,215
Foreign	(182)	(869)	137
State and local	(127)	78	334
	-----	-----	-----
Deferred tax expense (benefit)	2,711	(287)	9,686
	-----	-----	-----
Income tax expense	\$ 35,942	\$ 7,215	\$ 17,290
	=====	=====	=====

</TABLE>

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

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

<TABLE>			
(In thousands)			
<CAPTION>			
	2004	2003	2002
<S>	<C>	<C>	<C>
Expected income tax expense	\$ 40,375	\$ 18,003	\$ 30,964
State and local income tax, net of federal benefit	1,160	618	594
Foreign income taxes	(652)	220	1,330
Valuation allowance	(2,605)	(12,190)	(14,928)
Other, net	(2,336)	564	(670)
	-----	-----	-----
Income tax expense	\$ 35,942	\$ 7,215	\$ 17,290
	=====	=====	=====

</TABLE>

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

<TABLE>		
(In thousands)		
<CAPTION>		
	2004	2003
<S>	<C>	<C>
Deferred tax assets:		
Accounts receivable	\$ 1,250	\$ 1,640
Inventories	1,641	1,523
Pension, OPEB, and accrued items	11,466	11,103
Other reserves	8,818	8,035
Net operating loss carryforwards	10,956	10,175
Capital loss carryforwards	445	1,780
Foreign tax credits	-	2,119
Alternative minimum tax credit carryforwards	-	4,026
Other	846	32
	-----	-----
Total deferred tax assets	35,422	40,433
Less valuation allowance	(12,880)	(15,485)
	-----	-----
Deferred tax assets, net of valuation allowance	22,542	24,948
	-----	-----

</TABLE>

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<TABLE>
(In thousands)

<CAPTION>

	2004	2003
<S>	<C>	<C>
Deferred tax liabilities:		
Property, plant, and equipment	73,321	72,884
Other	1,424	1,408
	-----	-----
Total deferred tax liabilities	74,745	74,292
	-----	-----
Net deferred tax liability	\$ (52,203)	\$ (49,344)
	=====	=====

</TABLE>

As of December 25, 2004, the Company had utilized all recognized domestic net operating loss carryforwards, alternative minimum tax credit carryforwards and foreign tax credit carryforwards. As of December 25, 2004, the Company had \$1.3 million of capital loss carryforward of which \$1.0 million expires in 2005 and \$0.3 million expires in 2006.

As of December 25, 2004, the Company had foreign net operating loss carryforwards (foreign NOLs), primarily from U.K. operations, available to offset \$36.5 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 reduction of the valuation allowance in 2004 was primarily the result of recognition of a deferred income tax benefit upon the closure of open tax years, a reduction of the estimated valuation allowance for foreign tax credit carryforwards, and a reduction of the allowance associated with capital loss carryforwards used to offset capital gains from the sale of non-operating property.

During 2003, the Company recognized a deferred income tax benefit, upon the closure of the open tax year, by reducing a valuation allowance of \$9.3 million related to an operating loss resulting from the 1999 sale of a subsidiary. Realization of the tax benefit occurred during the year of sale.

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 in 2002 as a reduction to income taxes provided for continuing operations in accordance with SFAS No. 109. No income tax expense was included in the operation of discontinued operations in 2003 whereas \$2.7 million was included in 2002.

Income taxes paid (refunded) were approximately \$5.0 million in 2004, \$0.8 million in 2003, and \$(0.2) million in 2002.

The American Jobs Creation Act provides a new deduction for domestic manufacturers. The new deduction phases into effect during the period from 2005 to 2010. The benefit from this deduction in 2005 is expected to be immaterial.

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Note 8 - Other Current Liabilities

Included in other current liabilities at year-end were accrued discounts and allowances of \$29.6 million at December 25, 2004, and \$24.0 million at December 27, 2003, and taxes payable of \$13.6 million at December 25, 2004, and \$15.5 million at December 27, 2003.

Note 9 - Employee Benefits

The Company sponsors several qualified and nonqualified pension plans and other postretirement benefit plans for certain of its employees. In 2004, the Company changed its accounting principle by accelerating the date for actuarial measurement of its obligation for certain pension plans from year-end to November 30. The Company believes the one-month acceleration of the measurement date is a preferred change as it allows time for management to evaluate and report the actuarial pension measurements as well as evaluate those results in funding decisions. The effect of the change on the obligation and assets of the pension plans did not have a material cumulative effect on pension expense or accrued benefit cost.

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 25, 2004, and a statement of the plans' funded status as of December 25, 2004 and December 27, 2003:

<TABLE>
(In thousands)
<CAPTION>

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Change in benefit obligation:				
Obligation at beginning of year	\$ 132,342	\$ 120,654	\$ 10,756	\$ 10,729
Service cost	1,972	1,766	5	5
Interest cost	7,972	7,495	649	694
Participant contributions	403	351	-	-
Plan amendments	281	-	-	-
Actuarial loss	2,912	3,766	99	146
Benefit payments	(6,116)	(6,234)	(709)	(818)
Settlement	-	(67)	-	-
Foreign currency translation adjustment	4,450	4,611	-	-
Obligation at end of year	\$ 144,216	\$ 132,342	\$ 10,800	\$ 10,756

</TABLE>

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<TABLE>
(In thousands)
<CAPTION>

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Change in fair value of plan assets:				
Fair value of plan assets at beginning of year	\$ 114,889	\$ 98,251	\$ -	\$ -
Actual return on plan assets	12,428	18,535	-	-
Employer contributions	1,237	1,047	709	818
Participant contributions	403	351	-	-
Benefit payments	(6,116)	(6,234)	(709)	(818)
Settlement	-	(67)	-	-
Foreign currency translation adjustment	2,983	3,006	-	-
Fair value of plan assets at end of year	\$ 125,824	\$ 114,889	\$ -	\$ -
Funded status:				
Funded (underfunded) status at end of year	\$ (18,392)	\$ (17,453)	\$ (10,800)	\$ (10,756)
Unrecognized prior service cost	2,570	2,664	(72)	(80)
Unrecognized gain	17,729	17,765	2,774	2,817
Net amount recognized	\$ 1,907	\$ 2,976	\$ (8,098)	\$ (8,019)

</TABLE>

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 \$114.2 million, \$112.5 million, and \$91.7 million, respectively, as of December 25, 2004, and \$104.6 million, \$103.1 million, and \$84.1 million, respectively, as of December 27, 2003.

The following table provides the amounts recognized in the Consolidated Balance Sheets as of December 25, 2004 and December 27, 2003:

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
Prepaid benefit cost	\$ 8,664	\$ 8,203	\$ -	\$ -
Accrued benefit liability	(19,611)	(18,077)	(8,098)	(8,019)
Accumulated other comprehensive income	12,854	12,850	-	-
Net amount recognized	\$ 1,907	\$ 2,976	\$ (8,098)	\$ (8,019)

The components of net periodic benefit cost (income) are as follows:

	2004	2003	2002
Pension benefits:			
Service cost	\$ 1,972	\$ 1,766	\$ 1,354
Interest cost	7,972	7,495	7,407
Expected return on plan assets	(9,125)	(7,724)	(9,061)
Amortization of prior service cost	373	491	856
Amortization of net loss (gain)	963	1,327	(714)
Net periodic benefit cost (income)	\$ 2,155	\$ 3,355	\$ (158)
Other benefits:			
Service cost	\$ 5	\$ 5	\$ 5
Interest cost	649	694	853
Amortization of prior service cost	(8)	(8)	(8)
Amortization of net gain	142	120	122
Net periodic benefit cost	\$ 788	\$ 811	\$ 972

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:

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
Discount rate	5.91%	6.08%	6.00%	6.25%
Expected return on plan assets	8.06%	8.07%	N/A	N/A
Rate of compensation increases	4.50%	4.25%	N/A	N/A

The assumptions used in the measurement of the Company's net periodic benefit cost are as follows:

<TABLE>
<CAPTION>

	Pension Benefits			Other Benefits		
	2004	2003	2002	2004	2003	2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Weighted average assumptions:						
Discount rate	6.08%	6.42%	7.25%	6.25%	6.75%	6.75%
Expected return on plan assets	8.07%	8.05%	8.10%	N/A	N/A	N/A
Rate of compensation increases	4.25%	4.00%	4.25%	N/A	N/A	N/A

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 7.4 to 9.9 percent for 2004, gradually decrease to 4.5 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 \$899 thousand and the service and interest cost components of net periodic postretirement benefit costs by \$56 thousand for 2004. 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 2004 by \$820 thousand and \$52 thousand, respectively. The impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 has been determined to be immaterial.

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The weighted average asset allocation of the Company's pension fund assets are as follows:

Asset Category	Pension Plan Assets	
	2004	2003
<S>	<C>	<C>
Equity securities	71%	71%
Index funds	10	10
Debt securities	4	6
Cash and equivalents	4	2
Other	11	11
	-----	-----
	100%	100%
	=====	=====

The measurement date for the majority of the plans is November 30.

The Company's pension plan obligations are long-term in nature and, accordingly, the plan assets are invested for the long-term. The Company believes that a diversified portfolio of equity securities (both actively managed and index funds) and private equity funds have an acceptable risk-return profile that, over the long-term, is better than fixed income securities. Consequently, the pension plan assets are heavily weighted to equity investments. Plan assets are monitored periodically. Based upon results, investment managers and/or asset classes are redeployed when considered necessary. Expected rates of return on plan assets were determined based on historical market returns giving consideration to the composition of each plan's portfolio.

The plans' assets do not include investment in securities issued by the Company. The Company expects to contribute approximately \$1.3 million to its pension plans and \$0.8 million to its other postretirement benefit plans in 2005. The Company expects future benefits to be paid as follows:

	Pension Benefits	Other Benefits
	<C>	<C>
<S>		
2005	\$ 7,524	\$ 821
2006	7,499	835
2007	7,587	838
2008	7,584	842
2009	7,666	840

2010-2014	41,857	3,975
	-----	-----
Total	\$ 79,717	\$ 8,151
	=====	=====

</TABLE>

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The Company sponsors voluntary employee savings plans that qualify under Section 401(k) of the Internal Revenue Code of 1986. Compensation expense for the Company's matching contribution to the 401(k) plans was \$2.0 million in 2004, 2003 and in 2002. 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.

In October 1992, the Coal Industry Retiree Health Benefit Act of 1992 (the Act) was enacted. The Act mandates a method of providing for postretirement benefits to UMWA current and retired employees, including some retirees who were never employed by the Company. In October 1993, beneficiaries were assigned to the Company and the Company began its mandated contributions to the UMWA Combined Benefit Fund, a multiemployer trust. Beginning in 1994, the Company was required to make contributions for assigned beneficiaries under an additional multiemployer trust created by the Act, the UMWA 1992 Benefit Plan. The ultimate amount of the Company's liability under the Act will vary due to factors which include, among other things, the validity, interpretation, and regulation of the Act, its joint and several obligation, the number of valid beneficiaries assigned, and the extent to which funding for this obligation will be satisfied by transfers of excess assets from the 1950 UMWA pension plan and transfers from the Abandoned Mine Reclamation Fund. Nonetheless, the Company believes it has an adequate reserve for this liability which totaled \$6.1 million in 2004 and \$6.3 million in 2003.

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 and earnings on the deferrals. Effective January 1, 2005, deferrals ceased. The Company has invested in certain assets to assist in funding this plan. The fair value of these assets, included in other assets, was \$7.7 million at December 25, 2004 and \$6.7 million at December 27, 2003.

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 \$0.4 million for 2004, and \$0.3 million for 2003, and 2002.

Note 10 - Commitments and Contingencies

The Company is subject to environmental standards imposed by federal, state, local, and foreign environmental laws and regulations. For non-operating properties, the Company has provided and charged to income \$1.0 million in 2004, \$1.2 million in 2003, and \$1.6 million in 2002 for pending environmental matters. The basis for the provision is updated information and results of ongoing remediation and monitoring programs. Environmental reserves total \$9.5 million in 2004 and \$9.6 million in 2003. These estimated future costs, which will be funded in future years as remediation programs progress, are not discounted to their present value and are not reduced by potential insurance reimbursements. Management believes that the outcome of pending environmental matters will not materially affect the financial position or results of operations of the Company.

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The Company is involved in certain litigation as a result of claims that arose 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. Additionally, the Company may realize the benefit of certain insurance and legal claims in the future; these gain contingencies are not recognized in the Consolidated Financial Statements.

The Company has been named as a defendant in several purported class action complaints brought by direct and indirect purchasers alleging anticompetitive activities with respect to the sale of copper plumbing tubes and arising out of conduct allegedly occurring in Europe. Two such purported class actions are pending in the United States District Court for the Western District of Tennessee (the Federal Actions), four are pending in the Superior Court of the State of California, County of San Francisco (the California

Actions), and one is pending in the Circuit Court for Shelby County, Tennessee (with the Federal Actions and the California Actions, the Actions). Wholly owned Company subsidiaries, WTC Holding Company, Inc., Deno Holding Company, Inc., and Mueller Europe Ltd. are named in all of the Actions, and Deno Acquisition Eurl is named in all but one of the Actions. All of the Actions, which are similar, seek declaratory and monetary relief. Plaintiffs' motions to consolidate and for appointment of lead counsel in the Federal Actions and plaintiffs' motion to consolidate the California Actions has been granted. The Company has not yet been required to respond to any of the complaints in the Actions. The Company believes that the claims for relief in the Actions are without merit and intends to defend the Actions vigorously.

The Company is aware of investigations of competition in certain markets in which it participates, or has participated in the past, in Europe and Canada. The Company has not been fined as a result of any such investigations and does not anticipate any material adverse effect on its business or financial condition as a result of the European Commission's action or other investigations.

The Company leases certain facilities and equipment under operating leases expiring on various dates through 2011. The lease payments under these agreements aggregate to approximately \$5.8 million in 2005, \$4.6 million in 2006, \$3.5 million in 2007, \$2.7 million in 2008, \$1.1 million in 2009, and \$1.2 million thereafter. Total lease expense amounted to \$7.2 million in 2004, \$7.0 million in 2003, and \$10.6 million in 2002.

The Company has assessed its risk and provided estimated accruals for various potential tax matters in a number of jurisdictions. The ultimate amount of the liabilities, if any, may vary, however, the Company believes it has adequate reserves for its assessed risk.

The Company (1) entered into consulting and non-compete agreements (the Agreements) with Harvey L. Karp, Chairman of the Board, and William D. O'Hagan, Chief Executive Officer, and (2) amended Mr. Karp's employment agreement with the Company. The amendment to Mr. Karp's employment agreement eliminates the three-year rolling term of the agreement and imposes a fixed term ending on December 31, 2007. The Agreements provide for post-employment services to be provided by Messrs. Karp and O'Hagan for a six-year period. During the first four years of the Agreements, an annual fee equal to two-thirds of each executive's Final Base Compensation (as defined in his agreement) will be

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payable. During the final two years, the annual fee is set at one-third of each Executive's Final Base Compensation. During the term of the Agreements, each executive agrees not to engage in Competitive Activity (as defined in the Agreements) and will be entitled to receive certain other benefits from the Company. The term of Mr. O'Hagan's Agreement will commence upon Mr. O'Hagan's termination of employment by the Company without Cause (as defined in his current employment agreement) or his voluntary resignation from employment with the Company for Good Reason (as defined in his current employment agreement). The term of Mr. Karp's Agreement will commence on the earlier of January 1, 2008 (the day following the end of his fixed employment term) or his termination of employment by the Company without Cause (as defined in his employment agreement) or his voluntary resignation for Good Reason (as defined in his employment agreement). Based upon the value of the non-compete provisions of the Agreements, the Company will expense the value of the Agreements over their term.

Note 11 - Other Income, Net

<TABLE>
(In thousands)
<CAPTION>

	2004	2003	2002
<S>	<C>	<C>	<C>
Rent and royalties	\$ 1,773	\$ 2,821	\$ 2,364
Interest income	2,385	2,466	3,111
Gain (Loss) on disposal of properties, net	5,729	(290)	485
Minority interest in income of subsidiaries	(43)	(152)	(150)
Environmental expense	(976)	(1,165)	(1,639)
Equity in loss of unconsolidated subsidiary	(2,026)	(460)	-
	-----	-----	-----
Other income, net	\$ 6,842	\$ 3,220	\$ 4,171
	=====	=====	=====

</TABLE>

Note 12 - Stock Options

The Company follows APB No. 25 in accounting for its stock options. Under

APB No. 25, no compensation expense is recognized because the exercise price of the Company's incentive 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 equal 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 \$31.8 million in 2004, \$18 thousand in 2003, and \$13.2 million in 2002. Such benefits are reflected as additions directly to additional paid-in capital and, therefore, have no effect on the Company earnings.

