UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2007    Commission file number 1-6770

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

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

| | |
|---|---|
| 8285 Tournament Drive, Suite 150 Memphis, Tennessee | 38125 |
| (Address of principal executive offices) | (Zip Code) |

(901) 753-3200
(Registrant's telephone number, including area code)

Indicate by 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 whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.  See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.
(Check one):
Large accelerated filer [X]  Accelerated filer [ ]  Non-accelerated filer [ ]

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes [ ]  No [X]

The number of shares of the Registrant's common stock outstanding as of April 30, 2007, was 37,044,248.



MUELLER INDUSTRIES, INC.

FORM 10-Q

For the Quarterly Period Ended March 31, 2007

## INDEX

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

<TABLE>

MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

<CAPTION>

| | For the Quarter Ended March 31, 2007 | April 1, 2006 |
|---|---|---|
| | (In thousands) | |
| <S> | <C> | <C> |
| Net sales | $ 609,782 | $ 551,039 |
| Cost of goods sold | 536,578 | 457,069 |
| Gross profit | 73,204 | 93,970 |
| Depreciation and amortization | 10,966 | 10,195 |
| Selling, general, and administrative expense | 34,927 | 34,959 |
| Operating income | 27,311 | 48,816 |
| Interest expense | (5,494) | (4,862) |
| Other income, net | 4,953 | 2,013 |
| Income before income taxes | 26,770 | 45,967 |
| Current income tax expense | (9,013) | (16,493) |
| Deferred income tax benefit | 1,156 | 3,891 |
| Total income tax expense | (7,857) | (12,602) |
| Net income | $ 18,913 | $ 33,365 |

See accompanying notes to condensed consolidated financial statements.

</TABLE>

<TABLE>

MUELLER INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (continued)

(Unaudited)

<CAPTION>

| <S> | For the Quarter Ended March 31, 2007 <C> | April 1, 2006 <C> |
|---|---|---|
| | (In thousands, except per share data) | |
| Weighted average shares for basic earnings per share | 37,027 | 36,691 |
| Effect of dilutive stock options | 117 | 390 |
| Adjusted weighted average shares for diluted earnings per share | 37,144 | 37,081 |
| Basic earnings per share | $ 0.51 | $ 0.91 |
| Diluted earnings per share | $ 0.51 | $ 0.90 |
| Dividends per share | $ 0.10 | $ 0.10 |

See accompanying notes to condensed consolidated financial statements.

</TABLE>



<TABLE>

MUELLER INDUSTRIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

<CAPTION>

| <S> | March 31, 2007 <C> | December 30, 2006 <C> |
|---|---|---|
| | (In thousands) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | $ 194,489 | $ 200,471 |
| Accounts receivable, less allowance for doubtful accounts of $7,645 2007 and $6,806 in 2006 | 370,957 | 281,679 |
| Inventories | 218,980 | 258,647 |

| | | |
|---|---|---|
| Other current assets | 32,981 | 35,397 |
| Total current assets | 817,407 | 776,194 |
| Property, plant, and equipment, net | 328,742 | 315,064 |
| Goodwill | 155,358 | 155,653 |
| Other assets | 32,080 | 21,996 |
| | $ 1,333,587 | $ 1,268,907 |

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



<TABLE>

MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (continued)
(Unaudited)

<CAPTION>

| <S> | March 31, 2007 (In thousands, except share data) <C> | December 30, 2006 <C> |
|---|---|---|
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Current portion of long-term debt | $ 34,555 | $ 35,998 |
| Accounts payable | 136,888 | 96,095 |
| Accrued wages and other employee costs | 30,398 | 43,281 |
| Other current liabilities | 93,988 | 80,145 |
| Total current liabilities | 295,829 | 255,519 |
| Long-term debt | 308,130 | 308,154 |
| Pension liabilities | 20,028 | 19,900 |
| Postretirement liabilities other than pensions | 27,419 | 16,699 |
| Environmental reserves | 9,197 | 8,907 |
| Deferred income taxes | 43,716 | 46,408 |
| Other noncurrent liabilities | 2,007 | 2,206 |
| Total liabilities | 706,326 | 657,793 |
| Minority interest in subsidiaries | 22,994 | 22,300 |
| Stockholders' equity: | | |
| Preferred stock - shares authorized 5,000,000; none outstanding | - | - |
| Common stock - $.01 par value; shares authorized 100,000,000; issued 40,091,502; outstanding 37,032,912 in 2007 and 37,025,285 in 2006 | 401 | 401 |
| Additional paid-in capital, common | 257,224 | 256,906 |
| Retained earnings | 399,095 | 386,038 |
| Accumulated other comprehensive income | 14,414 | 12,503 |
| Treasury common stock, at cost | (66,867) | (67,034) |

| | | |
|---|---|---|
| Total stockholders' equity | 604,267 | 588,814 |
| Commitments and contingencies | - | - |
| | $ 1,333,587 | $ 1,268,907 |

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



<TABLE>
MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
<CAPTION>

| <S> | For the Quarter Ended March 31, 2007 (In thousands) <C> | April 1, 2006 <C> |
|---|---|---|
| Cash flows from operating activities | | |
| Net income | $ 18,913 | $ 33,365 |
| Reconciliation of net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 11,012 | 10,240 |
| Minority interest in subsidiary | 402 | 393 |
| Equity in earnings of unconsolidated subsidiary | - | (964) |
| Deferred income taxes | (1,156) | (3,891) |
| Gain on disposal of properties | (3,132) | (121) |
| Stock-based compensation expense | 628 | 607 |
| Income tax benefit from exercise of stock options | (66) | (228) |
| Changes in assets and liabilities: | | |
| Receivables | (59,857) | (51,641) |
| Inventories | 66,512 | (14,813) |
| Other assets | (314) | (4,676) |
| Current liabilities | 13,445 | (17,960) |
| Other liabilities | 23 | (175) |
| Other, net | 719 | 104 |
| Net cash provided by (used in) operating activities | 47,129 | (49,760) |
| Cash flows from investing activities | | |
| Capital expenditures | (8,725) | (12,015) |
| Acquisition of business, net of cash received | (31,970) | 3,632 |
| Proceeds from sales of properties | 3,032 | 253 |
| Net cash used in investing activities | (37,663) | (8,130) |

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



<TABLE>
MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(Unaudited)

| <S> | For the Quarter Ended March 31, 2007 (In thousands) <C> | April 1, 2006 <C> |
|---|---|---|
| Cash flows from financing activities | | |
| Acquisition of treasury stock | $ - | $ (388) |
| Dividends paid | (3,703) | (3,684) |
| Repayments of long-term debt | (17,429) | (162) |

| | | |
|---|---|---|
| Issuance of debt by joint venture | 5,434 | 11,164 |
| Issuance of shares under incentive stock option plans from treasury | 155 | 4,200 |
| Income tax benefit from exercise of stock options | 66 | 228 |
| Net cash (used in) provided by financing activities | (15,477) | 11,358 |
| Effect of exchange rate changes on cash | 29 | 69 |
| Decrease in cash and cash equivalents | (5,982) | (46,463) |
| Cash and cash equivalents at the beginning of the period | 200,471 | 129,685 |
| Cash and cash equivalents at the end of the period | $ 194,489 | $ 83,222 |

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



MUELLER INDUSTRIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

General

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. Results of operations for the interim periods presented are not necessarily indicative of results which may be expected for any other interim period or for the year as a whole. This quarterly report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K, including the annual financial statements incorporated therein.

The accompanying unaudited interim financial statements include all normal recurring adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. Certain amounts in the prior year's Condensed Consolidated Financial Statements have been reclassified to conform to the current year presentation.

Note 1 - Earnings per Common Share

Basic per share amounts have been computed based on the average number of common shares outstanding. Diluted per share amounts reflect the increase in average common shares outstanding that would result from the assumed exercise of outstanding stock options, computed using the treasury stock method.

Note 2 - Commitments and Contingencies

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 legal claims and litigation in the future; these gain contingencies are not recognized in the Condensed Consolidated Financial Statements.

Beginning in September 2004, 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 tubes in the United States (the Copper Tube Actions). Two such purported class actions were filed in the United States District Court for the Western District of Tennessee (the Federal Actions). The remaining Copper Tube Actions were filed in state courts in Tennessee, California and Massachusetts.

Certain of the Copper Tube Actions purport to address the sale of copper plumbing tube in particular. Plaintiffs' motions to consolidate the Federal Actions and the actions pending in California state court, respectively, have been granted. All of the Copper Tube Actions, which are similar, seek monetary and other relief.



Wholly owned Company subsidiaries, WTC Holding Company, Inc., Deno Holding Company, Inc., and Mueller Europe Ltd. (Mueller Europe), are named in all of the Copper Tube Actions, and Deno Acquisition Eurl is currently named in two of the Copper Tube Actions but has not been served with the complaints in those actions. The claims against WTC Holding Company, Inc. and Deno Holding Company Inc. have been dismissed without prejudice in the Copper Tube Actions pending in California and Massachusetts state courts.

In September 2006, the Federal Actions were dismissed as to Mueller Europe for lack of personal jurisdiction. In October 2006, the Federal Actions were dismissed in their entirety for lack of subject matter jurisdiction as to all defendants. Although plaintiffs filed a motion for reconsideration of the dismissal of Mueller Europe, the court has held that such motion was mooted by its dismissal of the case for lack of subject matter jurisdiction. Plaintiffs filed a motion to alter or amend the judgment dismissing the complaint for lack of subject matter jurisdiction, which the court denied in May 2007. Plaintiffs' time to file a notice of appeal has not yet expired.

The Company's demurrer to the complaint and the Company's motion to dismiss for failure to state a claim have been filed in the state court actions filed in California and Tennessee, respectively. The Company has not yet been required to respond to the complaint in the action pending in Massachusetts state court. Mueller Europe has not yet been required to respond to the complaints in any of the state court actions pending in Tennessee, California or Massachusetts. The courts overseeing the California and Massachusetts state court actions have stayed those actions conditioned upon the parties' submitting periodic status reports on the Federal Actions. Plaintiffs in the Massachusetts state court action have filed a voluntary motion to dismiss that action without prejudice.

The Company believes that the claims for relief in the Copper Tube Actions are without merit and intends to defend the Copper Tube Actions vigorously.

In March 2006, the Company and Mueller Europe were named in a complaint brought by Carrier Corporation, Carrier S.A., and Carrier Italia S.p.A. alleging anticompetitive activities with respect to the sale of copper tubes used in the manufacturing of air-conditioning and refrigeration units (ACR copper tubes) in the United States and elsewhere (the Carrier Action). The Carrier Action was filed in United States District Court for the Western District of Tennessee.

In addition, beginning in April 2006, the Company has been named as a defendant in several purported class action lawsuits brought by direct and indirect purchasers alleging anticompetitive activities with respect to the sale of ACR copper tubes in the United States and elsewhere (the ACR Class Actions, and with the Carrier Action, the ACR Actions). Two of the ACR Class Actions were filed by indirect purchasers in the United States District Court for the Northern District of California, one of which alleges anticompetitive activities with respect to plumbing tubes as well as ACR copper tubes. Five of the ACR Class Actions (two of which have been consolidated to become the Indirect ACR Class Actions and three of which have been consolidated to become the Direct ACR Class Actions) were filed in the United States District Court for the Western District of Tennessee.



Mueller Europe and the Company are named in all of the ACR Actions. WTC Holding Company, Inc., Deno Holding Company, Inc., and Deno Acquisition Eurl are named in one of the ACR Class Actions filed in the United States District Court for the Northern District of California. Motions to dismiss by the Company and by Mueller Europe are pending in the Carrier Action and the Direct ACR Class Actions. The Company and Mueller Europe have been served, but have not yet been required to respond, in the Indirect ACR Class Actions. The Company, Mueller Europe, WTC Holding Company, Inc., and Deno Holding Company, Inc. have been served, but have not yet been required to respond, in one of the ACR Class Actions filed in the United States District Court for the Northern District of California. Plaintiffs in the second of the ACR Class Actions filed in the United States District Court for the Northern District of California (which addressed only ACR copper tubes) have voluntarily dismissed that action without prejudice.

The Company believes that the claims for relief in the ACR Actions are without merit and intends to defend the ACR Actions vigorously.

Two of the Company's subsidiaries, Mueller Copper Tube Products Inc. and Mueller Copper Tube Company Inc., brought a lawsuit (the Price Manipulation Action) against J.P. Morgan Chase & Co. and Morgan Guaranty Trust Company of New York (collectively Morgan) to recover damages the Company believes it suffered on first purchases of copper cathode resulting from an alleged conspiracy to manipulate the price of copper cathode by Morgan (and certain of its predecessors and affiliates) and others in violation of the federal antitrust laws. The lawsuit was filed on June 12, 2003, in the U.S. District Court for the Western District of Wisconsin. The Company's lawsuit was consolidated with those of certain other first purchasers of copper cathode and rod under the name In re Copper Antitrust Litigation. Although the Price Manipulation Action was dismissed by the district court on March 2, 2004, as barred by the statute of limitations, the U.S. Court of Appeals for the Seventh Circuit, on February 6, 2006, reversed the district court's decision in part and remanded the Price Manipulation Action for further proceedings in the district court. On January 16, 2007, Morgan filed a Motion for Summary Judgment which the District Court denied on April 24, 2007. Trial is set for May 29, 2007. Although the Company is unable to predict the likely outcome of the Price Manipulation Action at this time, the Company is prosecuting the case vigorously, and intends to continue to do so in the future.

In June 2006, the Canada Border Services Agency (CBSA) initiated an investigation into the alleged dumping of certain copper pipe fittings from the United States and from South Korea, and the dumping and subsidizing of these same goods from China. The Company and certain affiliated companies were identified by the CBSA as exporters and importers of these goods.

On January 18, 2007, the CBSA issued a final determination in its investigation. The Company was found to have dumped subject goods during the CBSA's investigation period. On February 19, 2007, the Canadian International Trade Tribunal (CITT) concluded that the dumping of the subject goods from the United States had caused injury to the Canadian industry.