Concurrent with the Company's recapitalization by Special Dividend, outstanding stock options were adjusted. This equitable adjustment involved an adjustment to the number of shares subject to each outstanding option and an adjustment to the option price. The objective of these adjustments was to maintain the option holders' intrinsic value following issuance of the Special Dividend.

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

<TABLE>
(Shares in thousands)
<CAPTION>

	Options	Weighted Average
	<C>	Exercise Price
<S>		<C>
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
Granted	281	25.66
Exercised	(24)	21.78
Expired, cancelled, or surrendered	(53)	28.92

Outstanding at December 27, 2003	4,125	10.82
Granted	479	20.77
Exercised	(3,247)	5.90
Expired, cancelled, or surrendered	(68)	26.40
Equitable adjustment to outstanding options	493	

Outstanding at December 25, 2004	1,782	18.78
	=====	
Options exercisable at:		
December 28, 2002	3,410	\$ 7.24
December 27, 2003	3,554	8.03
December 25, 2004	759	18.32

</TABLE>

After the equitable adjustment, exercise prices for stock options outstanding at December 25, 2004, ranged from \$9.16 to \$23.80. The weighted average remaining life of the 1.8 million shares is 7.0 years. The weighted average fair value per option granted was \$8.98 in 2004, \$10.06 in 2003, and \$12.49 in 2002.

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Mr. Harvey L. Karp, Chairman of the Company's Board of Directors, Exercised options to purchase 2.4 million shares of Company stock during 2004, none during 2003, and 1.2 million shares during 2002. 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.

As of December 25, 2004, the Company had reserved 1.4 million shares of its Common Stock for issuance pursuant to certain stock option plans.

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 stock options under the fair value method. The fair value for these options at the date of grant was estimated assuming weighted average expected life of the options of six years, and dividend yield of 1.3 percent in 2004 and no dividend payments in 2003 and 2002. The weighted average risk free interest rate used in the model was 2.99 percent for 2004, 3.81 percent for 2003, and 3.44 percent for 2002. The volatility factor of the expected market value of the Company's Common Stock was 0.274 in 2004, 0.331 in 2003, and 0.344 in 2002.

The pro forma information was 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 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 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 and Investments

On August 27, 2004, the Company acquired 100 percent of the outstanding stock of Vemco Brasscapri Limited (Vemco). Vemco, located in Wellington, Somerset, England, is an import distributor of plumbing products with annual sales of approximately \$26 million to plumbers' merchants and builders' merchants throughout the U. K. Total consideration paid at closing was approximately \$14.6 million.

On December 14, 2004, the Company acquired shares in seven companies and inventory of another (collectively Mueller Comercial S.A.) for an aggregate of \$42.3 million, subject to closing adjustments, including \$3.0 million for a contingent earn-out payment held in escrow at year-end. These operations include pipe nipple manufacturing in Mexico and import distribution businesses which product lines include malleable iron fittings and other plumbing specialties. The combined sales of Mueller Comercial S.A. are approximately \$60 million annually.

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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.

These acquisitions were accounted for using the purchase method of accounting. Therefore, the results of operations of the acquired businesses were included in the Company's Consolidated Financial Statements from their respective acquisition dates. The purchase price for these acquisitions, which was financed by available cash balances, has been allocated to the assets of the acquired businesses based on their respective fair market values. The purchase price of Mueller Comercial S.A. has been preliminarily allocated to the acquired assets based on their estimated fair market value awaiting additional information including appraisals of long-lived assets. Final allocations to the acquired assets and liabilities assumed, as well as resolution of the contingent earn-out will result in future adjustments to goodwill.

The total fair value of assets acquired in 2004 was \$80.9 million, consisting primarily of receivables of \$20.7 million, inventories of \$18.9 million, and properties of \$8.4 million. The fair value of liabilities assumed in 2004 was \$22.3 million, consisting primarily of \$8.3 million of notes payable and \$14.0 million of accounts payable and other current liabilities. The excess of the purchase price over the estimated fair value of

assets acquired and liabilities assumed of \$33.0 million was allocated to goodwill of the Standard Products Division as these acquisitions will broaden the Company's product line in the U.K. and Mexico and should provide opportunities to leverage our manufacturing operations. This goodwill is not deductible for tax purposes.

During 2002, the Company acquired an equity interest in Conbraco Industries, Inc. for \$7.3 million in cash; early in 2003, the Company acquired an additional interest for \$10.8 million. Conbraco is a manufacturer of flow control products including ball valves, backflow preventers, and plumbing and heating products for commercial and industrial applications. The Company's interest totaled 39 percent of Conbraco's equity at December 25, 2004. This investment is accounted for by the equity method of accounting, and is included in the other assets classification in the Consolidated Balance Sheets. A provision of \$2.3 million was assessed in 2004 for certain federal income tax audit exposures of Conbraco. If an IRS proposed settlement is approved, a reduction of that provision may be recognized.

Note 14 - Discontinued Operations

On August 28, 2002, the Company completed the sale of its wholly owned subsidiary, Utah Railway Company. Proceeds from the sale were approximately

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\$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. 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, 2003 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. In 2003, the Company recognized operating losses from discontinued operations incurred by Mueller Europe S.A. for the period the business operated.

The Company expects no further obligations or contingencies from these discontinued operations and, therefore, during 2003 it recognized a \$1.7 million gain to reflect adjustments to the previous estimates on disposition. 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.

Operating results of discontinued operations were as follows:

<TABLE>

(In thousands)

<CAPTION>

	2003	2002
	<C>	<C>
Net sales:		
Utah Railway Company	\$ -	\$ 15,394
Mueller Europe S.A.	2,323	49,767
	-----	-----
	\$ 2,323	\$ 65,161
	=====	=====
Income (loss) before income taxes:		
Utah Railway Company	\$ -	\$ 7,482
Mueller Europe S.A.	(539)	(5,682)
	-----	-----
	\$ (539)	\$ 1,800
	=====	=====
Net income (loss):		
Utah Railway Company	\$ -	\$ 4,812
Mueller Europe S.A.	(539)	(5,698)
	-----	-----
	\$ (539)	\$ (886)
	=====	=====

</TABLE>

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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, line sets, steel nipples, cut pipe, and merchant couplings. These products are manufactured in the U.S., Europe, and Mexico. SPD also imports and resells brass and plastic plumbing valves, malleable iron fittings, faucets, and plumbing specialty products. SPD's products are sold primarily to plumbing and air-conditioning wholesalers, hardware wholesalers and co-ops, and building product retailers.

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. In addition, the operations of Mueller Europe S.A. are classified as discontinued operations and have been eliminated from the operating results of SPD.

Worldwide sales to one customer from the Standard Products Division totaled \$170.1 million in 2004, \$111.0 million in 2003, and \$101.0 million in 2002, which represented 12 percent in 2004 and 11 percent in 2003 and in 2002 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>

	2004	2003	2002
<S>	<C>	<C>	<C>
Net sales:			
Standard Products Division	\$1,002,086	\$ 717,606	\$ 679,264
Industrial Products Division	392,645	292,008	279,591
Elimination of intersegment sales	(15,675)	(10,536)	(5,872)
	-----	-----	-----
	\$1,379,056	\$ 999,078	\$ 952,983
	=====	=====	=====

</TABLE>

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<TABLE>

(In thousands)

<CAPTION>

	2004	2003	2002
<S>	<C>	<C>	<C>
Depreciation and amortization:			
Standard Products Division	\$ 28,309	\$ 26,038	\$ 24,975
Industrial Products Division	11,158	11,023	10,539
General corporate	1,172	1,893	1,926
	-----	-----	-----
	\$ 40,639	\$ 38,954	\$ 37,440
	=====	=====	=====
Operating income:			
Standard Products Division	\$ 108,265	\$ 54,123	\$ 78,964
Industrial Products Division	20,562	11,672	20,353
Unallocated expenses	(16,337)	(16,411)	(13,561)
	-----	-----	-----
	\$ 112,490	\$ 49,384	\$ 85,756
	=====	=====	=====
Expenditures for long-lived assets:			
Standard Products Division	\$ 74,536	\$ 21,465	\$ 27,400
Industrial Products Division	2,338	5,623	11,558
	-----	-----	-----
	\$ 76,874	\$ 27,088	\$ 38,958

	2004	2003	2002
Segment assets:			
Standard Products Division	\$ 691,404	\$ 594,236	\$ 594,516
Industrial Products Division	179,926	159,303	171,315
General corporate	92,401	301,645	222,116
	-----	-----	-----
	\$ 963,731	\$1,055,184	\$ 987,947
	=====	=====	=====

</TABLE>

GEOGRAPHIC INFORMATION:

<TABLE>

(In thousands)

<CAPTION>

	2004	2003	2002
<S>	<C>	<C>	<C>
Net sales:			
United States	\$1,211,178	\$ 895,994	\$ 870,457
Foreign	167,878	103,084	82,526
	-----	-----	-----
	\$1,379,056	\$ 999,078	\$ 952,983
	=====	=====	=====

Long-lived assets:

United States	\$ 416,206	\$ 437,182	\$ 443,295
Foreign	92,194	47,647	44,305
	-----	-----	-----
	\$ 508,400	484,829	\$ 487,600
	=====	=====	=====

</TABLE>

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Note 16 - Quarterly Financial Information (Unaudited)

<TABLE>

(In thousands, except per share data)

<CAPTION>

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<S>	<C>	<C>	<C>	<C>
2004				
Net sales	\$ 345,959	\$ 380,822	\$ 322,512	\$ 329,763
Gross profit (1)	64,930	77,102	59,324	62,088
Income from				
continuing operations	17,960 (3)	27,048	18,754 (4)	15,654 (5)
Net income	17,960	27,048	18,754	15,654
Basic earnings (loss)				
per share:				
From continuing operations	0.52	0.77	0.53	0.43
Basic earnings per share	0.52	0.77	0.53	0.43
Diluted earnings (loss)				
per share:				
From continuing operations	0.49	0.73	0.51	0.42
Diluted earnings per share	0.49	0.73	0.51	0.42
Dividends per share	0.10	0.10	0.10	15.10

2003

Net sales	\$ 232,022	\$ 248,221	\$ 251,053	\$ 267,782
Gross profit (1)	40,107	44,760	49,093	49,269
Income from				
continuing operations	4,460	8,979	19,737 (2)	11,045
Loss from operations				
of discontinued operations,				
net of tax	(539)	-	-	-
Gain on disposition of				
discontinued operations,				
net of tax	-	-	1,699	-
Net income	3,921	8,979	21,436	11,045
Basic earnings (loss)				
per share:				
From continuing operations	0.13	0.26	0.58	0.32
From discontinued operations	(0.02)	-	-	-
From sale of discontinued				
operations	-	-	0.05	-
Basic earnings per share	0.11	0.26	0.63	0.32
Diluted earnings (loss)				
per share:				
From continuing operations	0.12	0.24	0.53	0.30
From discontinued operations	(0.01)	-	-	-
From sale of discontinued				
operations	-	-	0.05	-
Diluted earnings per share	0.11	0.24	0.58	0.30

</TABLE>

- (1) Gross profit is net sales less cost of goods sold, which excludes depreciation and amortization.
- (2) Third quarter of 2003 includes recognition of deferred tax benefit of \$9.3 million.

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- (3) First quarter of 2004 includes pre-tax recognition of \$3.9 million non-cash impairment charge, \$5.2 million non-operating gain on sale of property, and \$3.3 million non-operating loss on equity of non-consolidated subsidiary.
- (4) Third quarter of 2004 includes recognition of deferred tax benefit of \$2.8 million.
- (5) Fourth quarter of 2004 includes pre-tax benefit of \$2.8 million resulting from changes in estimates of inventory reserves plus \$1.7 million benefit from changes in estimated health care accrual rates.

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Report of Independent Registered Public Accounting Firm

The Stockholders of Mueller Industries, Inc.

We have audited the accompanying consolidated balance sheets of Mueller Industries, Inc. as of December 25, 2004 and December 27, 2003, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 25, 2004. 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 the standards of the Public Company Accounting Oversight Board (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 25, 2004 and December 27, 2003, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 25, 2004, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 9 to the consolidated financial statements, in 2004, the Company changed the measurement date for most of its pension plans from year-end to November 30.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Mueller Industries Inc.'s internal control over financial reporting as of December 25, 2004, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organization of the Treadway Commission and our report dated March 1, 2005 expressed an unqualified opinion thereon.

/S/ERNST & YOUNG LLP

Memphis, Tennessee
March 1, 2005

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MUELLER INDUSTRIES, INC.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 25, 2004, December 27, 2003, and December 28, 2002
(In thousands)
<TABLE>
<CAPTION>

Balance at end of year	Balance at beginning of year	Additions			Deductions
		Charged to costs and expenses	Other additions		
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
2004					
Allowance for doubtful accounts \$ 3,925	\$ 4,734	\$ 1,404	\$ 200	\$ 2,413	
Environmental reserves \$ 9,503	\$ 9,560	\$ 976	\$ 659 (1)	\$ 1,692	
Severance and related \$ 13	\$ 59	\$ -	\$ -	\$ 46	
Other reserves (2) \$ 707	\$ 735	\$ 94	\$ -	\$ 122	
Valuation allowance for deferred tax assets \$ 12,880	\$ 15,485	\$ 1,479	\$ -	\$ 4,084	
2003					
Allowance for doubtful accounts \$ 4,734	\$ 6,443	\$ 3,172	\$ -	\$ 4,881	
Environmental reserves \$ 9,560	\$ 9,110	\$ 1,165	\$ 1,293 (1)	\$ 2,008	
Severance and related \$ 59	\$ 13	\$ 46	\$ -	\$ -	

Other reserves (2)	\$ 1,721	\$ -	\$ -	\$ 986
\$ 735				
Valuation allowance for deferred tax assets	\$ 33,030	\$ 1,807	\$ -	\$ 19,352 (3)
\$ 15,485				
2002				
Allowance for doubtful accounts	\$ 6,573	\$ 374	\$ -	\$ 504
\$ 6,443				
Environmental reserves	\$ 9,203	\$ 1,739	\$ 543	\$ 2,375
\$ 9,110				
Severance and related	\$ 14	\$ -	\$ -	\$ 1
\$ 13				
Other reserves (2)	\$ 3,306	\$ -	\$ 200	\$ 1,785
\$ 1,721				
Valuation allowance for deferred tax assets	\$ 58,535	\$ 136	\$ -	\$ 25,641
\$ 33,030				

<FN>

(1) Includes insurance proceeds and currency translation changes.

(2) Other reserves are included in the balance sheet captions "Other current liabilities" and "Other noncurrent liabilities".

(3) Includes a \$5.4 million reclassification between "Deferred tax" and "Current taxes payable".

</TABLE>

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EXHIBIT INDEX

Exhibits	Description
- - - - -	- - - - -
10.4	Summary description of the Registrant's 2005 bonus plan for certain key employees.
10.21	Securities Purchase Agreement, dated December 14, 2004, among Mueller Comercial de Mexico, S. de R.L. de C.V., WTC HOLDCO I, LLC, MIYAR LLC, NICNA, GmbH, and The Seller Parties.
10.22	Inventory Purchase Agreement, dated December 14, 2004, by and between Niples del Norte S.A. de C.V. and Mueller de Mexico S.A. de C.V.
18.0	Letter of Preferability from Ernst & Young LLP dated February 16, 2005 regarding an accounting change.
21.0	Subsidiaries of the Registrant.
23.0	Consent of Independent Registered Public Accounting Firm (Includes report on Financial Statement Schedule).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

2005 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 Compensation Committee of the Board of Directors. Effective as of December 26, 2004, the Board of Directors adopted an annual bonus plan designed to comply with the performance-based compensation exemption from Section 162(m) of the Internal Revenue Code. If the Company's stockholders approve this plan, the Chairman and CEO would not participate in the discretionary bonus program in 2005.

SECURITIES PURCHASE AGREEMENT
among

MUELLER COMERCIAL DE MEXICO, S. de R.L. de C.V.

WTC HOLDCO I, LLC

MIYAR LLC

NICNA, GmbH,

and

THE SELLER PARTIES NAMED HEREIN

Dated as of December 14, 2004

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SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT, dated as of December 14, 2004, by and among Mueller Comercial de Mexico, S. de R.L. de C.V., a Mexican sociedad de responsabilidad limitada de capital variable ("Mueller Comercial"), WTC HoldCo I, LLC, a Delaware limited liability company ("WTC HoldCo I" and, together with Mueller Comercial, the "Buyer"), Miyar, LLC, a Delaware limited liability company ("Miyar"), Nicna, GmbH, a Swiss limited liability company ("Nicna" and, together with Miyar, the "Seller"), Leon Dachner Cirano and Abraham Attias Wengrowsky (Mr. Dachner Cirano and Mr. Attias Wengrowsky together, the "Seller Parties").