As a result of these findings, exports of subject goods to Canada by the Company made on or after October 20, 2006 will be subject to antidumping measures. Under Canada's system of prospective antidumping enforcement, the Canada Border Services Agency has issued normal values to the Company. Antidumping duties will be imposed on the Company's Canadian customers only to the extent that the Company's future exports of copper pipe fittings are made at net export prices which are below these normal values. If net export prices for subject goods exceed normal values, no antidumping duties will be payable. These measures will remain in place for five years, at which time an expiry review will be conducted by Canadian authorities to determine whether these measures should be maintained for another five years or allowed to expire.

The Company is currently participating in a review process that will lead to the issuance of revised normal values on July 16, 2007. Depending on the level of these normal values, the Company's ability to compete in Canada may be facilitated or impaired. However, given the small percentage of its products that are sold for export to Canada, the Company does not anticipate any material adverse effect on its financial condition as a result of the antidumping case in Canada.

The Company is aware of an investigation of competition in markets in which it participates, or has participated in the past, in Canada. The Company does not anticipate any material adverse effect on its business or financial condition as a result of that investigation.

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.

Guarantees, in the form of letters of credit, are issued by the Company generally to guarantee the payment of insurance deductibles, retiree health benefits, and certain operating costs of a foreign subsidiary. 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 have been required to make under its guarantees at March 31, 2007 was $10.0 million.



Note 3 - Inventories

| | March 31, 2007 | December 30, 2006 |
|---|---|---|
| | (In thousands) | |
| Raw materials and supplies | $ 29,706 | $ 48,265 |
| Work-in-process | 34,191 | 40,209 |
| Finished goods | 160,351 | 188,457 |
| Valuation reserves | (5,268) | (18,284) |
| Inventories | $ 218,980 | $ 258,647 |

Inventories valued using the LIFO method totaled $18.9 million at March 31, 2007 and $32.6 million at December 30, 2006. At March 31, 2007 and December 30, 2006, the approximate FIFO cost of such inventories was $85.0 million and $143.1 million, respectively. The Company has deferred recognizing potential gains resulting from liquidation of LIFO inventories during the first three months of 2007. The Company expects to replenish these inventories by the end of 2007 and, as such, has not recognized the effects of liquidating LIFO layers. During the fourth quarter of 2006, certain inventories valued using the FIFO method and certain firm commitments to purchase inventories were written down to the lower of cost or market. The write down of approximately $14.2 million resulted from the open market price of copper falling below the inventories' net book value.

Note 4 - Industry Segments

The Company's reportable segments are Plumbing & Refrigeration and OEM. For disclosure purposes, as permitted under Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosures about Segments of an Enterprise and Related Information," certain operating segments are aggregated into reportable segments. The Plumbing & Refrigeration segment is composed of Standard Products (SPD), European Operations, and Mexican Operations. The OEM segment is composed of Industrial Products (IPD) and Engineered Products (EPD). These segments are classified primarily by the markets for their products. Performance of segments is generally evaluated by their operating income.

SPD manufactures copper tube and fittings, plastic fittings, and line sets. These products are manufactured in the U.S. SPD also imports and resells in North America brass and plastic plumbing valves, malleable iron fittings, faucets, and plumbing specialty products. European Operations consist of copper tube manufacturing, with such products being sold in Europe and the Middle East, and import distribution of fittings, valves, and plumbing specialties primarily in the U.K. and Ireland. Mexican Operations consist of pipe nipple manufacturing and import distribution businesses including product lines of malleable iron fittings and other plumbing specialties. The Plumbing & Refrigeration segment's products are sold primarily to plumbing, refrigeration, 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. EPD manufactures and fabricates valves and assemblies for the refrigeration, air-conditioning, gas appliance, and barbecue grill markets. The OEM segment sells its products primarily to original equipment manufacturers, many of which are in the HVAC, plumbing, and refrigeration markets. Included in the OEM segment are the results of operations, from the date of acquisition, and assets of Extruded Metals, Inc.

Summarized segment information is as follows:

| | For the Quarter Ended March 31, 2007 (In thousands) | For the Quarter Ended April 1, 2006 (In thousands) |
|---|---|---|
| Net sales: | | |
| Plumbing & Refrigeration | $ 369,996 | $ 386,941 |
| OEM | 243,730 | 167,972 |
| Elimination of intersegment sales | (3,944) | (3,874) |
| | $ 609,782 | $ 551,039 |
| Operating income: | | |
| Plumbing & Refrigeration | $ 26,854 | $ 44,193 |
| OEM | 5,494 | 10,953 |
| Unallocated expenses | (5,037) | (6,330) |
| Total operating income | 27,311 | 48,816 |
| Interest expense | (5,494) | (4,862) |
| Other income, net | 4,953 | 2,013 |
| Income before income taxes | $ 26,770 | $ 45,967 |

| | March 31, 2007 (In thousands) | December 30, 2006 (In thousands) |
|---|---|---|
| Segment assets: | | |
| Plumbing & Refrigeration | $ 730,530 | $ 760,147 |
| OEM | 376,628 | 280,692 |
| General corporate | 226,429 | 228,068 |
| Total operating income | $ 1,333,587 | $ 1,268,907 |



Note 5 - Comprehensive Income

Comprehensive income is as follows:

| | For the Quarter Ended March 31, 2007 (In thousands) | For the Quarter Ended April 1, 2006 (In thousands) |
|---|---|---|
| Comprehensive income: | | |
| Net income | $ 18,913 | $ 33,365 |
| Other comprehensive income: | | |
| Foreign currency translation | 1,393 | 256 |
| Change in the fair value of derivatives, net of tax | 518 | 156 |
| | $ 20,824 | $ 33,777 |

The change in cumulative foreign currency translation adjustment primarily relates to the Company's investment in its foreign subsidiaries and fluctuations in exchange rates between their local currencies and the U.S. dollar, plus the tax effect of certain intercompany transactions. During the first quarter of 2007, the value of the British pound sterling and the Chinese renminbi increased 1 percent and 2 percent, respectively, compared to the U.S. dollar and the value of the Mexican peso decreased 2 percent compared to the U.S. dollar.

Note 6 - Employee Benefits

The Company sponsors several qualified and nonqualified pension plans and other postretirement benefit plans for certain of its employees. During the first quarter of 2007, the Company assumed certain pension and postretirement obligations totaling $25.8 million and $11.6 million, respectively, and pension trust assets of $31.9 million in the acquisition of Extruded Metals, Inc. Net periodic pension benefit related to the pension plan is expected to be $0.7 million annually and net periodic pension cost related to the postretirement plan is expected to be $0.9 million annually.



The net periodic benefit cost is based on estimated values provided by independent actuaries. The components of net periodic benefit cost are as follows:

<TABLE>
<CAPTION>

| | For the Quarter Ended March 31, 2007 | For the Quarter Ended April 1, 2006 |
|---|---|---|
| | (In thousands) | |
| <S> | <C> | <C> |
| Pension benefits: | | |
| Service cost | $ 539 | $ 527 |
| Interest cost | 2,131 | 2,023 |
| Expected return on plan assets | (2,796) | (2,608) |
| Amortization of prior service cost | 93 | 93 |
| Amortization of net loss | 233 | 312 |
| Net periodic benefit cost | $ 200 | $ 347 |
| Other benefits: | | |
| Service cost | $ 76 | $ 2 |
| Interest cost | 158 | 158 |
| Amortization of prior service cost | 2 | 2 |
| Amortization of net loss | 46 | 33 |
| Net periodic benefit cost | $ 282 | $ 195 |

</TABLE>

The Company anticipates contributions to its pension plans for 2007 to be approximately $2.5 million. During the first quarter of 2007, approximately $0.6 million of contributions have been made to certain pension plans.

Note 7 - Acquisitions

On February 27, 2007, the Company acquired 100 percent of the outstanding stock of Extruded Metals, Inc. (Extruded) for $32.6 million in cash, including transaction costs of $0.6 million. Extruded, located in Belding, Michigan, manufactures brass rod products, and during 2006 had annual sales of approximately $350 million. The acquisition of Extruded will complement the Company's existing brass rod product line. The total estimated fair values of the assets acquired totaled $78.8 million, consisting primarily of receivables of $29.5 million, inventories of $26.8 million, property, plant, and equipment of $15.3 million, and prepaid pension asset of $6.1 million. The total estimated fair values of liabilities assumed totaled $46.2 million, consisting primarily of a working capital debt facility of $10.0 million, accounts payable and accrued expenses of $24.0 million, and postretirement obligations of $11.6 million. The debt assumed was extinguished by the Company immediately following the acquisition. The purchase price allocation of Extruded is considered preliminary. The Company expects to finalize the purchase price accounting estimates during 2007 and, as a result, this purchase price allocation is subject to change.



The results of operations for Extruded are reported in the Company's OEM segment and have been included in the accompanying Condensed Consolidated Financial Statements from the acquisition date. The following table presents condensed pro forma consolidated results of operations as if the Extruded acquisition had occurred at the beginning of the periods presented. This information combines the historical results of operations of the Company and Extruded after the effects of estimated preliminary purchase accounting adjustments. Actual adjustments may differ from those reflected below. The pro forma information does not purport to be indicative of the results that would have been obtained if the operations had actually been combined during the periods presented and is not necessarily indicative of operating results to be expected in future periods.

<TABLE>
<CAPTION>

| | For the Quarter Ended March 31, 2007 | For the Quarter Ended April 1, 2006 |
|---|---|---|
| | (In thousands, except per share data) | |
| <S> | <C> | <C> |
| Net sales | $ 667,210 | $ 631,991 |
| Net income | 18,844 | 33,947 |
| Pro forma earnings per share: | | |
| Basic earning per share | $ 0.51 | $ 0.93 |
| Diluted earning per share | $ 0.51 | $ 0.92 |

</TABLE>

In December 2005, two subsidiaries of the Company received a business license from a Chinese industry and commerce authority, establishing a joint venture with Jiangsu Xingrong Hi-Tech Co., Ltd. and Jiangsu Baiyang Industries Ltd. The joint venture, in which the Company holds a 50.5 percent interest, produces inner groove and smooth tube in level-wound coils, pancake coils, and straight lengths, primarily to serve the Chinese domestic original equipment manufactures' air-conditioning market as well as to complement the Company's U.S. product line. The joint venture is located primarily in Jintan City, Jiangsu Province, China. The joint venture entity is named Jiangsu Mueller-Xingrong Copper Industries Limited (Mueller-Xingrong). During the first quarter of 2006, the Company contributed an additional $12.4 million, which completed its initial planned cash investment. Non-cash contributions from the other joint venture parties included long-lived assets of approximately $8.5 million during the first quarter of 2006. The results of operations of this joint venture are reported in the OEM segment and are included in the Company's Condensed Consolidated Financial Statements from January 1, 2006.



Note 8 - Income Taxes

FIN 48 Adoption and First Quarter Activity:

At the beginning of fiscal 2007, the Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). As a result of the adoption, the Company recorded an adjustment of approximately $2.2 million to reduce the opening balance of retained earnings. Additionally, as a result of the adoption of FIN 48, $3.5 million of federal income tax benefits associated with state tax uncertainties, which had been used to reduce the tax contingency liability in prior periods, were reclassified to deferred income taxes on the Company's Condensed Consolidated Balance Sheet. At adoption, the Company's unrecognized tax benefits totaled $25.6 million. Cumulative potential interest and penalties accrued related to unrecognized tax benefits at the date of adoption totaled $3.2 million. The Company includes interest and penalties related to income tax matters as a component of income tax expense. All unrecognized tax benefits at adoption would affect the effective tax rate, if recognized.

During the first quarter of 2007, total unrecognized tax benefits increased to $26.8 million. The increase is primarily the result of $1.2 million of state income tax credit carryforwards that were derecognized ($0.8 million net of federal benefit) as a result of audit activity during the period.

The Company files numerous consolidated and separate income tax returns in the U.S. Federal jurisdiction and in many state, local, and foreign jurisdictions. The Company is no longer subject to U.S. Federal income tax examinations for years before 2003 and with few exceptions is no longer subject to state, local, or foreign income tax examinations by tax authorities for years before 2000. The Mississippi State Tax Commission and the California Franchise Tax Board are currently examining the Company's state income tax returns for years 2002 through 2005. Additionally, during April 2007, the Company received notification from the Internal Revenue Service that it would conduct an examination of Extruded's 2005 U.S. Federal income tax return. The results of these examinations are not expected to have a material impact on the Company's financial position or results of operations.

Discussion of First Quarter Effective Tax Rate:

Income tax expense for the first quarter of 2007 includes a benefit of $7.6 million, or $0.20 per diluted share, for a reduction in the valuation allowance for state income tax credit carryforwards. During the first quarter, the Company changed its estimates regarding the future realization of these credit carryforwards as a result of tax plans initiated in the period which management determined were feasible and would be implemented. The estimates related to the future realization of these credit carryforwards are highly subjective and could be affected by changes in business conditions and the feasibility of tax planning strategies. Changes in any of these factors could have a material impact on future income tax expense. Also included in income tax expense are adjustments of $2.2 million, or $0.06 per diluted share, to correct the prior year income tax provision for deferred tax liabilities on U.S. pension plans, and $2.6 million, or $0.07 per diluted share, for a change in estimate which reduced deferred tax assets related to the determination that a certain tax plan was no longer economically beneficial to the Company and thus would not be executed. The effect of the correction is not material to the current period or the prior period presented.



The Company's effective tax rate for the first quarter of 2007 was 29.4 percent compared with 27.4 percent for the same period last year. The net effect of the adjustments described above was a benefit of $2.8 million, or a reduction in the Company's effective tax rate of 10.7 percent for the period. Other factors that explain the difference between the effective tax rate and what would be computed using the U.S. Federal statutory tax rate for the first quarter of 2007 were (i) the provision for state taxes of $0.9 million, net of federal benefit, (ii) a provision for repatriation of certain foreign earnings of $0.6 million, and (iii) additional expense of $0.8 million, net of federal benefit, resulting from unrecognized tax benefits. These items were partially offset by the recognition of a benefit from the U.S. manufacturer's deduction of $0.5 million and the recognition of a benefit of a foreign tax holiday of approximately $0.3 million (without consideration of minority interest).