W I T N E S S E T H:

WHEREAS, the Seller owns all of the issued and outstanding membership interests (the "Shares") of NICNA Mexico, S. de R.L. de C.V. ("NICNA Mexico"), NICNA Mexico Servicios, S. de R.L. de C.V. ("NICNA Servicios"), NICNA Mexico Maquinaria, S. de R.L. de C.V. ("NICNA

Maquinaria"), NICNA Mexico Ventas, S. de R.L. de C.V. ("NICNA Ventas"), NICNA Mexico Proyectos, S. de R.L. de C.V. ("NICNA Proyectos") and NICNA Mexico Comercial, S. de R.L. de C.V. ("NICNA Comercial") (each, individually, a "Company" and collectively, the "Companies"), each of which is a Mexican sociedad de responsabilidad limitada de capital variable;

WHEREAS, on December 8, 2004, the Companies completed the reorganization described on Exhibit A hereto (the "Grupo Nicna Reorganization") pursuant to which Niples Del Norte S.A. de C.V. ("Niples del Norte"), Ninsa de Mexico, S.A. de C.V., Niples y Coples del Norte, S.A. de C.V. and Niples y Conexiones del Norte, S.A. de C.V. (each, individually, a "Niples Company" and collectively, the "Niples Companies" and together with the Seller, "Grupo Nicna") transferred certain of their respective assets to the Companies;

WHEREAS, Grupo Nicna is owned, directly or indirectly, by the Seller Parties;

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements hereinafter contained, the parties hereby agree as follows:

SECTION 1. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings:

"Adjustment" -- See Section 3.3;

"Affiliates" shall mean any Person, directly or indirectly, controlling, controlled by or under common control with such Person;

"Business Day" shall mean a day other than a Saturday, Sunday or other day on which banks in the States of New York or the State of Nuevo Leon, Mexico, are not required or authorized by law to close;

"Buyer" -- See Preamble hereto;

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"Cash Purchase Price" -- See Section 2.1;

"Cash Escrow Amount" -- See Section 2.1;

"Closing" -- See Section 4;

"Closing Balance Sheet" -- See Section 3.2;

"Closing Balance Sheet Report" -- See Section 3.2;

"Closing Date" -- See Section 4;

"Companies" or "Company" -- See Recitals hereto;

"Contracts" shall mean, collectively, the Leases, Purchase Orders, Sales Orders and Other Contracts, including, without limitation, those described in Section 5.18 hereto;

"Employment Agreement" shall mean the employment agreement, dated as of the dated hereof, between Leon Dachner Cirano and Mueller Comercial;

"Environmental Claim" -- See Section 5.27(g);

"Environmental Laws" shall mean any federal, state, or local statute, regulation, ordinance, order, decree, or other requirement of law relating to the environment or to the identification, transportation, handling, discharge, emission, treatment, storage, or disposal of any pollutant, contaminant, hazardous or solid waste, or any hazardous or toxic substance or material, including, but not limited to, the Mexican Ley Federal del Equilibrio Ecologico y Proteccion al Ambiente, the Mexican Ley de Aguas Nacionales, the Mexican Reglamentos de Impacto Ambiental y de Residuos Peligrosos, and any and all official regulations (Normas Oficiales Mexicanas) issued by the Mexican Ministry of Environment and Natural Resources;

"Equipment and Machinery" shall mean all the equipment, machinery, furniture, fixtures and improvements, tooling, spare parts, supplies and vehicles owned, leased or used by the Companies, including without limitation any such equipment, machinery, furniture, fixtures and improvements, tooling, spare parts, supplies and vehicles transferred by a Niples Company to a Company pursuant to the Grupo Nicna Reorganization;

"Escrow Agent" shall mean the financial institution acting as escrow agent under the Escrow Agreement;

"Escrow Agreement" shall mean that certain escrow agreement, dated as of the date hereof, by and among Mueller Comercial, the Seller and the Escrow Agent;

"Estimated Closing Balance Sheet" -- See Section 3.1;

"Estimated Net Assets" -- See Section 3.1;

"Financial Statements" -- See Section 5.7;

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"GAAP" shall mean United States and Mexican generally accepted accounting principles, applied as described on Schedule 1.1;

"Governmental Entity" shall mean any federal, state or foreign governmental or public body, agency or authority;

"Grupo Nicna" -- See Recitals hereto;

"Grupo Nicna Reorganization" -- See Recitals hereto;

"Grupo Niples" -- See Recitals hereto;

"Grupo Siller" shall mean Grupo Siller S.A. de C.V.;

"Hazardous Substance" shall mean any element, substance, remnant or mixture of any hazardous or toxic wastes or materials that, notwithstanding its physical condition, represents a risk for the environment, health or natural resources, given its corrosive, reactive, explosive, toxic, flammable or biologically harmful nature;

"Indemnatee" - See Section 10.4;

"Indeminitor" - See Section 10.4;

"Independent Accounting Firm" -- See Section 3.2;

"Intangible Assets" shall mean all intangible personal property rights, including, without limitation, all rights on the part of any Company to proceeds of any insurance policy and all claims on the part of any Company for recoupment, reimbursement and coverage under any insurance policy and all goodwill of any Company, and including, without limitation, those items (i) listed on Schedule 5.14 and/or (ii) transferred by a Niples Company to a Company pursuant to the Grupo Nicna Reorganization;

"Intellectual Property" shall mean all of the following owned, issued or licensed to any Company : (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and reexaminations thereof; (ii) all trademarks, service marks, trade dress, logos, trade names and corporate names, together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith; (iii) all copyrightable works (including, without limitation, all software developed by any Company or by any Niples Company and transferred to a Company pursuant to the Grupo Nicna Reorganization), all copyrights, and all applications, registrations and renewals in connection therewith; (iv) all mask works and all applications, registrations and renewals in connection therewith; (v) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information,

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and business and marketing plans and proposals); (vi) all computer software (including data and related documentation); (vii) all other proprietary rights; and (viii) all copies and tangible embodiments thereof (in whatever form or medium), including, without limitation, those items (i) listed on Schedule 5.14 hereto and/or (ii) transferred by a Niples Company to a Company pursuant to the Grupo Nicna Reorganization;

"Inventory" -- See Section 5.19(a);

"Inventory Purchase Agreement" shall mean that certain Inventory Purchase Agreement, dated as of the date hereof, by and between Niples del

Norte, the other sellers party thereto and Mueller de Mexico S.A. de C.V.;

"June 30, 2004 Balance Sheet" shall mean the pro forma consolidating balance reflecting the assets, liabilities and stockholders' equity of the Transferred Business and Southland as of June 30, 2004 and attached as Exhibit B to the letter of intent dated September 16, 2004 from Mueller Industries, Inc. to Abraham Attias Wengrowsky and Leon Dachner Cirano;

"Leased Real Property" -- See Section 5.12;

"Lease" or "Leases" -- See Section 5.12;

"Licenses and Permits" -- See Section 5.15;

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien (statutory or other), conditional sale agreement, claim, charge, limitation or restriction;

"Liquid Assets" -- See Section 8.6;

"Loan Repayment Intercompany Note (Comercial)" shall mean that certain Pagare Causal, dated as of December 8, 2004, issued by NICNA Comercial to Niples del Norte;

"Loan Repayment Intercompany Note (Maquinaria)" shall mean that certain Pagare Causal, dated as of December 8, 2004, issued by NICNA Maquinaria to Niples del Norte in connection with the payment of the purchase price for certain equipment and machinery and associated Value Added Tax;

"Losses" -- See Section 10.2;

"Mueller Comercial" -- See Preamble hereto;

"Net Assets" shall mean an amount equal to the aggregate assets of the Companies and Southland (net of reserves) as of the opening of business on the Closing Date less the aggregate liabilities of the Companies and Southland as of such time (other than liabilities under the Loan Repayment Intercompany Note (Maquinaria) and the Loan Repayment Intercompany Note (Comercial) repaid on the Closing Date in accordance with Section 2.2), determined in each case in accordance with GAAP applied on a basis consistent with, and following the accounting principles, procedures, policies and methods employed in preparing, the June 30, 2004 Balance Sheet;

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"NICNA Maquinaria" -- See Recitals hereto;

"Niples Companies" or "Niples Company" -- See Recitals hereto;

"Niples del Norte" -- See Recitals hereto;

"Non-Compete Agreements" -- shall mean the Non-Compete Agreements, each dated the date hereof, and executed by each Seller Party;

"Occurrence" - See Section 5.28;

"Other Contracts" shall mean all Equipment and Machinery leases, and all indentures, loan agreements, security agreements, partnership or joint venture agreements, license agreements, maintenance contracts, service contracts, employment, commission and consulting agreements, suretyship contracts, letters of credit, reimbursement agreements, distribution agreements, contracts or commitments limiting or restraining any Company from engaging or competing in any lines of business or with any Person, agreements not made in the ordinary course of business of any Company, options to purchase any assets or property rights of any Company, working capital maintenance or other form of guaranty agreements, and all other agreements to which any Company is a party, but excluding Leases, Purchase Orders and Sales Orders ;

"Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or Governmental Entity;

"Process Agent" -- See Section 13.2(e);

"Product Liability Lawsuits" -- See Section 5.28(a);

"Products" -- See Section 5.28(a);

"Purchase Orders" shall mean all the Companies' outstanding purchase orders, contracts or other commitments to suppliers of goods and services for materials, supplies or other items used in their businesses,

including, without limitation, any such purchase orders, contracts or other commitments transferred to a Company pursuant to the Grupo Nicna Reorganization;

"Representatives" -- See Section 8.2;

"Retrofits" -- See Section 5.28;

"Sales Orders" shall mean all of the Companies' sales orders, contracts or other commitments to purchasers of goods and services of its businesses;

"Seller" -- See Preamble hereto;

"Seller Parties" -- See Preamble hereto;

"Shares" -- See Recitals hereto;

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"Southland" shall mean Southland Pipes Nipples Co., Inc., a Texas corporation;

"Southland Purchase Agreement" shall mean the Securities Purchase Agreement (Southland), dated as of the date hereof, by and between Mueller Streamline Co., Leon Dachner Cirano and Gil Serna Sanchez;

"Subsidiary" shall mean, with respect to any Person, any entity, whether incorporated or unincorporated, of which at least a majority of the securities or ownership interests having by their terms ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions is directly or indirectly owned or controlled by such Person or by one or more of its respective Subsidiaries or by such Person and any one or more of its respective Subsidiaries;

"Tax Return" shall mean any report, return, information return, filing, claim for refund or other information, including any schedules or attachments thereto, and any amendments to any of the foregoing required to be supplied to a taxing authority in connection with Taxes;

"Taxes" shall mean all federal, state, local or foreign taxes, including, without limitation, income, gross income, gross receipts, production, excise, employment, sales, use, transfer, ad valorem, profits, license, capital stock, franchise, severance, stamp, withholding, Social Security, employment, unemployment, disability, worker's compensation, payroll, utility, windfall profit, custom duties, personal property, real property, registration, alternative or add-on minimum, estimated and other taxes, governmental fees or like charges of any kind whatsoever, including any interest, penalties or additions thereto, whether disputed or not; and "Tax" shall mean any one of the foregoing;

"Transaction Documents" shall mean this Agreement, the Southland Purchase Agreement, the Inventory Purchase Agreement, the Escrow Agreement, the Employment Agreement and the Non-Compete Agreements;

"Transferred Business" shall mean the business of the Niples Companies transferred to the Companies pursuant to the Grupo Nicna Reorganization;

"2005 EBIT" shall mean, for the fiscal year ending on or about December 31, 2005, the consolidated net income of the Buyer and its Subsidiaries, plus, without duplication and to the extent deducted from revenues in determining such consolidated net income, the sum of (i) the aggregate amount of interest expense paid or payable by Mueller Comercial or its Subsidiaries for such period and (ii) the aggregate amount of income Tax expenses for such period, computed in accordance with, and on the basis of, the 2005 Financial Statements and further adjusted as provided in Section 3.4;

"2005 Financial Statements" -- See Section 3.4; and

"2005 Financial Statements Report" -- See Section 3.4.

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SECTION 2. PURCHASE AND SALE OF SHARES.

SECTION 2.1. Purchase Price. Subject to the terms and conditions set forth in this Agreement and in reliance upon the

representations and warranties of the Seller and the Seller Parties set forth below, on the Closing Date, (i) Mueller Comercial shall purchase from Nicna and Nicna shall sell to Mueller Comercial the Shares owned by Nicna and (ii) WTC HoldCo I shall purchase from Miyar and Miyar shall sell to WTC HoldCo I the Shares owned by Miyar, in each case, free and clear of all Liens. Subject to adjustment as provided in Section 3, the aggregate purchase price for the Shares being purchased under this Agreement shall consist of (i) twenty five million four hundred eighty seven thousand dollars (\$25,487,000) in cash (the "Cash Purchase Price") and (ii) three million dollars (\$3,000,000) in cash (the "Cash Escrow Amount") to be placed in escrow in accordance with the terms of the Escrow Agreement. Against delivery by each Buyer (i) to the Seller of the Cash Purchase Price for such Shares and (ii) to the Escrow Agent of the Cash Escrow Amount, for such Shares, the Seller shall record in each Company's special members' ledger (libro especial de socios) the transfer of the relevant Shares in favor of Buyer. Payments of the Cash Purchase Price shall be made by wire transfer of immediately available funds to such account(s) as the Seller shall specify and payment of the Cash Escrow Amount to the Escrow Agent shall be made in accordance with the terms of the Escrow Agreement.

SECTION 2.2. Capital Contribution. Subject to the terms and conditions set forth in this Agreement and in reliance upon the representations and warranties of the Seller and the Seller Parties set forth below, on the Closing Date the Buyer shall make a capital contribution in the amount of (i) one million sixty three thousand eight hundred eighty dollars (\$1,063,880) to NICNA Maquinaria for the purpose of immediately repaying all amounts due by NICNA Maquinaria under the Loan Repayment Intercompany Note (Maquinaria) and (ii) nine hundred thirteen thousand seven hundred fifty six dollars (\$913,756) to NICNA Comercial for the purpose of immediately repaying all amounts due by NICNA Comercial under the Loan Repayment Intercompany Note (Comercial).

SECTION 3. ADJUSTMENT TO PURCHASE PRICE.

The Cash Purchase Price shall be subject to adjustment as follows:

SECTION 3.1. Closing Date Adjustments. The Seller and the Buyer have, in good faith using the Companies' and Southland's then available financial information, jointly prepared an estimated consolidated balance sheet of the Companies and Southland as of the opening of business on the Closing Date, assuming repayment of the notes referred to in Section 2.2 (the "Estimated Closing Balance Sheet") setting forth an estimate of the Net Assets in the amount of \$19,801,000 dollars (the "Estimated Net Assets"). The Estimated Closing Balance Sheet was prepared in accordance with GAAP, applied on a basis consistent with, and following the accounting principles, procedures, policies and methods employed in preparing, the June 30, 2004 Balance Sheet.

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SECTION 3.2. Post-Closing Determination. Not later than 60 calendar days after the Closing Date, the Buyer shall deliver to the Seller the consolidated balance sheet of the Companies and Southland as of the opening of business on the Closing Date, assuming repayment of the notes referred to in Section 2.2 (the "Closing Balance Sheet"), prepared in accordance with GAAP, applied on a basis consistent with, and following the accounting principles, procedures, policies and methods employed in preparing, the June 30, 2004 Balance Sheet (including without limitation with respect to the computation of reserves) and reflecting the results of an inventory count to be completed by the Seller as soon as practicable prior to the Closing Date. The Closing Balance Sheet shall set forth a calculation of the Net Assets. During the preparation of the Closing Balance Sheet by the Buyer and the period of any dispute with respect to the application of this Section 3.2, the Seller shall cooperate with the Buyer to the extent reasonably requested by the Buyer to prepare the Closing Balance Sheet or to investigate the basis for any dispute. The Closing Balance Sheet shall be examined by the Seller, and the Seller shall, not later than 30 calendar days after receipt of the Closing Balance Sheet, render a report thereon (the "Closing Balance Sheet Report"). The Closing Balance Sheet Report shall list those items, if any, to which the Seller takes exception and the Seller's proposed adjustment. If the Seller fails to deliver to the Buyer the Closing Balance Sheet Report within 30 calendar days following receipt of the Closing Balance Sheet, the Seller shall be deemed to have accepted the Closing Balance Sheet for the purposes of any adjustment to the Cash Purchase Price under Section 3.3. If the Buyer does not give the Seller notice within 20 calendar days following receipt of the Closing Balance Sheet Report, the Buyer shall be deemed to have accepted the Closing Balance Sheet as adjusted by the Seller for the purposes of any adjustment to the Cash Purchase Price under Section 3.3. If the Buyer gives the Seller notice of objections to the Closing Balance Sheet Report, and if the Seller and the Buyer are unable,

within 15 calendar days after receipt by the Seller of the notice from the Buyer of objections, to resolve the disputed exceptions, such disputed exceptions will be referred to Grant Thornton or another firm of independent certified public accountants ("Independent Accounting Firm") mutually acceptable to the Seller and the Buyer. The Independent Accounting Firm shall, within 60 days following its selection, deliver to the Seller and the Buyer a written report determining such disputed exceptions, and its determinations with respect thereto shall be conclusive and binding upon the parties hereto for the purposes of any adjustment to the Cash Purchase Price under Section 3.3. The fees and disbursements of the Independent Accounting Firm shall be shared equally by the Buyer, on the one hand, and the Seller, on the other hand.