Note 9 - Other Income, Net

<TABLE>
<CAPTION>

| | For the Quarter Ended March 31, 2007 (In thousands) | April 1, 2006 |
|---|---|---|
| <S> | <C> | <C> |
| Rent, royalties, and other, net | $ 62 | $ 486 |
| Interest income | 2,272 | 960 |
| Gain on disposal of properties, net | 3,132 | 121 |
| Minority interest in income of subsidiaries | (402) | (393) |
| Environmental expense | (111) | (125) |
| Equity in earning of unconsolidated subsidiary | - | 964 |
| Other income, net | $ 4,953 | $ 2,013 |

</TABLE>

Note 10 - Recently Issued Accounting Standards

The FASB has issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosure about fair value measurements. The Company is required to adopt the provisions of this statement in the first quarter of fiscal 2008. Management is reviewing the potential effects of this statement; however, it does not expect the adoption of SFAS No. 157 to have a material impact on the Company's Condensed Consolidated Financial Statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS No. 159 permits entities to choose to measure eligible items at fair value at specified election dates and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. SFAS No. 159 is effective for fiscal years beginning after



November 15, 2007. Management is currently evaluating the effect that adoption of this statement will have on the Company's Condensed Consolidated Financial Statements.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### General Overview

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. The Company's operations are located throughout the United States, and in Canada, Mexico, Great Britain, and China.

The Company's businesses are aggregated into two reportable segments: the Plumbing & Refrigeration segment and the OEM segment. For disclosure purposes, as permitted under SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," certain operating segments are aggregated into reportable segments. The Plumbing & Refrigeration segment is composed of the Standard Products Division (SPD), European Operations, and Mexican Operations. The OEM segment is composed of the Industrial Products Division (IPD) and Engineered Products Division (EPD). These reportable segments are described in more detail below. SPD manufactures and sells copper tube, copper and plastic fittings, and valves in North America and sources products for import distribution in North America. European Operations manufactures copper tube in Europe, which is sold in Europe and the Middle East; activities also include import distribution in the U.K. and Ireland. Mexican Operations include pipe nipple manufacturing and import distribution businesses including product lines of malleable iron fittings and other plumbing specialties. The Plumbing & Refrigeration segment sells 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. The OEM segment 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. The OEM segment sells its products primarily to original equipment manufacturers, 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 factors affecting the underlying demand for these products.



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.

Results of Operations

During the first quarter of 2007, the Company's net sales were $609.8 million, which compares with net sales of $551.0 million over the same period of 2006. The increase in net sales was primarily attributable to acquired businesses including Mueller-Xingrong, which started operations during the first quarter of 2006, and Extruded Metals, Inc. (Extruded), which was acquired during the first quarter of 2007. The change in net sales was also affected by the increased cost of copper, the Company's principal raw material, which was largely passed through to customers, offset by lower unit volume. The COMEX average price of copper was $2.70 per pound in the first quarter of 2007, which compares with $2.25 in the first quarter of 2006.

Cost of goods sold increased from $457.1 million in the first quarter of 2006 to $536.6 million in the same period of 2007. This increase was primarily attributable to higher material costs and acquired businesses partially offset by reductions in total manufacturing conversion costs. Gross profit decreased from $94.0 million to $73.2 million due primarily to lower unit volume. Inventories valued using the LIFO method totaled $18.9 million at March 31, 2007 and $32.6 million at December 30, 2006. At March 31, 2007 and December 30, 2006, the approximate FIFO cost of such inventories was $85.0 million and $143.1 million, respectively. The Company has deferred recognizing potential gains resulting from liquidation of LIFO inventories during the first three months of 2007. The Company expects to replenish these inventories by the end of 2007 and, as such, has not recognized the effects of liquidating LIFO layers.

Depreciation and amortization expense was $11.0 million in the first quarter of 2007 compared with $10.2 million during the first quarter of 2006. The increase in 2007 is attributable to businesses acquired. Selling, general, and administrative expense was $34.9 million for the first quarter of 2007 compared with $35.0 million for the same period of 2006. Increases attributable to businesses acquired were offset by expense reductions at existing business units.



The Plumbing & Refrigeration segment posted operating earnings of $26.9 million on net sales of $370.0 million, which compares with prior year earnings of $44.2 million on net sales of $386.9 million. Gross profit declined due to lower unit volumes. Additionally, higher unit costs on lower production volume contributed to reduced operating margins. Net sales for trading operations trended up but operating income was off slightly. European operations were profitable due to earnings of the trading businesses.

Operating income at the OEM segment was $5.5 million on net sales of $243.7 million in the first quarter of 2007 compared with operating income of $11.0 million on net sales of $168.0 million in the first quarter of 2006. For 2007, the results include the operations of Extruded following its date of acquisition. Our Chinese joint venture reported total operating income of $1.7 million in the first quarter of 2007.

Interest expense for the first quarter of 2007 totaled $5.5 million, compared with $4.9 million for the same period of 2006. The increase resulted from increased borrowing at Mueller-Xingrong. Other income, net was $5.0 million for the first quarter of 2007 compared with $2.0 million for the same period of 2006. The increase is primarily due to the recognition of a $3.1 million gain in the first quarter of 2007 from the sale of non-operating royalty producing properties.

Income tax expense for the first quarter of 2007 includes a benefit of $7.6 million, or $0.20 per diluted share, for a reduction in the valuation allowance for state income tax credit carryforwards. During the first quarter of 2007, the Company changed its estimates regarding the future realization of these credit carryforwards as a result of tax plans initiated in the period which management determined were feasible and would be implemented. The estimates related to the future realization of these credit carryforwards are highly subjective and could be affected by changes in business conditions and the feasibility of tax planning strategies. Changes in any of these factors could have a material impact on future income tax expense. Also included in income tax expense are adjustments of $2.2

million, or $0.06 per diluted share, to correct the prior year income tax provision for deferred tax liabilities on U.S. pension plans, and $2.6 million, or $0.07 per diluted share, for a change in estimate which reduced deferred tax assets related to the determination that a certain tax plan was no longer economically beneficial to the Company and thus would not be executed.

The Company's effective tax rate for the first quarter of 2007 was 29.4 percent compared with 27.4 percent for the same period last year. The net effect of the adjustments described above was a benefit of $2.8 million, or a reduction in the Company's effective tax rate of 10.7 percent for the period. Other factors that explain the difference between the effective tax rate and what would be computed using the U.S. Federal statutory tax rate for the first quarter of 2007 were (i) the provision for state taxes of $0.9 million, net of federal benefit, (ii) a provision for repatriation of certain foreign earnings of $0.6 million, and (iii) additional expense of $0.8 million, net of federal benefit, resulting from unrecognized tax benefits. These items were partially offset by the recognition of a benefit from the U.S. manufacturer's deduction of $0.5 million and the recognition of a benefit of a foreign tax holiday of approximately $0.3 million (without consideration of minority interest).