SECTION 3.3. Post-Closing Adjustment. The Cash Purchase Price shall be increased or decreased, as the case may be, by an amount (the "Adjustment") equal to the difference between the Estimated Net Assets and the Net Assets as finally determined pursuant to Section 3.2. If the Net Assets set forth on the Closing Balance Sheet exceeds the Estimated Net Assets, the Cash Purchase Price shall be increased by the amount of such excess and the Buyer shall pay such excess to the Seller. If the Net Assets set forth on the Closing Balance Sheet is less than the Estimated Net Assets, the Cash Purchase Price shall be reduced by the amount of such deficiency and the Seller shall pay such deficiency to the Buyer. Any payment under this Section 3.3 shall be made within three calendar days following the

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preparation or computation and final determination, pursuant to Section 3.2, of the Closing Balance Sheet by wire transfer of immediately available funds to such account as the Buyer or the Seller, as the case may be, shall designate in writing to the Seller or the Buyer, as the case may be.

SECTION 3.4. 2005 EBIT Target Amount. The Buyer shall deliver to the Seller, within ten (10) days following the Buyer's receipt thereof but in no event later than April 30, 2006 (unless delay in completion of the 2005 Financial Statements is caused by Leon Dachner Cirano), the audited consolidated financial statements of the Buyer, its Subsidiaries and Southland at and for the calendar year ending December 31, 2005 (the "2005 Financial Statements") and the computation of the 2005 EBIT; provided that if at any time prior to December 31, 2005 an event or change to the operation of the business which affects the 2005 EBIT calculation is expected to occur and in the reasonable judgment of Leon Dachner Cirano (or such representative of the Seller as shall be reasonably acceptable to the Buyer) and Michael Fifer (or such representative of the Buyer as shall be reasonably acceptable to the Seller), the computation of the 2005 EBIT should be adjusted in light of such event or change to the business, Leon Dachner Cirano and Michael Fifer (or the substitute representatives referred to above) may agree to such adjustment in writing prior to the occurrence of such event or implementation of the business change, and the computation of the 2005 EBIT pursuant to this Section 3.4 shall be adjusted accordingly; provided, however, that to the extent such event or business change is within the control of the Buyer, such agreement shall be a condition to the occurrence of such event or implementation of such business change. The 2005 Financial Statements shall be prepared in accordance with GAAP, applied on a basis consistent with, and following the accounting principles, procedures, policies and methods employed in preparing, the Financial Statements. The 2005 Financial Statements shall be examined by the Seller, and the Seller shall, not later than 30 calendar days after receipt of the 2005 Financial Statements, render a report thereon (the "2005 Financial Statements Report"). The 2005 Financial Statements Report shall list those items, if any, to which the Seller takes exception and the Seller's proposed adjustment. If the Seller fails to deliver to the Buyer the 2005 Financial Statements Report within 30 calendar days following receipt of the 2005 Financial Statements, the Seller shall be deemed to have accepted the 2005 Financial Statements for the purposes of any adjustment to the Cash Purchase Price based on the 2005 EBIT under Section 3.4. If the Buyer does not give the Seller notice within 20 calendar days following receipt of the 2005 Financial Statements Report, the Buyer shall be deemed to have accepted the 2005 Financial Statements as adjusted by the Seller for the purposes of any adjustment to the Cash Purchase Price based on the 2005 EBIT under Section 3.4. If the Buyer gives the Seller notice of objections to the 2005 Financial Statements Report, and if the Seller and the Buyer are unable, within 15 calendar days after receipt by the Seller of the notice from the Buyer of objections, to resolve the disputed exceptions, such disputed exceptions will be referred to the Independent Accounting Firm. The Independent Accounting Firm shall, within 60 days following its selection, deliver to the Seller and the Buyer a written report determining such disputed exceptions, and its determinations will be conclusive and binding upon the parties hereto for the purposes of any adjustment to the Cash Purchase Price based on the 2005 EBIT under Section 3.4. The fees and disbursements of the Independent Accounting Firm shall be shared equally by the Buyer, on the one hand, and the Seller, on the

other hand. If the 2005 EBIT is less than \$6,445,000, the full amount then in the Escrow Account (as defined in the Escrow Agreement) shall be paid to the Buyer in accordance with the terms of the Escrow Agreement. If the 2005 Financial Statements are not delivered to the Seller by April 30, 2006 (unless delay in completion of the 2005 Financial Statements is caused by Leon Dachner Cirano), or if the 2005 EBIT is at least \$6,445,000, the full amount then in the Escrow Account shall be released in accordance with the terms of the Escrow Agreement.

SECTION 4. CLOSING.

The closing (the "Closing") of the consummation of the transactions contemplated by this Agreement shall take place at the offices of Willkie Farr & Gallagher LLP at 787 Seventh Avenue, New York, New York 10019 at 10:00 a.m. on the date hereof, or at such other place and time as may be mutually agreed to by the parties hereto (the "Closing Date").

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE SELLER PARTIES.

The Seller and the Seller Parties hereby jointly and severally represent and warrant to the Buyer as follows:

SECTION 5.1. Corporate Organization. Each Company is a sociedad de responsabilidad limitada de capital variable duly organized and validly existing under the laws of Mexico, and has all requisite corporate power and authority to own its properties and assets and to conduct its business as now conducted. Copies of the Certificate or Articles of Incorporation and By-laws (or equivalent documents) of each Company, with all amendments thereto to the date hereof, have been furnished to the Buyer or its representatives, and such copies are accurate and complete as of the date hereof.

SECTION 5.2. Qualification to Do Business. Each Company is duly qualified to do business as a foreign corporation and is in good standing in every jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification necessary. Schedule 5.2 sets forth all foreign jurisdictions in which each Company is qualified to do business.

SECTION 5.3. No Conflict or Violation. The execution, delivery and performance by the Seller and the Seller Parties of this Agreement and the other Transaction Documents do not and will not violate or conflict with any provision of the Certificate or Articles of Incorporation or By-laws (or equivalent documents) of any Company and do not and will not violate any provision of law, or any order, judgment or decree of any court or Governmental Entity, nor violate nor result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contract to which any Company is a party or by which it is bound or to which any of its properties or assets is subject, nor result in the creation or imposition of any Lien upon any of the assets, properties or rights of any Company, nor result in the cancellation, modification, revocation or suspension of any of the Licenses and Permits.

SECTION 5.4. Consents and Approvals. Schedule 5.4 sets forth a true and complete list of each consent, waiver, authorization or approval of any Governmental Entity, or of any other Person, and each declaration to or filing or registration with any such Governmental Entity, that is required in connection with the execution and delivery of this Agreement and the other Transaction Documents by the Seller and the Seller Parties or the performance by the Seller and the Seller Parties of their obligations hereunder and thereunder. All such consents, waivers, authorizations and approvals have been obtained and all such declarations and filings have been made.

SECTION 5.5. Membership Interests and Related Matters. Schedule 5.5 contains a certification issued by the Secretary of the Board of Managers of each Company setting forth the outstanding membership interest thereof. None of the Companies has outstanding any securities convertible into or exchangeable for any membership or other equity interest, any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any other character relating to the issuance of, any membership interests or securities convertible into or exchangeable for any membership or other equity interest; and none of the Companies is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire, or to register under applicable law, any membership interests, except as provided by applicable Law. Schedule 5.5

sets forth the names of the beneficial and record owners of the Shares and the number of Shares held by each such owner. The Shares have been duly authorized and validly issued and are fully paid and nonassessable.

SECTION 5.6. Subsidiaries and Equity Investments. None of the Companies, directly or indirectly, owns or holds any rights to acquire any capital stock or any other securities, interests or investments in any other Person other than investments which constitute cash or cash equivalents.

SECTION 5.7. Financial Statements. The Seller has heretofore furnished to the Buyer (a) copies of the pro forma consolidated balance sheet of the Companies as of November 30, 2004, together with the related pro forma statements of income for the twelve month period then ended, in each case computed on the assumption that the Grupo Nicna Reorganization was completed as of such date and (b) copies of the June 30, 2004 Balance Sheet, together with the related unaudited pro forma statements of income for the twelve month period then ended (all the financial statements referred to in clauses (a) and (b) above being hereinafter collectively referred to as the "Financial Statements"). Except as set forth on Schedule 5.7, the Financial Statements (i) were prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby (except that the Financial Statements are not accompanied by notes or other textual disclosure required by GAAP), (ii) present fairly in all material respects the financial position, results of operations and changes in financial position of the Transferred Business as of such dates and for the periods then ended (subject, in the case of the unaudited interim Financial Statements, to normal year-end audit adjustments consistent with prior periods), (iii) are complete, correct and in accordance with the books of account and records of the Companies and Grupo Siller, (iv) can be legitimately reconciled with the financial statements and the financial records maintained and the accounting methods applied by the Seller for federal income tax purposes and (v) reflect accurately all costs and expenses of the Transferred Business.

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SECTION 5.8. Absence of Certain Changes or Events.

(a) Except for the Grupo Nicna Reorganization and as set forth on Schedule 5.8, since June 30, 2004, there has not been:

(i) any material adverse change in the business, operations, properties, assets or condition (financial or other) of any Company or any Niples Company, or any event that has had a material adverse effect on the foregoing, and no factor or condition exists and no event has occurred that would be likely to result in any such change;

(ii) any material loss, damage, destruction or other casualty to the assets or properties of any Company or any Niples Company (other than any for which insurance awards have been received or guaranteed);

(iii) any change in any method of accounting or accounting practice of any Company or any Niples Company; or

(iv) any loss of the employment, services or benefits of any key employee of any Company or any Niples Company.

(b) Since June 30, 2004 and except for the Grupo Nicna Reorganization, each Company and each Niples Company has operated in the ordinary course of its business consistent with past practice and, except as set forth on Schedule 5.8 hereto, has not:

(i) incurred any material obligation or liability (whether absolute, accrued, contingent or otherwise) except in the ordinary course of business consistent with past practice;

(ii) failed to discharge or satisfy any Lien or pay or satisfy any obligation or liability (whether absolute, accrued, contingent or otherwise), other than liabilities being contested in good faith and for which adequate reserves have been provided and Liens arising in the ordinary course of business that do not, individually or in the aggregate, interfere with the use, operation, enjoyment or marketability of any of its assets, properties or rights;

(iii) mortgaged, pledged or subjected to any Lien any of its assets, properties or rights, except for mechanics' Liens and Liens for taxes not yet due and payable and Liens arising in the ordinary course of business that do not, individually or in the aggregate, interfere with the use, operation, enjoyment or marketability of any of its assets, properties or rights;

(iv) sold or transferred any of its assets or canceled any debts or claims or waived any rights, except in the ordinary course of business consistent with past practice;

(v) disposed of any patents, trademarks or copyrights or any patent, trademark or copyright applications;

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(vi) defaulted on any material obligation;

(vii) entered into any transaction material to its business, except in the ordinary course of business consistent with past practice;

(viii) written down the value of any inventory or written off as uncollectible any of its accounts receivable or any portion thereof not reflected on the June 30, 2004 Balance Sheet;

(ix) granted any increase in the compensation or benefits of its employees other than increases in accordance with past practice not exceeding 5% or entered into any employment or severance agreement or arrangement with any of them;

(x) made any capital expenditure in excess of \$30,000, or additions to property, plant and equipment used in its operations other than ordinary repairs and maintenance;

(xi) laid off any of its employees;

(xii) discontinued the sale of any products or product line or program;

(xiii) incurred any obligation or liability for the payment of severance benefits;

(xiv) declared, paid or set aside for payment any dividend or other distribution in respect of shares of its capital stock or other securities, or redeemed, purchased or otherwise acquired, directly or indirectly, any shares of its capital stock or other securities, or agreed to do so; or

(xv) entered into any agreement or made any commitment to do any of the foregoing.

SECTION 5.9. Tax Matters. Except as set forth on Schedule 5.9.:

(a) all Tax Returns that are required to be filed (taking into account all extensions) on or before the Closing Date for, by, on behalf of or with respect to any of the Companies, including those relating to their business activities and assets, and those which include or should include any of the Companies, their business activities or their assets have been or will be timely filed with the appropriate federal, state, and local authorities on or before the Closing Date, and all Taxes shown to be due and payable on those Tax Returns or related to those Tax Returns have been or will be timely paid in full on or before the Closing Date;

(b) all of the Tax Returns and the information and data contained therein have been or will be properly and accurately compiled and completed, fairly present or will fairly present the information purported to be shown therein, and reflect or will reflect all liabilities for Taxes for the periods covered by those Tax Returns;

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(c) none of the Tax Returns are now under audit or examination by any foreign, federal, state, provincial or local authority, and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the assessment or collection of any Tax or deficiency of any nature against any Company, their business activities or assets, or with respect to any of the Tax Returns, or any suits or other actions, proceedings, investigations or claims now pending or threatened against any Company, their business activities or their assets with respect to any Tax, or any matters under discussion with any Governmental Entity relating to any Tax, or any claims for any additional Tax asserted by any Governmental Entity;

(d) all Taxes (including, without limitation, any Taxes resulting from the purchase of stock or any other assets by any Company, whether pursuant to the Grupo Nicna Reorganization or otherwise) due and owing from any Company or assessed and due and owing against their business

activities or assets on or before the Closing Date have been or will be timely paid in full on or before the Closing Date;

(e) all withholding Tax and Tax deposit requirements imposed on any Company and applicable to its business for any and all periods prior to and including the Closing Date have been or will be timely satisfied in full on or before the Closing Date; and

(f) each Company has made adequate provision for the payment in full of any and all unpaid Taxes (including, without limitation, any Taxes resulting from the purchase of stock or any other assets by any Company, whether pursuant to the Grupo Nicna Reorganization or otherwise) which in any way may affect their assets or business activities for any and all periods or portions thereof ending on or before the respective dates thereof and such provision will be reflected on the Estimated Closing Balance Sheet and the

Closing Balance Sheet.

SECTION 5.10. Absence of Undisclosed Liabilities. Except as set forth on Schedule 5.10, none of the Companies has any indebtedness or liability, whether absolute or contingent, known or unknown, which is not shown or provided for on the June 30 2004 Balance Sheet other than liabilities as shall have been incurred or accrued in the ordinary course of business since June 30, 2004. Except as shown in the June 30, 2004 Balance Sheet or on Schedule 5.10, none of the Companies is directly or indirectly liable upon or with respect to (by discount, repurchase agreements or otherwise), or obligated in any other way to provide funds in respect of, or to guarantee or assume, any debt, obligation or dividend of any Person, except endorsements in the ordinary course of business in connection with the deposit, in banks or other financial institutions, of items for collection.

SECTION 5.11. Owned Real Property. None of the Companies owns any real property. None of the Companies has been granted a real property purchase option by any Person.

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SECTION 5.12. Leases.

(a) Schedule 5.12(a) sets forth a list of all leases, licenses, permits, subleases and occupancy agreements, together with all amendments and supplements thereto, with respect to all properties in which any Company has a leasehold interest, whether as lessor or lessee (each, a "Lease" and collectively, the "Leases"; the property covered by Leases under which a Company is a lessee is referred to herein as the "Leased Real Property"). The Seller has furnished true, complete and accurate copies of all Leases to the Buyer or its representatives. No option has been exercised under any of such Leases, except options whose exercise has been evidenced by a written document, a true, complete and accurate copy of which has been delivered to the Buyer or its representatives with the corresponding Lease. Except as set forth on Schedule 5.12(a), the transactions contemplated by this Agreement do not require the consent or approval of the other party to any Lease, nor will such transactions violate any Lease or cause any Company to be in default under any Lease.

(b) Each Lease is in full force and effect and no Lease has been modified or amended except pursuant to an amendment referred to on Schedule 5.12(a). Neither the Company party to any Lease nor any other party to a Lease has given to the other party written notice of or has made a claim with respect to any breach or default. None of the Companies is in default under any Lease and, to the best knowledge of the Seller, either Seller Party or any Company, no other party to a Lease is in default.

(c) None of the Leased Real Property is subject to any sublease, license or other agreement granting to any Person any right to the use, occupancy or enjoyment of such property or any portion thereof. No Company has received any notice from any utility company or municipality of any fact or condition which could result in the discontinuation of presently available or otherwise necessary sewer, water, electric, gas, telephone or other utilities or services for any of the Leased Real Property. The Leased Real Property, all improvements thereon and thereto, and the operations therein conducted conform to all applicable health, fire, insurance, environmental, safety, zoning and building laws, ordinances and administrative regulations, Licenses and Permits and other regulations, except for possible nonconforming uses or violations that do not and will not interfere with the present use, operation or maintenance thereof by any Company as now used, operated or maintained or access thereto, and that do not and will not affect the value thereof, and none of the Companies has received any notice to the contrary.

(d) Except as set forth in Schedule 5.12(d), the plumbing, electrical, heating, air conditioning, elevator, ventilating and all other mechanical or structural systems for which any Company is responsible under the Leases in the buildings or improvements for the Companies' offices located at Avenida Los Angeles 3400, Coyoacan, Monterrey, Nuevo Leon, are in good working order and condition, and the roof, basement and foundation walls of such buildings and improvements for which any Company is responsible under the Leases are in good condition and free of leaks and other defects. Except as set forth in Schedule 5.12(d), all such mechanical and structural systems and such roofs, basement and foundation walls for which others are

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responsible under said Leases are in good working order and condition and free of leaks and other defects. There are no other physical defects or deferred maintenance items at any Leased Real Property that interfere with or impede the Companies' use of such properties in the ordinary course of its business or that any Company is obligated under any of the Leases to repair or otherwise correct.

(e) Except as set forth on Schedule 5.12(e), there are no guaranties (from the Seller or from other Persons) in favor of the lessors of any of the Leased Real Property.

(f) No Company has sold, assigned, transferred, pledged or encumbered all or any part of its leasehold interests in the Leased Real Property.

(g) Access from public streets and provision for parking and loading/unloading at any Leased Real Property conforms to all applicable legal requirements and is adequate for the conduct of the business of the Companies in the normal course.

(h) To the best knowledge of the Seller, either Seller Party or any Company, none of the Leased Real Property is subject to a fee mortgage, deed of trust, other security interest or similar encumbrance, nor to a ground lease or underlying lease.

(i) Except as set forth on Schedule 5.12, there is no pending, or to the best knowledge of the Seller, either Seller Party or any Company, threatened: (i) condemnation of any part of the Leased Real Property by any Governmental Entity; (ii) special assessment against any part of the Leased Real Property; or (iii) litigation against any Niples Company, any Company or any lessor for breach of any restrictive covenant affecting any part of the Leased Real Property.

SECTION 5.13. Assets of the Companies.

(a) The assets, properties and rights of each Company constitute all of the assets and rights which are used in the operation of the businesses of such Company immediately prior to the Closing and which are necessary or required for the conduct of such businesses as currently conducted. The assets accounted for on the June 30, 2004 Balance Sheet are owned by the Companies as of the date hereof, except for assets transferred in the ordinary course of business of (i) the Niples Companies prior to the Grupo Nicna Reorganization or (ii) the Companies thereafter. Other than the assets listed on Schedule 5.13(a), which assets are not used in the Transferred Business, there are no assets, properties, rights or interests of any kind or nature that any Company has been using, holding or operating in its businesses prior to the Closing that will not be used, held or owned by such Company immediately following the Closing.

(b) Each Company has good and marketable title, free and clear of any Liens, to, or a valid leasehold interest under enforceable leases in, all of the assets, properties and rights of such Company except, in the case of Leased Real Property, Liens arising as a result of actions or inactions of the lessor or owner of such properties unrelated to any default by any of the Companies or any of the Niples Companies.

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(c) Schedule 5.13(c) sets forth a complete and correct list and brief description of each item of Equipment and Machinery having an original purchase cost or aggregate lease cost exceeding \$15,000. The Equipment and Machinery are in good operating condition and repair, ordinary wear and tear excepted.

SECTION 5.14. Intellectual Property; Intangible Assets.

(a) Schedule 5.14 sets forth a complete and correct listing

of the Intellectual Property. Each Company owns, or has a license or otherwise has the right to use, in all jurisdictions in which it carries on business, all Intellectual Property without violating the rights of others. Except as set forth on Schedule 5.14, all Intellectual Property is owned by the Companies, free and clear of all Liens. There has not been communicated to any Company the threat of any claim that the holder of such Intellectual Property is in violation or infringement of any service mark, patent, trademark, trade name, trademark or trade name registration, copyright or copyright registration of any other Person. The consummation of the transactions contemplated by this Agreement will not prohibit any Company from using any of the Intellectual Property in a manner substantially similar to its current use of such Intellectual Property in its business.

(b) Schedule 5.14 sets forth a true and complete list of all of the Intangible Assets and a summary description of each such item. There is no restriction affecting the use of any of the Intangible Assets, and no license has been granted with respect thereto. Each of the Intangible Assets is valid and in good standing, is not currently being challenged, is not involved in any pending or to the best knowledge of the Companies, the Seller or the Seller Parties, threatened administrative or judicial proceeding, and to the best knowledge of the Companies, the Seller and the Seller Parties, does not conflict with any rights of any other Person. The Companies' rights in and to the Intangible Assets are sufficient and adequate in all respects to permit the conduct of the businesses of the Companies as now conducted. To the best knowledge of the Seller, either Seller Party or any Company, none of the products or operations of the businesses of any Company involves any infringement of any proprietary right of any other Person.

SECTION 5.15. Licenses and Permits. Schedule 5.15 sets forth a true and complete list of all licenses, permits, franchises, authorizations and approvals issued or granted to any Company by any Governmental Entity (the "Licenses and Permits"), and all pending applications therefor. Except as set forth on Schedule 5.15, each License and Permit has been duly obtained, is valid and in full force and effect, and is not subject to any pending or to the best knowledge of the Sellers, either Seller Party or any Company threatened administrative or judicial proceeding to revoke, cancel, suspend or declare such License and Permit invalid in any respect. The Licenses and Permits are sufficient and adequate in all respects to permit the continued lawful conduct of the business of each Company in the manner now conducted and none of the operations of any Company are being conducted in a manner that violates any of the terms or conditions under which any of the Licenses and Permits was granted. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents will not result in the termination or suspension of any of the Licenses and Permits.

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SECTION 5.16. Compliance with Law. The operations of the businesses of Grupo Nicna and the Companies have been conducted in accordance with all applicable laws, regulations, orders and other requirements of all courts and other Governmental Entities having jurisdiction over Grupo Nicna or the Companies, as the case may be, and their assets, properties and operations. None of the Niples Companies or any of the Companies has received notice of any violation of any such law, regulation, order or other legal requirement, and is not in default with respect to any order, writ, judgment, award, injunction or decree of any national, state or local court or Governmental Entities or arbitrator, domestic or foreign, applicable to any of the Niples Companies or any of the Companies, as the case may be, or any of their assets, properties or operations.

SECTION 5.17. Litigation. Except as set forth on Schedule 5.17, there are no claims, actions, suits, proceedings, labor disputes or investigations pending or, to the best knowledge of the Seller, either Seller Party or any Company, threatened, before any national, state or local court or Governmental Entity, or before any arbitrator of any nature, brought by or against any Niples Company, any Company or any of their officers, directors, employees, agents or Affiliates involving, affecting or relating to any Niples Company or any Company, its assets, properties or rights or the transactions contemplated by this Agreement, nor is any basis known to the Seller, either Seller Party or any Company for any such action, suit, proceeding or investigation. Schedule 5.17 sets forth a list and a summary description of all such pending actions, suits, proceedings, disputes or investigations. None of the Niples Companies or the Companies nor their assets, properties or rights is subject to any order, writ, judgment, award, injunction or decree of any national, state or local court or Governmental Entity or arbitrator, domestic or foreign, that affects or might affect the business, assets, properties or rights of any Company, or that would or might interfere with the transactions contemplated by this Agreement.

SECTION 5.18. Contracts.

(a) Schedule 5.18(a) sets forth, for each Contract (as in

effect on the date hereof) its date, the name of the parties thereto, the subject matter thereof and, in the case of any oral Contract, a summary description thereof.

(b) Each Contract is valid, binding and enforceable against the parties thereto in accordance with its terms, and in full force and effect on the date hereof. Each Company and each Niples Company has performed all obligations required to be performed by it to date under, and is not in default or delinquent in performance, status or any other respect (claimed or actual) in connection with, any Contract, and no event has occurred which, with due notice or lapse of time or both, would constitute such a default by such Company. To the best knowledge of the Seller, either Seller Party or any Company, no other party to any Contract is in default in respect thereof, and no event has occurred which, with due notice or lapse of time or both, would constitute such a default. Other than employment agreements, the Seller has delivered to the Buyer or its representatives true, complete and accurate originals or copies of all the Contracts. The consummation of the transactions contemplated by this Agreement and all other Transaction Documents will not result in the acceleration of any obligation of any of the Companies under, or in the termination of, any Contract.

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(c) Schedule 5.18(c) sets forth a true and complete list of the powers of attorney granted with respect to the affairs of any of the Companies.

SECTION 5.19. Inventories.

(a) All the raw material, work-in-process and finished goods inventory owned by any Company (the "Inventory") is listed on Schedule 5.19(a). Except as set forth on Schedule 5.19(a), (i) all the Inventory is of good and merchantable quality, free from defects and can be sold at customary margins in the ordinary course of business and (ii) none of the Inventory is obsolete, surplus, slow moving, damaged or consists of goods returned or rejected by the Companies' customers (or, prior to the Grupo Nicna Reorganization, the Niples Companies' customers). For purposes of this Section 5.19, "slow moving" Inventory shall mean any items of Inventory for which the Company has more than four month supply in the preceding twelve months.

(b) Except as set forth on Schedule 5.19(b), none of the Inventory is stored with a bailee, warehouseman or similar party and all the Inventory is located at the locations identified on Schedule 5.19(b).

SECTION 5.20. Employee Plans. Except as set forth on Schedule 5.20, none of the Companies maintains or contributes to, or has in the past maintained or contributed to, any employee benefit plan, whether directly or indirectly, except for those required by Law. Each Company is in compliance with the payment of annual profit sharing and contributions on account of any Social Security (Seguro Social), Employee Housing Fund Quota (Instituto del Fondo Nacional de la Vivienda para los Trabajadores) and Retirement Fund (Sistema de Ahorro para el Retiro) applicable to its respective employees.

SECTION 5.21. Customers and Suppliers. Schedule 5.21 sets forth a complete and correct list of: (a) all customers whose purchases from the Niples Companies exceeded 1% of the net sales of the Niples Companies during the first nine months of 2004; (b) the twenty five (25) largest customers by dollar volume in each of Mexico and the United States of America and the aggregate dollar volume of purchases (broken down by principal categories) of the Niples Companies during the first nine months of 2004; (c) the twenty (20) largest suppliers by dollar volume of the Niples Companies and the aggregate dollar volume of purchases (broken down by principal categories) by the Niples Companies from such suppliers during the first nine months of 2004; (d) all distributors of any products of any Niples Company; and (e) all sales representatives of the Niples Companies. All such customers, suppliers, distributors and sales representatives have become customers, suppliers, distributors or sales representatives, as the case may be, of the Companies and none of such customers, suppliers, distributors or sales representatives has or, to best knowledge of the Seller, either Seller Party or any Company, intends to terminate or change significantly its relationship with any of the Companies.

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SECTION 5.22. Insurance. Schedule 5.22 lists the fidelity bonds and the aggregate coverage amount and type and generally applicable

deductibles of all policies of title, liability, fire, casualty, business interruption, workers' compensation and other forms of insurance insuring each Company and its assets, properties and operations. The Seller has furnished a true, complete and accurate copy of all such policies and bonds the Buyer or its representatives. All such policies and bonds are in full force and effect, underwritten by financially sound and reputable insurers and sufficient for all applicable requirements of law and will not in any way be affected by or terminated or lapsed by reason of the consummation of the transactions contemplated by this Agreement. None of the Companies is in default under any provisions of any such policy of insurance nor has any Company received notice of cancellation of any such insurance. There is no claim by any Niples Company or any Company pending under any of any insurance policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. The insurance maintained by each Company in connection with its business is adequate in accordance with industry standards, the requirements of any applicable Leases and is in at least the minimum amount required by currently applicable environmental regulations.

SECTION 5.23. Transactions with Directors, Officers and Affiliates. Except as set forth on Schedule 5.23, none of the Companies is a party to any agreement or arrangement with any of the directors, officers or shareholders of any Company, either Seller Party or any Affiliate or family member of any of the foregoing under which it: (i) leases any real or personal property (either to or from such Person), (ii) licenses technology (either to or from such Person), (iii) is obligated to purchase any tangible or intangible asset from or sell such asset to such Person, (iv) purchases products or services from such Person, (v) pays or receives commissions, rebates or other payments or (vi) provides or receives any other material benefit. None of the Companies employs as an employee or engages as a consultant any family member of any of the directors, officers or stockholders of any Company. Except as set forth on Schedule 5.23, to the best knowledge of the Seller, either Seller Party or any Company, during the past three years none of the directors, officers or stockholders of any Company, or any family member of any of such Persons, has been a director or officer of, or has had any direct or indirect interest in, any Person which during such period has been a supplier, customer, distributor or sales agent of such Company or any Niples Company or has competed with or been engaged in any business of the kind being conducted by such Company or any Niples Company. No Affiliate of any Company owns or has any rights in or to any of the assets, properties or rights used by such Company in the ordinary course of its businesses.

SECTION 5.24. Change in Ownership. The consummation of the transactions contemplated by this Agreement will not result in any material adverse change in the businesses of any Company or, to the best knowledge of the Seller, either Seller Party or any Company, in the loss of the benefits of any material relationship with any customer or supplier.

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SECTION 5.25. Receivables and Payables. Schedule 5.25 sets forth a list of all notes and accounts receivable (including the aging thereof) and accounts payable of the Transferred Business as of November 30, 2004. All notes and accounts receivable payable to or for the benefit of any Company and reflected on the Closing Balance Sheet have been collected or are (or will be) collectible in amounts not less than the aggregate amount thereof (net of reserves established in accordance with prior practice and included in the computation of the Closing Balance Sheet), and to the best knowledge of the Seller, either Seller Party or any Company, are not subject to any counterclaims or set-offs.

SECTION 5.26. Labor Matters.

(a) Schedule 5.26(a) contains a list of all employees currently employed by any Company and, except as set forth thereon, there are no other workers or employees rendering services to any of the Companies.

(b) (i) Each Company is in compliance with all applicable laws, regulations and orders relating to employment and employment practices, including wages, hours, employee health and safety conditions and terms and conditions of employment, social security contributions, compulsory insurance contributions and rules governing protection of privacy; (ii) no Company is a party to any outstanding employment, consulting or management agreement or contract with officers or employees that is not terminable at will (unless and in so far as the inability to terminate is expressly required by mandatory provisions of law or collective bargaining agreement governing any said agreement or contract) or that provide for the payment of any indemnity, bonus or commission (other than any such payment under law or a collective

bargaining agreement); (iii) no Company is a party to any agreement, policy or practice that requires it to pay termination or severance pay to salaried, non-exempt or hourly employees unless and in so far as such pay is expressly required by mandatory provisions of the law or collective bargaining agreement governing any said agreement, policy or practice; (iv) except as set forth on Schedule 5.26(b), no Company is a party to any collective bargaining agreement or other labor union contract applicable to individuals employed by any such Company; and (v) Seller and each Company has given all notices required by any law, ordinance or regulation regarding facility closings, layoffs, change in control, employment, employment practices and employee health and safety to government officials, employees, labor organizations, work councils and other employee representatives. The Seller has furnished to the Buyer or its representatives complete and correct copies of all such agreements. No Company has breached or otherwise failed to comply with any provision of any labor agreement and each Company is in full compliance with all terms of any individual or collective bargaining agreement and there are no grievances outstanding thereunder.

(c) Except as set forth on Schedule 5.26(c), (i) none of the Companies has engaged in any unfair labor practice and no complaint, representation claim or petition is pending before any authority or court in respect of any alleged unfair labor practice; (ii) no labor strike, slowdown or work stoppage or lockout is actually pending or threatened against or affecting any Company, and no Company has at any time experienced any strike, slowdown or work stoppage, lockout or other collective labor action by or

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with respect to its employees; and (iii) no Company has received notice from any agency, authority or court responsible for the enforcement of labor laws of an intention to conduct an investigation of any Company and no such investigation is in progress.