Liquidity and Capital Resources

Cash provided by operating activities in the first quarter of 2007 totaled $47.1 million, which is primarily attributable to net income plus depreciation and amortization, decreased inventories and increased current liabilities partially offset by increased receivables. 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. During the first three months of 2007, the average COMEX copper price was approximately $2.70 per pound, which represents a 20 percent increase over the average price during the first three months of 2006. This rise in the price of cathode has also resulted in increases in the open market price for copper scrap and, to a lesser extent, the price of brass scrap. Subsequent to the end of the first quarter, copper prices continued to rise, trading above $3.60 per pound. Consequently, the Company has funded increases in inventories and accounts receivable with cash on hand.

During the first quarter of 2007, cash used in investing activities totaled $37.7 million, consisting primarily of $32.0 million for the acquisition of Extruded, $8.7 million for capital expenditures, of which $1.2 million relates to Mueller-Xingrong, offset by $3.0 million of proceeds from the sales of properties. Cash used in financing activities during the first quarter totaled $15.5 million consisting primarily of $17.4 million for repayments of long-term debt, of which $10.0 million related to debt assumed in the acquisition of Extruded, $3.7 million for payment of dividends, offset by $5.4 million from the issuance of debt by Mueller-Xingrong.

The Company has a $200 million unsecured line-of-credit (Credit Facility) which expires in December 2011. At March 31, 2007, the Company had no borrowings against the Credit Facility. Approximately $9.5 million in letters of credit were backed by the Credit Facility at the end of the first quarter of 2007. As of March 31, 2007, the Company's total debt was $342.7 million or 36 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 the satisfaction of certain minimum financial ratios. As of March 31, 2007, the Company was in compliance with all of its debt covenants.

The Company declared and paid a regular quarterly cash dividend of ten cents per common share in the first quarter of 2007. Payment of dividends in the future is dependent upon the Company's financial condition, cash flows, capital requirements, earnings, and other factors. On May 1, 2007, the Company will pay approximately $8.9 million in interest on its 6% Subordinated Debentures.

Management believes that cash provided by operations and currently available cash of $194.5 million will be adequate to meet the Company's normal future capital expenditures and operational needs. The Company's current ratio was 2.8 to 1 at March 31, 2007.



The Company's Board of Directors has authorized the repurchase until October 2007 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 March 31, 2007, the Company has repurchased approximately 2.4 million shares under this authorization.

There have been no significant changes in the Company's contractual cash obligations reported at December 30, 2006.

Recently Adopted Accounting Standards

In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 clarifies the accounting for income taxes by prescribing a minimum threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognizing, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company adopted the provisions of FIN 48 at the beginning of fiscal 2007. As a result of the adoption, the Company recorded an adjustment of approximately $2.2 million to reduce the opening balance of retained earnings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to market risk from changes in raw material and energy costs, interest rates, and foreign currency exchange rates. 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.

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. Depending on the nature of the hedge, changes in the fair value of the forward contracts will either be offset against the change in fair value of the inventory through earnings or recognized 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 March 31, 2007, the Company held open forward contracts to purchase approximately $5.5 million of copper over the next four months related to fixed-price sales orders.

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 March 31, 2007, the Company held no open forward contracts to purchase natural gas.

Interest Rates

At March 31, 2007, the Company had variable-rate debt outstanding of $34.7 million, the majority of which related to the debt issued by Mueller-Xingrong. 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 and on the base-lending rate published by the People's Bank of China.

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 March 31, 2007, the Company held open forward contracts to purchase approximately $2.0 million U.S. dollars.

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, the Mexican peso, and the Chinese renminbi. 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.



Cautionary Statement Regarding Forward Looking Information

Statements in this Quarterly Report on Form 10-Q that are not strictly historical may be "forward-looking" statements, which involve risks and uncertainties. These include economic and currency conditions, continued availability of raw materials and energy, market demand, pricing, competitive and technological factors, and the availability of financing, among others, as set forth in the Company's filings with the Securities and Exchange Commission. The words "outlook," "estimate," "project," "intend," "expect," "believe," "target," and similar expressions are intended to identify forward-looking statements. The reader should not place undue reliance on forward-looking statements, which speak only as of the date of this report. The Company has no obligation to publicly update or revise any forward-looking statements to reflect events after the date of this report.

Item 4. 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, 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 pursuant to Rule 13a-15(b) of the Exchange Act as of the end of the period covered by this report. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of March 31, 2007.

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 March 31, 2007, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

General

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 legal claims and litigation in the future; these gain contingencies are not recognized in the Condensed Consolidated Financial Statements.

Copper Tube Antitrust Litigation

Beginning in September 2004, 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 tubes in the United States (the Copper Tube Actions). Two such purported class actions were filed in the United States District Court for the Western District of Tennessee (the Federal Actions). The remaining Copper Tube Actions were filed in state courts in Tennessee, California and Massachusetts.

Certain of the Copper Tube Actions purport to address the sale of copper plumbing tube in particular. Plaintiffs' motions to consolidate the Federal Actions and the actions pending in California state court, respectively, have been granted. All of the Copper Tube Actions, which are similar, seek monetary and other relief.

Wholly owned Company subsidiaries, WTC Holding Company, Inc., Deno Holding Company, Inc., and Mueller Europe Ltd. (Mueller Europe), are named in all of the Copper Tube Actions, and Deno Acquisition Eurl is currently named in two of the Copper Tube Actions but has not been served with the complaints in those actions. The claims against WTC Holding Company, Inc. and Deno Holding Company Inc. have been dismissed without prejudice in the Copper Tube Actions pending in California and Massachusetts state courts.

In September 2006, the Federal Actions were dismissed as to Mueller Europe for lack of personal jurisdiction. In October 2006, the Federal Actions were dismissed in their entirety for lack of subject matter jurisdiction as to all defendants. Although plaintiffs filed a motion for reconsideration of the dismissal of Mueller Europe, the court has held that such motion was mooted by its dismissal of the case for lack of subject matter jurisdiction. Plaintiffs filed a motion to alter or amend the judgment dismissing the complaint for lack of subject matter jurisdiction, which the court denied in May 2007. Plaintiffs' time to file a notice of appeal has not yet expired.



The Company's demurrer to the complaint and the Company's motion to dismiss for failure to state a claim have been filed in the state court actions filed in California and Tennessee, respectively. The Company has not yet been required to respond to the complaint in the action pending in Massachusetts state court. Mueller Europe has not yet been required to respond to the complaints in any of the state court actions pending in Tennessee, California or Massachusetts. The courts overseeing the California and Massachusetts state court actions have stayed those actions conditioned upon the parties' submitting periodic status reports on the Federal Actions. Plaintiffs in the Massachusetts state court action have filed a voluntary motion to dismiss that action without prejudice.

The Company believes that the claims for relief in the Copper Tube Actions are without merit and intends to defend the Copper Tube Actions vigorously.