SECTION 5.27. Environmental Matters. Except as set forth on Schedule 5.27:

(a) The operations of each Niples Company and each Company is, and has been conducted in compliance with all applicable Environmental Laws and permits issued thereunder.

(b) None of the Companies, the Sellers or the Seller Parties reasonably expect that expenditures are or will be necessary for the Companies to maintain full compliance with Environmental Laws currently in effect or proposed or anticipated to be adopted.

(c) Each Niples Company and each Company has obtained, or has made timely and complete application for or for renewal of, all Licenses and Permits required under Environmental Laws for the operation of their business.

(d) No Niples Company and no Company has received notice of, nor is there pending or threatened against any Niples Company or any Company, any claim, investigation, order, decree or lawsuit pursuant to any Environmental Law arising out of the operation of the their business ("Environmental Claim").

(e) No Niples Company and no Company has entered into an agreement to assume any liability of or to indemnify any other Person for any claim, damage or loss arising out of the use, treatment, storage or disposal of any Hazardous Substance regulated under applicable Environmental Law.

(f) The Seller has provided the Buyer or its representatives with copies of all (i) Licenses and Permits held by any Niples Company or any Company pursuant to Environmental Law, (ii) notices, demands, claims or actions against any Niples Company or any Company pursuant to Environmental Law, and (iii) reports, data or other documentation related to all investigations, audits or assessments of environmental conditions at property owned, leased or used by any Niples Company or any Company and such Person's compliance with Environmental Law.

SECTION 5.28. Products Liability. (i) There is no notice, demand, claim, action, suit, inquiry, hearing, proceeding, notice of violation or investigation of a civil, criminal or administrative nature before any court or Governmental Entity against or involving any products manufactured, produced, distributed or sold by or on behalf of any Niples Company or any Company (including any parts or components) (collectively, "Products"), or class of claims or lawsuits involving the same or similar Product which is pending or threatened, resulting from an alleged defect in design, manufacture, materials or workmanship of any Product, or any alleged failure to warn, or from any breach of implied warranties or representations (collectively, "Product Liability Lawsuits"); (ii) to the best knowledge of

the Seller, either Seller Party or any Company, there has not been any

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Occurrence (as hereinafter defined); and (iii) there has not been, nor is there under consideration or investigation by any Niples Company or any Company, any Product rework or retrofit (collectively, "Retrofits") conducted by or on behalf of any Niples Company or any Company.

For purposes of this Section 5.28, the term "Occurrence" shall mean any accident, happening or event which takes place at any time which is caused or allegedly caused by any alleged hazard or alleged defect in manufacture, design, materials or workmanship including, without limitation, any alleged failure to warn or any breach of express or implied warranties or representations with respect to, or any such accident, happening or event otherwise involving any Product that is likely to result in a claim or loss.

SECTION 5.29. Grupo Nicna Reorganization. The asset transfers by the Niples Companies to the Companies and the other transactions described on Exhibit A hereto have been completed in accordance with the terms of Exhibit A hereto. Without limiting the generality of the foregoing, (i) except for those assets set forth on Schedule 5.29, all of the properties, assets and rights (including, without limitation, Equipment and Machinery, Contracts, Intellectual Property and Intangible Assets) of the Niples Companies have been transferred to the Companies and are owned, on the date hereof, by the Companies, (ii) the Grupo Nicna Reorganization did not and does not violate or conflict with any provision of the Certificate or Articles of Incorporation or By-laws (or equivalent documents) of Grupo Siller or any of its Subsidiaries and did not and does not violate any provision of law, or any order, judgment or decree of any court or Governmental Entity, nor violate nor result in a breach of or constitute (with due notice or lapse of time or both) a default under any contract, lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which Grupo Siller or any of its Subsidiaries is a party or by which Grupo Siller or any of its Subsidiaries is bound or to which any of such properties or assets is subject, nor did the Grupo Nicna Reorganization result in the imposition of any Lien upon any such assets, properties or rights of any Company, nor result in the cancellation, modification, revocation or suspension of any of the Licenses and Permits, and (iii) each consent, waiver, authorization or approval of any Governmental Entity, or of any other Person, required in connection with the Grupo Nicna Reorganization has been obtained and each declaration to or filing or registration with any such Governmental Entity that was required in connection with the Grupo Nicna Reorganization has been made.

SECTION 5.30. Accuracy of Information. None of the representations, warranties or statements of the Seller or the Seller Parties contained in this Agreement, or in the exhibits hereto, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make any of such representations, warranties or statements in light of the circumstances under which they were made not misleading. All information relating to Grupo Siller, any of its Subsidiaries or any Company and their respective businesses that is known to the Seller, either Seller Party or any Company and that may be material to a purchaser for value of any Company has been disclosed in writing to the Buyer.

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SECTION 5.31. Incorporation by Reference. The Seller and the Seller Parties hereby incorporate by reference and make to the Buyer the representations and warranties made by the sellers under the Inventory Purchase Agreement and the Southland Purchase Agreement.

SECTION 6. ADDITIONAL REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE SELLER PARTIES.

Each Seller and each Seller Party hereby jointly and severally represent and warrant to the Buyer as follows:

SECTION 6.1. Corporate Organization.

(a) Miyar is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own its properties and assets and to conduct its businesses as now conducted.

(b) Nicna is a limited liability company duly organized, validly existing and in good standing under the laws of Switzerland and has

all requisite power and authority to own its properties and assets and to conduct its businesses as now conducted.

SECTION 6.2. Qualification to Do Business. Each Seller is duly qualified to do business as a foreign corporation and is in good standing in every jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification necessary.

SECTION 6.3. Title to the Common Shares. Each Seller has, and will have at the Closing, record and beneficial ownership to the number of Shares set forth across from its name on Schedule 5.5, free and clear of any Liens, other than transfer restrictions, if any, resulting from federal, state or international securities laws.

SECTION 6.4. Authorization and Validity of Agreement. Each Seller and each Seller Party has the requisite power and authority to enter into this Agreement and the other Transaction Documents to which it is a party and to carry out his obligations hereunder and thereunder. The execution and delivery by each Seller of this Agreement and the other Transaction Documents to which it is a party and the performance of its obligations hereunder and thereunder have been duly authorized by all necessary corporate action by the Board of Directors (or other governing body) of each Seller, and no other corporate proceedings on the part of such Seller are necessary to authorize such execution delivery and performance. This Agreement and the other Transaction Documents to which each Seller or Seller Party is a party have been duly executed by such Seller or Seller Party and constitute such Seller's or Seller Party's valid and binding obligations, enforceable against such Seller or Seller Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights or by general principals of equity.

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SECTION 6.5. No Conflict or Violation. The execution, delivery and performance by each Seller and each Seller Party of this Agreement and the other Transaction Documents to which it is a party, (i) in the case of each Seller, do not and will not violate or conflict with any provision of the Certificate of Incorporation or By-Laws (or equivalent documents) of such Seller and (ii) do not and will not violate any provision of law, or any order, judgment or decree of any court or Governmental Entity nor violate nor will result in a breach of or constitute (with due notice or lapse of time or both) a default under any contract, lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which the Seller or any Seller Party is a party or by which he is bound or to which any of its properties or assets is subject.

SECTION 7. REPRESENTATIONS AND WARRANTIES OF THE BUYER.

Mueller Comercial hereby represents and warrants to the Seller as follows:

SECTION 7.1. Corporate Organization. Each Buyer is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and has all requisite corporate power and authority to own its properties and assets and to conduct its businesses as now conducted.

SECTION 7.2. Qualification to Do Business. Each Buyer is duly qualified to do business as a foreign corporation and is in good standing in every jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification necessary.

SECTION 7.3. Authorization and Validity of Agreement. Each Buyer has all requisite corporate power and authority to enter into this Agreement and the other Transaction Documents to which it is a party and to carry out its obligations hereunder and thereunder. The execution and delivery by each Buyer of this Agreement and the other Transaction Documents to which such Buyer is a party and the performance by such Buyer of its obligations hereunder and thereunder have been duly authorized by all necessary corporate action by the Board of Directors (or other governing body) of such Buyer and no other corporate proceedings on the part of either Buyer are necessary to authorize such execution, delivery and performance. This Agreement and the other Transaction Documents to which each Buyer is a party have been duly executed by such Buyer and constitute such Buyer's valid and binding obligations, enforceable against such Buyer in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights or by general

principles of equity.

SECTION 7.4. No Conflict or Violation. The execution, delivery and performance by each Buyer of this Agreement and the other Transaction Documents to which such Buyer is a party do not and will not violate or conflict with any provision of the Certificate of Incorporation or By-laws (or equivalent documents) of such Buyer and do not and will not violate any provision of law, or any order, judgment or decree of any court or

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Governmental Entity, nor violate nor will result in a breach of or constitute (with due notice or lapse of time or both) a default under any contract, lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which such Buyer is a party or by which it is bound or to which any of its properties or assets is subject.

SECTION 7.5. Consents and Approvals. The execution, delivery and performance of this Agreement and the other Transaction Documents by each Buyer does not require the consent or approval of, or filing with, any Governmental Entity or Person, except for such consents, approvals and filings of which the failure to obtain or make would not, individually or in the aggregate, have a material adverse effect on the ability of such Buyer to consummate the transactions contemplated hereby.

SECTION 8. COVENANTS OF THE SELLER AND THE SELLER PARTIES.

The Seller and each Seller Party hereby jointly and severally covenant as follows:

SECTION 8.1. Consents and Approvals. The Seller shall, at the cost and expense of the Seller, (a) use its commercially reasonable efforts to obtain all necessary consents, waivers, authorizations and approvals of all Governmental Entities, and of all other Persons, required in connection with the execution, delivery and performance by the Seller of this Agreement and the other Transaction Documents, and (b) diligently assist and cooperate with the Buyer in preparing and filing all documents required to be submitted by the Buyer to any Governmental Entities, in connection with such transactions and in obtaining any governmental consents, waivers, authorizations or approvals which may be required to be obtained by the Buyer in connection with such transactions (which assistance and cooperation shall include, without limitation, timely furnishing to the Buyer all information concerning the Companies, the Seller or the Seller Parties that counsel to the Buyer reasonably determines is required to be included in such documents or would be helpful in obtaining any such required consent, waiver, authorization or approval).

SECTION 8.2. Access to Properties and Records. The Seller shall cause the Niples Companies to afford to the Buyer, and to the accountants, counsel and representatives of the Buyer ("Representatives"), full access during normal business hours to all properties, books, Contracts, commitments and files and records (including, but not limited to, Tax Returns and correspondence with accountants) of the Niples Companies and, during the Representative' review, shall furnish promptly to the Buyer all other information concerning the Grupo Nicna Reorganization and the Niples Companies as the Buyer may reasonably request, provided that no investigation or receipt of information pursuant to this Section 8.2 shall qualify any representation or warranty of the Seller or the Seller Parties or the conditions to the obligations of the Buyer.

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SECTION 8.3. Best Efforts. Upon the terms and subject to the conditions of this Agreement, each Seller Party and the Seller will use and will cause the Niples Companies to use, their best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable consistent with applicable law to consummate and make effective in the most expeditious manner practicable any transactions contemplated hereby, by the other Transaction Documents or by the Grupo Nicna Reorganization which are not consummated on or prior to the date hereof.

SECTION 8.4. Covenant Not To Compete.

(a) The Seller shall not and shall cause its Affiliates (including the Niples Companies) not to, for a period of five years after the

Closing Date, engage or participate, directly or indirectly, in the business or businesses which are engaged in by any Company immediately prior to the Closing in any geographical area where such business or businesses are engaged in by such Company immediately prior to the Closing.

(b) Each Seller Party and the Seller agrees that a monetary remedy for a breach of the agreement set forth in Section 8.4(a) hereof will be inadequate and impracticable and further agrees that such a breach would cause the Buyer irreparable harm, and that the Buyer shall be entitled to temporary and permanent injunctive relief without the necessity of proving actual damages. In the event of such a breach, each Seller Party and the Seller agrees that the Buyer shall be entitled to such injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions as a court of competent jurisdiction shall determine.

(c) If any provision of this Section 8.4 is invalid in part, it shall be curtailed, both as to time and location, to the minimum extent required for its validity under the laws of the United States and shall be binding and enforceable as so curtailed.

SECTION 8.5. Non-Solicitation of Employees. The Seller shall not, and shall cause its Affiliates (including the Niples Companies) not to, for the five-year period commencing on the Closing Date, make, offer, solicit or induce to enter into, any written or oral arrangement, agreement or understanding regarding employment or retention as a consultant with any Person who was, on the date hereof, a full-time employee of any Company.

SECTION 8.6. Liquid Assets. From and after the date hereof and until April 30, 2007, the Seller shall, and the Seller Parties shall cause the Seller to (i) own and hold no less than \$10,000,000 in cash, current marketable securities or other liquid assets (collectively, "Liquid Assets") and (ii) within 15 days after the end of every other calendar quarter commencing with the calendar quarter ending on March 31, 2005, deliver to the Buyer (x) a certificate of a financial officer of the Seller or, if the Seller does not have a financial officer, an authorized representative of the Seller, certifying that the Seller is in compliance with clause (i) above and (y) one or more certificates, in form and substance reasonably satisfactory to the Buyer, of an authorized representative of the bank(s) or other financial institution(s) where such liquid assets are held certifying that

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the balance on the Seller's account(s) with such bank(s) or other financial institution(s) is no less than \$10,000,000, in the aggregate. Without limiting any other rights or remedies of the Buyer under this Agreement, if at any time prior to April 30, 2007 the Seller no longer holds \$10,000,000 in Liquid Assets, the Seller Parties shall immediately make available to the Seller, through equity contributions or loans, Liquid Assets in an amount sufficient to assure that the Seller is in compliance with clause (i) above.

SECTION 9. TAXES.

SECTION 9.1. Pre-Closing Taxes. The Seller shall promptly reimburse the Buyer for any Taxes of any Company (including without limitation any Taxes due as a result of the purchase of stock or any other assets by any Company, whether pursuant to the Grupo Nicna Reorganization or otherwise) for any and all periods or portions thereof ending on or before the Closing Date, if adequate provision for such payment, as reflected on the Estimated Closing Balance Sheet or, after completion of the post-closing adjustment described in Section 3.3, the Closing Balance Sheet, was not made.

SECTION 9.2. Cooperation on Tax Matters. (a) The Buyer and the Seller shall cooperate fully, as and to the extent reasonably requested by the other parties, in connection with the filing of all Tax Returns by the Companies and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(b) The Buyer and the Seller further agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Entity or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

SECTION 9.3. Certain Taxes. Any transfer, documentary, sales, use, stamp, registration and other Taxes and fees (including any penalties and interest) imposed by any Governmental Entity upon any of the companies in connection with this Agreement shall be paid by the Seller when due, and the Seller will, at its own expense, file all necessary Tax Returns

and other documentation with respect to any such applicable transfer, documentary, sales, use, stamp, registration and other Taxes and fees, and, if required by applicable law, the Buyer will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation.

SECTION 10. INDEMNIFICATION.

SECTION 10.1. Survival. Each of the representations and warranties set forth in this Agreement shall survive the Closing; provided, however, that no claim, lawsuit or other proceeding arising out of or related to the breach of any representation or warranty contained in this Agreement (other than Sections 5.5, 5.9, 5.20, 5.27, 5.29 and 6.1) may be made by any Indemnitee unless notice of such claim, lawsuit or other proceeding, is given to the Indemnitor in accordance with Section 10.4 on or prior to April 30, 2007.

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SECTION 10.2. Indemnification by the Seller and the Seller Parties. (a) Notwithstanding the Closing and regardless of any investigation at any time made by or on behalf of the Buyer or of any knowledge or information that the Buyer may have, the Seller and each Seller Party shall jointly and severally indemnify and fully defend, save and hold the Buyer, any Affiliate of the Buyer and their respective directors, officers, agents and employees, harmless if any such Person shall at any time or from time to time suffer any damage, liability, loss, cost, expense (including all reasonable attorneys' fees), deficiency, interest, penalty, impositions, assessments or fines (collectively, "Losses") arising out of or resulting from, or shall pay or become obligated to pay any sum on account of, one or more of the following:

(i) any untruth or inaccuracy in any representation or certification of the Seller or any Seller Party or the breach of any warranty of the Seller or any Seller Party contained in this Agreement, any other Transaction Document or in any certificate delivered to the Buyer in connection with the Closing; or

(ii) any failure of the Seller or any Seller Party duly to perform or observe any of its covenants or agreements contained in this Agreement or any other Transaction Document; or

(iii) any successor liability of any Company or the Buyer for debts or liabilities of Grupo Siller or any of its Subsidiaries (including the Niples Companies) which were not expressly assumed by such Company pursuant to the Grupo Nicna Reorganization; or

(iv) any Environmental Claim arising out of acts, omissions or conditions in existence or first occurring on or prior to the Closing Date; or

(v) any product liability for products sold prior to the Closing Date; provided that any indemnification claim pursuant to this clause (v) must be made on or prior to April 30, 2007.