In March 2006, the Company and Mueller Europe were named in a complaint brought by Carrier Corporation, Carrier S.A., and Carrier Italia S.p.A. alleging anticompetitive activities with respect to the sale of copper tubes used in the manufacturing of air-conditioning and refrigeration units (ACR copper tubes) in the United States and elsewhere (the Carrier Action). The

Carrier Action was filed in United States District Court for the Western District of Tennessee.

In addition, beginning in April 2006, the Company has been named as a defendant in several purported class action lawsuits brought by direct and indirect purchasers alleging anticompetitive activities with respect to the sale of ACR copper tubes in the United States and elsewhere (the ACR Class Actions, and with the Carrier Action, the ACR Actions). Two of the ACR Class Actions were filed by indirect purchasers in the United States District Court for the Northern District of California, one of which alleges anticompetitive activities with respect to plumbing tubes as well as ACR copper tubes. Five of the ACR Class Actions (two of which have been consolidated to become the Indirect ACR Class Actions and three of which have been consolidated to become the Direct ACR Class Actions) were filed in the United States District Court for the Western District of Tennessee.

Mueller Europe and the Company are named in all of the ACR Actions. WTC Holding Company, Inc., Deno Holding Company, Inc., and Deno Acquisition Eurl are named in one of the ACR Class Actions filed in the United States District Court for the Northern District of California. Motions to dismiss by the Company and by Mueller Europe are pending in the Carrier Action and the Direct ACR Class Actions. The Company and Mueller Europe have been served, but have not yet been required to respond, in the Indirect ACR Class Actions. The Company, Mueller Europe, WTC Holding Company, Inc., and Deno Holding Company, Inc. have been served, but have not yet been required to respond, in one of the ACR Class Actions filed in the United States District Court for the Northern District of California. Plaintiffs in the second of the ACR Class Actions filed in the United States District Court for the Northern District of California (which addressed only ACR copper tubes) have voluntarily dismissed that action without prejudice.

The Company believes that the claims for relief in the ACR Actions are without merit and intends to defend the ACR Actions vigorously.



Copper Price Manipulation Litigation

Two of the Company's subsidiaries, Mueller Copper Tube Products Inc. and Mueller Copper Tube Company Inc., brought a lawsuit (the Price Manipulation Action) against J.P. Morgan Chase & Co. and Morgan Guaranty Trust Company of New York (collectively Morgan) to recover damages the Company believes it suffered on first purchases of copper cathode resulting from an alleged conspiracy to manipulate the price of copper cathode by Morgan (and certain of its predecessors and affiliates) and others in violation of the federal antitrust laws. The lawsuit was filed on June 12, 2003, in the U.S. District Court for the Western District of Wisconsin. The Company's lawsuit was consolidated with those of certain other first purchasers of copper cathode and rod under the name In re Copper Antitrust Litigation. Although the Price Manipulation Action was dismissed by the district court on March 2, 2004, as barred by the statute of limitations, the U.S. Court of Appeals for the Seventh Circuit, on February 6, 2006, reversed the district court's decision in part and remanded the Price Manipulation Action for further proceedings in the district court. On January 16, 2007, Morgan filed a Motion for Summary Judgment which the District Court denied on April 24, 2007. Trial is set for May 29, 2007. Although the Company is unable to predict the likely outcome of the Price Manipulation Action at this time, the Company is prosecuting the case vigorously, and intends to continue to do so in the future.

Canadian Dumping and Countervail Investigation

In June 2006, the Canada Border Services Agency (CBSA) initiated an investigation into the alleged dumping of certain copper pipe fittings from the United States and from South Korea, and the dumping and subsidizing of these same goods from China. The Company and certain affiliated companies were identified by the CBSA as exporters and importers of these goods.

On January 18, 2007, the CBSA issued a final determination in its investigation. The Company was found to have dumped subject goods during the CBSA's investigation period. On February 19, 2007, the Canadian International Trade Tribunal (CITT) concluded that the dumping of the subject goods from the United States had caused injury to the Canadian industry.

As a result of these findings, exports of subject goods to Canada by the Company made on or after October 20, 2006 will be subject to antidumping measures. Under Canada's system of prospective antidumping enforcement, the Canada Border Services Agency has issued normal values to the Company. Antidumping duties will be imposed on the Company's Canadian customers only to the extent that the Company's future exports of copper pipe fittings are made at net export prices which are below these normal values. If net export prices for subject goods exceed normal values, no antidumping duties will be payable. These measures will remain in place for five years, at which time an expiry review will be conducted by Canadian authorities to determine whether these measures should be maintained for another five years or allowed to expire.



The Company is currently participating in a review process that will lead to the issuance of revised normal values on July 16, 2007. Depending on the level of these normal values, the Company's ability to compete in Canada may be facilitated or impaired. However, given the small percentage of its products that are sold for export to Canada, the Company does not anticipate any material adverse effect on its financial condition as a result of the antidumping case in Canada.

Other Matters

The Company is aware of an investigation of competition in markets in which it participates, or has participated in the past, in Canada. The Company does not anticipate any material adverse effect on its business or financial condition as a result of that investigation.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The Company's Board of Directors has authorized the repurchase, until October 2007, 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 March 31, 2007, the Company had repurchased approximately 2.4 million shares under this authorization. Below is a summary of the Company's stock repurchases for the quarterly period ended March 31, 2007.

<TABLE>
<CAPTION>

| | (a) Total Number of Shares Purchased | (b) Average Price Paid per Share | (c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | (d) Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> |
| | | | | 7,647,030(1) |
| December 31, 2006 - January 27, 2007 | - | $ - | | |
| January 28 - February 24, 2007 | - | - | | |
| February 25 - March 31, 2007 | - | - | | |

(1) Shares available to be purchased under the Company's 10 million share repurchase authorization until October 2007. This repurchase plan was announced on October 30, 2006.

</TABLE>



Item 4. Submission of Matters to a Vote of Security Holders

On May 3, 2007, the Company held its Annual Meeting of Stockholders at which two proposals were voted upon: (i) the election of directors and (ii) the approval of the appointment of independent auditors. The following persons were duly elected to serve, subject to the Company's Bylaws, as Directors of the Company until the next Annual Meeting, or until election and qualification of their successors:

| | Votes in Favor | Votes Withheld |
|---|---|---|
| Alexander P. Federbush | 34,167,158 | 726,967 |
| Gennaro J. Fulvio | 34,167,058 | 727,067 |
| Gary S. Gladstein | 34,147,380 | 746,745 |
| Terry Hermanson | 34,137,990 | 756,135 |

| | | |
|---|---|---|
| Robert B. Hodes | 31,014,221 | 3,879,904 |
| Harvey L. Karp | 33,795,130 | 1,098,995 |
| William D. O'Hagan | 33,974,770 | 919,355 |

The proposal to approve the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm was ratified by 34,668,804 votes in favor, 201,072 votes against, and 24,248 votes abstaining.

Item 5. Other Information

Labor Relations Update

On April 29, 2007, the Company's unions located in Port Huron, Michigan rejected proposed labor contracts. The employees will continue to work under the existing contracts, which were extended through May 31, 2007. Management believes that the labor contracts will be agreed to in the near-term.