SECTION 10.3. Indemnification by the Mueller Comercial. Notwithstanding the Closing, Mueller Comercial shall indemnify and agree to fully defend, save and hold the Seller and each Seller Party, any Affiliate of the Seller or the Seller Parties and their respective directors, officers, agents and employees harmless if any such Person shall at any time or from time to time suffer any Losses arising out of or resulting from, or shall pay or become obligated to pay any sum on account of any one or more of the following:

(i) any untruth or inaccuracy in any representation or certification of the Buyer or the breach of any warranty of the Buyer contained in this Agreement, the other Transaction Documents or in any certificate delivered to the Seller in connection with the Closing; or

(ii) any failure of the Buyer duly to perform or observe any of its covenants or agreements contained in this Agreement or any other Transaction Document.

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SECTION 10.4. Procedures for Indemnification.

(a) If a party entitled to indemnification under this Section 10 (an "Indemnitee") asserts that a party obligated to indemnify it under this Section 10 (an "Indemnitor") has become obligated to such Indemnitee pursuant to Section 10.2 or 10.3, or if any suit, action, investigation, claim or proceeding is begun, made or instituted as a result

of which the Indemnitor may become obligated to an Indemnitee hereunder, such Indemnitee shall give written notice to the Indemnitor. The Indemnitor agrees to defend, contest or otherwise protect the Indemnitee against any such suit, action, investigation, claim or proceeding at its sole cost and expense. The Indemnitor shall not consent to a settlement of, or the entry of any judgment arising from, any such suit, action investigation, claim or proceeding unless it has given 15 days' prior written notice of the same to the Indemnitee and has obtained the written consent of the Indemnitee to such settlement or judgment, which consent will not be withheld if the sole relief is monetary damages that will be paid in full by the Indemnitor and otherwise will not be unreasonably withheld. The Indemnitee shall have the right, but not the obligation, to participate at its own expense in the defense thereof by counsel of the Indemnitee's choice and shall in any event cooperate with and assist the Indemnitor to the extent reasonably possible. If the Indemnitor fails timely to defend, contest or otherwise protect against such suit, action, investigation, claim or proceeding, the Indemnitee shall have the right to do so, including, without limitation, the right to make any compromise or settlement thereof, and the Indemnitee shall be entitled to recover the entire cost thereof from the Indemnitor, including, without limitation, reasonable attorneys' fees, disbursements and amounts paid as the result of such suit, action, investigation, claim or proceeding.

(b) Neither the Seller nor the Seller Parties will have liability (for indemnification or otherwise) with respect to the matters described in Section 10.2(i) (other than for a breach of Sections 5.5, 5.9 5.13(a) or 5.20) until the total of all Losses with respect to such matters exceeds three hundred seventy five thousand dollars (\$375,000), it being understood that once such amount is exceeded, the Seller and the Seller Parties shall be jointly and severally liable for the aggregate of all such Losses (from the first dollar of Loss). In no event shall any liability of Seller or the Seller Parties with respect to the matters described in Section 10.2(i) (other than for a breach of Sections 5.5, 5.9, 5.13(a) or 5.20) exceed eight million six hundred thousand dollars (\$8,600,000), in the aggregate.

(c) For purposes of Section 10.2(i), all Losses arising out of or relating to breach of Section 5.12 shall be computed net of any net collections from insurance policies that reduce the Losses that would otherwise be sustained.

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SECTION 11. CONDITIONS PRECEDENT TO PERFORMANCE BY THE SELLER AND THE SELLER PARTIES.

The obligations of the Seller and the Seller Parties to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which (other than Section 13.4) may be waived by the Seller and the Seller Parties in their sole discretion:

SECTION 11.1. Representations and Warranties of the Buyer. All representations and warranties made by the Buyer in this Agreement shall be true and correct in all material respects on and as of the Closing Date as if again made by the Buyer on and as of such date, and the Seller shall have received a certificate to that effect dated the Closing Date and signed by an officer of the Buyer.

SECTION 11.2. Performance of the Obligations of the Buyer. The Buyer shall have performed all obligations required under this Agreement to be performed by it on or before the Closing Date, and the Seller shall have received a certificate to that effect dated the Closing Date and signed by an officer of the Buyer.

SECTION 11.3. No Violation of Orders. No preliminary or permanent injunction or other order issued by any court or Governmental Entity, nor any statute, rule, regulation, decree or executive order promulgated or enacted by any Governmental Entity that declares this Agreement invalid or unenforceable in any respect or which prevents the consummation of the transactions contemplated hereby shall be in effect; and no action or proceeding before any court or Governmental Entity, shall have been instituted or threatened or instituted by any other Person, which seeks to prevent or delay the consummation of the transactions contemplated by this Agreement or which challenges the validity or enforceability of this Agreement, and which in any such case has a reasonable likelihood of success

in the opinion of counsel to the Seller.

SECTION 12. CONDITIONS PRECEDENT TO PERFORMANCE BY THE BUYER.

The obligations of the Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which (other than Section 14.4) may be waived by the Buyer in its sole discretion:

SECTION 12.1. Representations and Warranties of the Seller Parties and the Seller. All representations and warranties made by the Seller and each Seller Party in this Agreement shall be true and correct in all material respects on and as of the Closing Date as if again made by the Seller and such Seller Party on and as of such date, and the Buyer shall have received a certificate to that effect dated the Closing Date and signed by an officer of the Seller and by each Seller Party.

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SECTION 12.2. Performance of the Obligations of the Seller Parties and the Seller. The Seller and each Seller Party shall have performed all obligations and taken all corporate actions required under this Agreement or under other applicable documents (including their Certificates or Articles of Incorporation or By-laws (or equivalent documents)) to be performed by it on or before the Closing Date, and the Buyer shall have received a certificate to that effect dated the Closing Date and signed by an officer of the Seller and by each Seller Party.

SECTION 12.3. Consents and Approvals. All consents, waivers, authorizations and approvals of any Governmental Entity and of any other Person, required from the Seller or the Seller Parties in connection with the execution, delivery and performance of this Agreement shall have been duly obtained and shall be in full force and effect on the Closing Date.

SECTION 12.4. No Violation of Orders. No preliminary or permanent injunction or other order issued by any court or Governmental Entity, nor any statute, rule, regulation, decree or executive order promulgated or enacted by any Governmental Entity, which declares this Agreement invalid in any respect or prevents the consummation of the transactions contemplated hereby, or which materially and adversely affects the assets, properties or operations of any Company shall be in effect; and no action or proceeding before any court or Governmental Entity, shall have been instituted or threatened or instituted by any other Person which seeks to prevent or delay the consummation of the transactions contemplated by this Agreement or which challenges the validity or enforceability of this Agreement, and which in either such case has a reasonable likelihood of success in the opinion of counsel to the Buyer.

SECTION 12.5. Opinion of Counsel. The Buyer shall have received an opinion, dated as of the Closing Date, from counsel to the Seller and the Seller Parties, in form and substance reasonably acceptable to the Buyer.

SECTION 12.6. Escrow Agreement. The Seller shall have executed and delivered to the Buyer the Escrow Agreement, the Escrow Agreement shall be in full force and effect and the Seller shall not be in breach thereof.

SECTION 12.7. Mortgage Release. The Seller shall have received from Scotiabank Inverlat, S.A., Institucion de Banca Multiple, Grupo Financiero Scotiabank Inverlat, as lender under that certain Simple and Revolving Account Loan Agreement with Mortgage and Pledge Securities, dated as of July 2, 2004, a payoff letter confirming payment in full of the loans under such loan agreement, release of any Liens on the Niples Companies' assets and filings for cancellation of such Liens before the relevant Public Registries of Commerce.

SECTION 12.8. Other Closing Documents. The Buyer shall have received such other certificates, instruments and documents in confirmation of the representations and warranties of the Seller and each Seller Party or in furtherance of the transactions contemplated by this Agreement as the Buyer or its counsel may reasonably request.

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SECTION 12.9. Legal Matters. All certificates, instruments, opinions and other documents required to be executed or delivered by or on behalf of any Seller Party, the Seller or the Companies under the provisions of this Agreement, and all other actions and proceedings required to be taken by or on behalf of any Seller Party or the Seller or the Companies in furtherance of the transactions contemplated hereby, shall be reasonably satisfactory in form and substance to counsel to the Buyer.

SECTION 13. MISCELLANEOUS.

SECTION 13.1. Successors and Assigns. Except as otherwise provided in this Agreement, no party hereto shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other parties hereto and any such attempted assignment without such prior written consent shall be void and of no force and effect. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto.

SECTION 13.2. Governing Law, Jurisdiction.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York; provided, however, that in connection with any legal action or proceeding (other than an action to enforce a judgment obtained in another jurisdiction) brought in respect to this Agreement in the courts of Mexico or any political subdivision thereof, this Agreement shall be deemed to be an instrument made under the laws of Mexico and for such purposes shall be governed by, and construed in accordance with, the laws of the Federal District of Mexico.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each party hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or in such Federal court. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions (including Mexico) by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Buyer may otherwise have to bring any action or proceeding relating to this Agreement against the Seller or the Seller Parties or their properties in the courts of any jurisdiction.

(c) Without limiting the provisions of paragraph (b) of this Section 13.2, each party hereto hereby irrevocably and unconditionally submit, for itself and its property, to the nonexclusive jurisdiction of the competent courts of Mexico City, Federal District, Mexico, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each party hereto hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard and determined in any such courts. Each party hereto hereby waive any rights to a specific jurisdiction it may have by virtue of its present or any future domicile, or otherwise.

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(d) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) or (c) of this Section 13.2. Each party hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) The Seller and each of the Seller Parties hereby agrees that at any time prior to December 10, 2009, service of all writs, process and summonses in any such suit, action or proceeding brought in the State of New York may be made upon CT Corporation System, presently located at 111 Eighth Avenue, New York, New York 10011, U.S.A. (the "Process Agent"), and each of the Seller Parties hereby confirms and agrees that the Process Agent has been duly and irrevocably appointed as its agent and true and lawful attorney-in-fact in its name, place and stead to accept such service of any and all such writs, process and summonses, and agrees that the failure of the Process Agent to give any notice of any such service of process to the Seller Parties shall not impair or affect the validity of such service or of any judgment based thereon. Each party to this Agreement further irrevocably consents to service of process in the manner provided for written notices in Section 13.6. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 13.3. Expenses. The Seller and each Seller Party

shall pay any legal, accounting and other fees, expenses and costs incurred by it, Grupo Siller, the Niples Companies or the Companies in connection with this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby (including without limitation the Grupo Nicna Reorganization). All of the other fees, expenses and costs incurred in connection with this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby shall be paid by the party hereto incurring such fees, expenses and costs.

SECTION 13.4. Broker's and Finder's Fees. The Buyer represents and warrants that it has not dealt with a broker or finder in connection with any of the transactions contemplated by this Agreement or the other Transaction Documents. The Seller represents and warrants that neither the Seller, the Seller Parties or the Companies have dealt with a broker or finder in connection with any of the transactions contemplated by this Agreement or the other Transaction Documents.

SECTION 13.5. Severability. In the event that any part of this Agreement is declared by any court or other judicial or administrative body to be null, void or unenforceable, said provision shall survive to the extent it is not so declared, and all of the other provisions of this Agreement shall remain in full force and effect.

SECTION 13.6. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service if served personally on the party to whom notice is to be given; (ii) on the day of transmission if

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sent via facsimile transmission to the facsimile number given below, and telephonic confirmation of receipt is obtained promptly after completion of transmission; (iii) on the second Business Day after delivery to Federal Express or similar overnight courier ; or (iv) on the date of receipt, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed, to the party as follows:

If to the Seller or any Seller Party:

Leon Dachner Cirano
5411 McPherson Road
PMB 269
Laredo, TX 78041
Telecopy: (888) 625-5403

Copy to:

Thompson & Knight LLP
1700 Pacific Avenue, Suite 3300
Dallas, TX 75201
Attn: Michael C. Titens, Esq.
Telecopy: (214) 880-3159

and

Deloitte Galaz, Yamazaki
Ruiz Urquiza, S.C.
Lazaro Cardenas 2321 Pte., PB
Residencial San Agustin
66260 Garza Garcia, N.L.
Mexico
Attn: Horacio Algaba
Telecopy: 52 (81) 8133 7383

If to the Buyer:

Mueller Comercial de Mexico,
S. de R.L. de C.V.
c/o Mueller Industries, Inc.
8285 Tournament Drive, Suite 150
Memphis, Tennessee 38125
Attn: General Counsel
Telecopy: (901) 753-3254

Copy to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Attn: Neil Novikoff, Esq.
Telecopy: (212) 728-8111

Any party may change its address for the purpose of this Section by giving the other party written notice of its new address in the manner set forth above.

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SECTION 13.7. Amendments; Waivers. This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. Any waiver by any party of any condition, or of the breach of any provision, term, covenant, representation or warranty contained in this Agreement, in any one or more instances, shall not be deemed to be nor construed as a further or continuing waiver of any such condition, or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

SECTION 13.8. Entire Agreement. This Agreement and the other Transaction Documents contain the entire understanding among the parties hereto with respect to the transactions contemplated hereby and supersedes and replaces all prior and contemporaneous agreements and understandings, oral or written, with regard to such transactions. All Exhibits and schedules hereto and any documents and instruments delivered pursuant to any provision hereof are expressly made a part of this Agreement as fully as though completely set forth herein.

SECTION 13.9. Parties in Interest. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any Persons other than parties hereto and their respective successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligations or liability of any third Persons to the Seller or the Buyer. No provision of this Agreement shall give any third parties any right of subrogation or action over or against the Seller or the Buyer.

SECTION 13.10. Scheduled Disclosures. Disclosure of any matter, fact or circumstance in a Schedule to this Agreement shall not be deemed to be disclosure thereof for purposes of any other Schedule hereto.

SECTION 13.11. Section and Paragraph Headings. The section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 13.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

SECTION 13.13. Language. This Agreement shall be executed in both the English and Spanish languages, both versions of which shall bind the parties hereto; provided, however, that in the event of any inconsistency between the English version and the Spanish version, or in the case of any doubt as to the proper interpretation or construction of this Agreement, the English version shall be controlling in all instances, except in connection with any legal action or proceeding (other than in an action to enforce a judgment obtained in another jurisdiction) brought by any party hereto with respect to this Agreement in the courts of Mexico City, Federal District, Mexico, in which instance the Spanish version shall be controlling. Notwithstanding the foregoing, on the date hereof, the English version shall be the only version executed, it being understood that the parties agree to comply with following procedure:

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(i) No later than 45 Business Days after the date hereof, Mexican counsel to the Buyer shall deliver by e-mail a Spanish translation of this Agreement (the "Spanish Translation") to Mexican counsel to the Seller (such delivery date, the "Initial Submission Date").

(ii) No later than 21 Business Days after the Initial Submission Date, Mexican counsel to the Seller may either agree to the terms of the Spanish Translation or deliver by e-mail to Mexican counsel to the Buyer a revised version of such Spanish Translation with any comments Mexican counsel to the Seller may have (such delivery date, the "Second Submission Date").

(iii) No later than 10 Business Days after the Second Submission Date, Mexican counsel to the Buyer may either agree to such revised version of the Spanish Translation or dispute any comments made by Mexican counsel to the Seller (the "Disputed Provisions") by delivering an e-mail to Mexican counsel to the Seller setting forth the Disputed Provisions (such delivery date, the "Third Submission Date").

(iv) If Mexican counsel to the Seller does not agree with

Mexican counsel to the Buyer to a resolution of the Disputed Provisions within 5 days of the Third Submission Date, then Mexican counsel to the Seller may (i) notify Mexican counsel to the Buyer that they wish to submit the Spanish Translation to Thomas Heather Rodriguez or another lawyer mutually acceptable to the Buyer and the Seller (the "Mediator") for final resolution of the Disputed Provisions, and for such purposes (ii) send a copy of this Agreement and the Spanish Translation to the Mediator, by e-mail, indicating the Disputed Provisions, a copy of which shall be sent to Mexican counsel to the Buyer.

(v) No later than 30 Business Days after delivery of the notice referred to above, the Mediator shall deliver by e-mail his translation of the Disputed Provisions to Mexican counsel to the Buyer and the Seller. The Spanish Translation, as amended by the Mediator, shall be the definitive Spanish Translation of this Agreement.

For purposes of this Section 13.13., the parties hereto agree that the notices hereunder shall be furnished to their respective Mexican counsel or the Mediator, as the case may be, as follows:

If to Mexican counsel to the Buyer:

Jose Victor Torres
Gonzalez Calvillo, S.C.
jtorres@gcsc.com.mx
and
Enrique Avila del Castillo
Gonzalez Calvillo, S.C.
eavila@gcsc.com.mx

If to Mexican counsel to the Seller:

Horacio Algaba
Deloitte
halgaba@dttx.com

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If to the Mediator:

Thomas Heather Rodriguez
Ritch, Heather & Mueller, S.C.
theather@rhm.com.mx

If Mexican counsel to the Seller or the Buyer, as the case may be, does not respond within the response periods set forth above, then such non-responding counsel shall be deemed to have agreed to the Spanish Version last delivered to such non-responding counsel and such version of the Spanish Translation shall be the definitive Spanish Translation of this Agreement.

SECTION 13.14. Monetary Denominations. References in this Agreement to dollars or to \$ shall mean United States dollars unless otherwise indicated.

SECTION 13.15. Construction. For all purposes of this Agreement, any representation, warranty or covenant of the Seller shall be a joint and several representation, warranty and covenant of Miyar and Nicna.

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

MUELLER COMERCIAL DE MEXICO,
S. de R.L. de C.V.
By: /s/Michael O. Fifer
Name:
Title:

WTC HOLDCO I, LLC
By: /s/William H. Hensley
Name:
Title:

MIYAR LLC
By: /s/Adriel Brashwaite
Name: Adriel Brashwaite
Title: Authorized Signer

NICNA, GMBH
By: /s/Adriel Brashwaite
Name: Adriel Brashwaite

Title: Authorized Signer

/s/Leon Dachner Cirano
Leon Dachner Cirano

/s/Abraham Attias Wengrowsky
Abraham Attias Wengrowsky

INVENTORY PURCHASE AGREEMENT

This INVENTORY PURCHASE AGREEMENT (this "Agreement"), dated as of December 14, 2004, is entered into by and between Niples del Norte S.A. de C.V., a Mexican sociedad anonima de capital variable (the "Seller"), and Mueller de Mexico S.A. de C.V., a Mexican sociedad anonima de capital variable (the "Buyer").

R E C I T A L S :

WHEREAS, the Seller desires to sell to the Buyer and the Buyer desires to purchase from the Seller certain inventory upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual representations, warranties, covenants and agreements herein contained, the Buyer and the Seller hereby agree as follows:

SECTION 1. Definitions. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meaning ascribed to them in the Securities Purchase Agreement, dated as of the date hereof, by and among Mueller Comercial de Mexico, S. de R.L. de C.V. and the other parties thereto.

SECTION 2. Sale of Inventory. Subject to the terms and conditions set forth in this Agreement and in reliance upon the Seller's representations and warranties set forth below, on the date hereof, the Seller shall sell to the Buyer, and the Buyer shall purchase from the Seller, all the raw material, work-in-process and finished goods inventory described on Exhibit A (the "Inventory"), for eleven million one hundred sixty one thousand one hundred thirty dollars (\$11,161,130), plus applicable Mexican Value Added Tax (the "Purchase Price"). Payment of the Purchase Price by the Buyer to the Seller shall be made on the date hereof in cash by wire transfer of immediately available funds to such account as the Seller shall specify. The Seller hereby assigns to the Buyer all rights (including litigation rights) which it may have in connection with or related to the Inventory.

SECTION 3. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Buyer as follows:

(a) Corporate Organization. The Seller is a corporation duly organized, validly existing and in good standing under the laws of Mexico and has all requisite corporate power and authority to own its properties and assets and to conduct its businesses as now conducted.

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(b) Authorization and Validity of Agreement. The Seller has the requisite power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement by the Seller and the performance by the Seller of its obligations hereunder have been duly authorized by all necessary corporate action of the Seller and no other corporate proceedings on the part of the Seller are necessary to authorize such execution, delivery and performance. This Agreement has been duly executed and delivered by the Seller and constitutes the Seller's valid and binding obligation, enforceable against the Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights or by general principles of equity.

(c) No Conflict or Violation. The execution, delivery and performance by the Seller of this Agreement do not and will not violate or conflict with any provision of the Certificate of Incorporation or By-laws (or equivalent documents) of the Seller, and do not and will not violate any provision of law, or any order, judgment or decree of any court or Governmental Entity, nor violate nor will result in a breach of or constitute (with due notice or lapse of time or both) a default under any contract, lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which the Seller is a party or by which it is bound or by which any of its properties or assets is subject.

(d) Consents and Approvals. Schedule 3(d) sets forth a true and complete list of each consent, waiver, authorization or approval of any Governmental Entity, or of any other Person, and each declaration to or filing or registration with any such Governmental Entity, that is required in connection with the execution and delivery of this Agreement by the Seller or the performance by the Seller of its obligations hereunder. All such consents, waivers, authorizations and approvals have been obtained and all such declarations and filings have been made.

(e) Ownership by the Seller. The Inventory constitutes all of the raw material, work-in-process or finished goods inventory owned by the Seller or any of its subsidiaries. The Seller has good and marketable title to the Inventory it is selling pursuant to this Agreement, free and clear of any Lien. Except as set forth in Schedule 3(e), (i) all the Inventory is of good and merchantable quality, free from defects and can be sold at customary margins in the ordinary course of business, (ii) none of the Inventory is obsolete, slow moving, damaged or consists of goods returned or rejected by the Seller's customers. For purposes of this Agreement, "slow moving" Inventory shall mean any items of Inventory for which the Seller has more than four months supply in the preceding twelve months.

(f) Location of Inventory. None of the Inventory is stored with a bailee, warehouseman or similar party and all the Inventory is located at the locations identified on Schedule 3(f).

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(g) Litigation. Except as set forth on Schedule 3(g), there are no claims, actions, suits, proceedings, labor disputes or investigations pending, or, to the best knowledge of the Seller, threatened before any national, state, or local court or Governmental Entity, or before any arbitrator of any nature brought by or against the Seller or any of its officers, directors, employees, agents or Affiliates involving, affecting or relating to the Seller, its assets, properties or rights or the transactions contemplated by this Agreement, nor is any basis known to the Seller for any such action, suit, proceeding or investigation. Schedule 3(g) sets forth a list and a summary description of all such pending actions, suits, proceedings, disputes or investigations.

SECTION 4. Representations and Warranties of the Buyer. The Buyer hereby represents and warrants to the Seller as follows:

(a) Corporate Organization. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of Mexico and has all requisite power and authority to own its properties and assets and to conduct its businesses as now conducted.

(b) Authorization and Validity of Agreement. The Buyer has all requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement by the Buyer and the performance by the Buyer of its obligations hereunder have been duly authorized by all necessary corporate action by the Board of Directors of the Buyer and no other corporate proceedings on the part of the Buyer are necessary to authorize such execution, delivery and performance. This Agreement has been duly executed and delivered by the Buyer and constitutes the Buyer's valid and binding obligation, enforceable against the Buyer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights or by general principals of equity.

(c) No Conflict or Violation. The execution, delivery and performance by the Buyer of this Agreement do not and will not violate or conflict with any provision of the Certificate of Incorporation or By-laws of the Buyer, and do not and will not violate any provision of law, or any order, judgment or decree of any court or Governmental Entity, nor violate nor will result in a breach of or constitute (with due notice or lapse of time or both) a default under any contract, lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which the Buyer is a party or by which it is bound or by which any of its properties or assets is subject.

SECTION 5. Covenants of the Parties. Each party covenants and agrees that it will do, execute and deliver, will cause to be done, executed and delivered, all such further acts, transfers, assignments, conveyances, and assurances requested by the other party, from time to time, for the better assuring, conveying and confirming unto the Buyer of the entire right, title and interest of the Seller in the Inventory purchased

SECTION 6. Miscellaneous.

(a) Governing Law; Jurisdiction.

(i) This Agreement shall be construed in accordance with and governed by the laws of the State of New York, provided, however, that, in connection with any legal action or proceeding (other than an action to enforce a judgment obtained in another jurisdiction) brought in respect to this Agreement in the courts of Mexico or any political subdivision thereof, this Agreement shall be deemed to be an instrument made under the laws of Mexico and for such purposes shall be governed by, and construed in accordance with, the laws of the Federal District of Mexico.

(ii) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each party hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or in such Federal court. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions (including Mexico) by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Buyer may otherwise have to bring any action or proceeding relating to this Agreement against the Seller or its properties in the courts of any jurisdiction.

(iii) Without limiting the provisions of paragraph (ii) of this Section 6(a), each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the competent courts of Mexico City, Federal District, Mexico, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each party hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such courts. Each party hereto hereby waives any rights to a specific jurisdiction it may have by virtue of its present or any future domicile, or otherwise.

(iv) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (ii) or (iii) of this Section 6(a). Each party hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(v) Each party hereby agrees that service of all writs, process and summonses in any such suit, action or proceeding brought in the State of New York may be made upon CT Corporation System, presently located at 111 Eighth Avenue, New York, New York 10011, U.S.A. (the "Process Agent"), and each party hereby confirms and agrees that the Process Agent has been duly and irrevocably appointed as its agent and true and lawful attorney-in-fact in its name, place and stead to accept such service of any and all such writs, process and summonses, and agrees that the failure of the Process Agent to give any notice of any such service of process to such party shall not impair or affect the validity of such service or of any judgment based thereon. Each party to this Agreement further irrevocably consents to service of process in the manner provided for written notices in Section 6(c). Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(b) Paragraph and Section Headings. The headings of the

sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof.

(c) Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service if served personally on the party to whom notice is to be given; (ii) on the day of transmission if sent via facsimile transmission to the facsimile number given below, and telephonic confirmation of receipt is obtained promptly after completion of transmission; (iii) on the second Business Day after delivery to Federal Express or similar overnight courier; or (iv) on the day of receipt, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed, to the party as follows:

If to the Seller:

Leon Dachner Cirano
5411 McPherson Rd.
PMB 269
Laredo, TX 78041
Telecopy: (888) 625-5403

Copy to:

Thompson & Knight LLP
1700 Pacific Avenue, Suite 3300
Dallas, TX 75201
Attn: Michael C. Titens, Esq.
Telecopy: (214) 880-3159

and

Deloitte Galaz, Yamazaki
Ruiz Urquiza, S.C.
Lazaro Cardenas 2321 Pte., PB
Residencial San Agustin
66260 Garza Garcia, N.L.
Mexico
Attn: Horacio Algaba
Telecopy: 52 (81) 8133 7383

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If to the Buyer:

Mueller de Mexico, S.A. de C.V.
c/o Mueller Industries, Inc.
8285 Tournament Drive, Suite 150
Memphis, TN 38125
Attn: General Counsel
Telecopy: (901) 753-3251

Copy to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Attn: Neil Novikoff, Esq.
Telecopy: (212) 728-8111

Any party may change its address for the purpose of this Section by giving the other party written notice of its new address in the manner set forth above.

(d) Expenses. Each party shall pay its own fees and expenses incurred in connection with the transactions contemplated hereby.

(e) Successors and Assigns. Except as otherwise provided in this Agreement, no party hereto shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party hereto and any such attempted assignment without such prior written consent shall be void and of no force and effect. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto.

(f) Entire Agreement. This Agreement and the other Transaction Documents contains the entire understanding between the parties hereto with respect to the transactions contemplated hereby and supersedes and replaces all prior and contemporaneous agreements and understandings, oral or written, with regard to such transactions. Any exhibit or schedule hereto and any documents and instruments delivered pursuant to any provision hereof are expressly made a part of this Agreement as fully as though completely set forth herein.

(g) Amendments; Waivers. This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by

the parties hereto, or in the case of a waiver, by the party waiving compliance. Any waiver by either party of any condition, or of the breach of any provision, term, covenant, representation or warranty contained in this Agreement, in any one or more instances, shall not be deemed to be nor construed as a further or continuing waiver of any such condition, or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

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(h) Severability. In the event that any part of this Agreement is declared by any court or other judicial or administrative body to be null, void or unenforceable, said provision shall survive to the extent it is not so declared, and all of the other provisions of this Agreement shall remain in full force and effect.

(i) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

NIPLES DEL NORTE S.A. DE C.V.
By:/s/Abraham Attias
Name: Abraham Attias
Title:

MUELLER DE MEXICO S.A. DE C.V.
By:/s/Robert Fleeman
Name: Robert Fleeman
Title: President

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February 16, 2005

Board of Directors
Mueller Industries, Inc.
8285 Tournament, Suite 150
Memphis, TN 38125

Dear Sirs:

Note 9 to the Consolidated Financial Statements of Mueller Industries, Inc. included in its annual report on Form 10-K for the year ended December 25, 2004 describes a change in the measurement date for its pension plans from year-end to November 30. Management believes that the newly adopted accounting principle is preferable in the circumstances because it improves the Company's control procedures in regard to allowing time for management to review the completeness and accuracy of the actuarial pension measurements as well as evaluating those results in funding decisions. The Company has stated that the new measurement date will allow the Company adequate time to review its pension plan calculations prior to future Securities and Exchange Commission accelerated filing requirements. In accordance with your request, we have reviewed and discussed with Company officials the circumstances and business judgment and planning upon which the decision to make this change in the method of accounting was based.

With regard to the aforementioned accounting change, authoritative criteria have not been established for evaluating the preferability of one acceptable method of accounting over another acceptable method. However, based on our review and discussion and with reliance on management's business judgment, we concur that the newly adopted method of accounting is preferable in the Company's circumstances.

Very truly yours,

/s/ERNST & YOUNG LLP

MUELLER INDUSTRIES, INC.
List of Subsidiaries

Subsidiary*	State or Country of Incorporation
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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
Southland Pipe Nipples Co., Inc.	Texas
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
Vemco Brasscapri Ltd.	United Kingdom
Brasscapri Limited	United Kingdom
Primaflow Limited	United Kingdom
DENO Investment Company, Inc.	Michigan
Mueller de Mexico S.A. de C.V. (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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List of Subsidiaries

Subsidiary*	State or Country of Incorporation
-----	-----
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%)	Nevada
White Knob Mining Company	Idaho
Arava Exploration Company	Colorado
Summit Systems, Inc.	Delaware
Kennet Company Limited	Bermuda
Mining Remedial Recovery Company	Delaware
Carpentertown Coal & Coke Company	Pennsylvania
USS Lead Refinery, Inc.	Maine
Leon Water Enterprises, Inc. (50%)	Texas
Macomber Construction Company	Ohio
Macomber Incorporated	Ohio

Macomber Building and Land Corporation	Delaware
DENO Investment Company II, Inc.	Michigan
MII Financial Corporation	Michigan
Mueller Streamline S.L.	Spain
WTC HoldCo I, LLC	Delaware
WTC HoldCo II, LLC	Delaware
Mueller Comercial de Mexico S. de R.L. de C.V. (3)	Mexico
NICNA Mexico S. de R.L. de C.V. (4)	Mexico
NICNA Mexico Servious S. de R.L. de C.V. (4)	Mexico
NICNA Mexico Proyectos S. de R.L. de C.V. (4)	Mexico
NICNA Mexico Comercial S. de R.L. de C.V. (4)	Mexico
NICNA Mexico Ventas S. de R.L. de C.V. (4)	Mexico
NICNA Mexico Maquinaria S. de R.L. de C.V. (4)	Mexico

* 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. Less than 1% owned by non-affiliated individuals.
- (3) Owned by Mueller Streamline S.L. (51.7%) and WTC HoldCo I, LLC (48.3%).
- (4) Less than 1% of the outstanding common stock is owned by WTC HoldCo I, LLC.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form 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, and the 1991 Incentive Stock Option Plan of Mueller Industries, Inc., respectively, of our reports dated March 1, 2005, with respect to the consolidated financial statements of Mueller Industries, Inc., Mueller Industries, Inc. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Mueller Industries, Inc. included in the Annual Report (Form 10-K) for the year ended December 25, 2004.

Our audits also included the 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 1, 2005

CERTIFICATION

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 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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Date: March 4, 2005

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

CERTIFICATION

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 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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Date: March 4, 2005

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

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 25, 2004 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 4, 2005

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 25, 2004 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 results of operations of the Company.

/s/ Kent A. McKee
Kent A. McKee
Chief Financial Officer
March 4, 2005