Item 6. Exhibits

10.1 Stock Purchase Agreement, dated February 27, 2007, by and between TBG Holdings N.V. Hollandsch-Amerikaansche Beleggingsmaatschappij Holland-American Investment Corporation as Sellers, amd Mueller Industries, Inc. as Buyer (incorporated herein by reference to Exhibit 10.1 of the Registrant's current report dated March 5, 2007).

19.1 Mueller Industries, Inc.'s Quarterly Report to Stockholders for the quarter ended March 31, 2007. Such report is being furnished for the information of the Securities and Exchange Commission only and is not to be deemed filed as part of this Quarterly Report on Form 10-Q.

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 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. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Items 1A and 3 are not applicable and have been omitted.

SIGNATURES

Pursuant to the requirements 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.

MUELLER INDUSTRIES, INC.

| | |
|---|---|
| May 4, 2007 | /s/ Kent A. McKee |
| Date | Kent A. McKee |
| | Executive Vice President and |
| | Chief Financial Officer |
| | |
| May 4, 2007 | /s/ Richard W. Corman |
| Date | Richard W. Corman |
| | Vice President - Controller |



EXHIBIT INDEX

| Exhibits | Description |
|---|---|
| 19.1 | Mueller Industries, Inc.'s Quarterly Report to Stockholders for the quarter ended March 31, 2007. Such report is being furnished for the information of the Securities and |

| | |
|---|---|
| | Exchange Commission only and is not to be deemed filed as part of this Quarterly Report on Form 10-Q. |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

Exhibit 19.1

To Our Stockholders, Customers, and Employees

Mueller's net income in the first quarter of 2007 was $18.9 million, or 51 cents per diluted share, which compares with $33.4 million, or 90 cents per diluted share, for the same period of 2006. First quarter net sales for 2007 were $609.8 million compared with $551.0 million in 2006. The increase in net sales was primarily attributable to acquired businesses. The change in net sales was also affected by the increased cost of copper, the Company's principal raw material, which was largely passed through to customers, offset by lower unit volume. The COMEX average price of copper was $2.70 per pound in the first quarter of 2007, which compares with $2.25 in the first quarter of 2006.

Our Plumbing & Refrigeration segment posted operating earnings of $26.9 million on net sales of $370.0 million, which compares with prior year earnings of $44.2 million on net sales of $386.9 million. Operating margins were affected by higher unit costs on lower production volume. Net sales for the Trading Group trended up but operating income was off slightly. European results overall were profitable on the strength of our trading businesses which continue to perform well.

Our OEM segment posted operating earnings of $5.5 million during the first quarter of 2007 on net sales of $243.7 million, which compares with operating earnings of $11.0 million on net sales of $168.0 million for the same period in 2006. Our Chinese joint venture reported total operating income of $1.7 million.

We completed the acquisition of Extruded Metals, a brass rod mill, at the end of February; their results are included in the OEM segment. We are presently rationalizing production with particular emphasis on casting operations. Operations have already been accretive to earnings; however, there are opportunities for additional improvement as we integrate the brass mill operations.

The housing construction market is undergoing a much anticipated correction which has dampened demand for certain of our products. However, we believe this market will improve later this year or early next year. On the other hand, the commercial construction market remains strong.

Very Truly Yours,

| | |
|---|---|
| /s/Harvey L. Karp | /s/William D. O'Hagan |
| Harvey L. Karp | William D. O'Hagan |
| Chairman of the Board | President and Chief Executive Officer |

April 24, 2007

Statements in this release that are not strictly historical may be "forward-looking" statements, which involve risks and uncertainties. These include economic and currency conditions, continued availability of raw materials, market demand, pricing, and competitive and technological factors, among others, as set forth in the Company's SEC filings.



<TABLE>

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

<CAPTION>

| | For the Quarter Ended March 31, 2007 (Unaudited) | For the Quarter Ended April 1, 2006 (Unaudited) |
|---|---|---|
| <S> | <C> | <C> |
| Net sales | $ 609,782 | $ 551,039 |
| Cost of goods sold | 536,578 | 457,069 |
| Depreciation and amortization | 10,966 | 10,195 |
| Selling, general, and administrative expense | 34,927 | 34,959 |
| Operating income | 27,311 | 48,816 |
| Interest expense | (5,494) | (4,862) |
| Other income, net | 4,953 | 2,013 |
| Income before taxes | 26,770 | 45,967 |
| Income tax expense | (7,857) | (12,602) |
| Net income | $ 18,913 | $ 33,365 |

| | | |
|---|---|---|
| Basic earnings per share: | | |
| Weighted average shares outstanding | 37,027 | 36,691 |
| Basic earnings per share | $ 0.51 | $ 0.91 |
| Diluted earnings per share: | | |
| Weighted average shares outstanding plus assumed conversions | 37,144 | 37,081 |
| Diluted earnings per share | $ 0.51 | $ 0.90 |
| Dividends per share | $ 0.10 | $ 0.10 |

</TABLE>



<TABLE>

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

<CAPTION>

| <S> | March 31, 2007 (Unaudited) <C> | December 30, 2006 <C> |
|---|---|---|
| Assets | | |
| Cash and cash equivalents | $ 194,489 | $ 200,471 |
| Accounts receivable, net | 370,957 | 281,679 |
| Inventories | 218,980 | 258,647 |
| Other current assets | 32,981 | 35,397 |
| Total current assets | 817,407 | 776,194 |
| Property, plant, and equipment, net | 328,742 | 315,064 |
| Other assets | 187,438 | 177,649 |
| | $ 1,333,587 | $ 1,268,907 |
| Liabilities and Stockholders' Equity | | |
| Current portion of long-term debt | $ 34,555 | $ 35,998 |
| Accounts payable | 136,888 | 96,095 |
| Other current liabilities | 124,386 | 123,426 |
| Total current liabilities | 295,829 | 255,519 |
| Long-term debt | 308,130 | 308,154 |
| Pension and postretirement liabilities | 47,447 | 36,599 |
| Environmental reserves | 9,197 | 8,907 |
| Deferred income taxes | 43,716 | 46,408 |
| Other noncurrent liabilities | 2,007 | 2,206 |
| Total liabilities | 706,326 | 657,793 |
| Minority interest in subsidiaries | 22,994 | 22,300 |
| Stockholders' equity | 604,267 | 588,814 |
| | $ 1,333,587 | $ 1,268,907 |

</TABLE>

EXHIBIT 31.1

CERTIFICATION

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

1. I have reviewed this quarterly report on Form 10-Q 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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.

Date: May 4, 2007

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

EXHIBIT 31.2

CERTIFICATION

I, Kent A. McKee, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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.

Date: May 4, 2007

/S/ KENT A. MCKEE
Kent A. McKee
Executive Vice President and
Chief Financial Officer

EXHIBIT 32.1

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 Quarterly Report of Mueller Industries, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2007 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
May 4, 2007

EXHIBIT 32.2

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 Quarterly Report of Mueller Industries, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2007 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
May 4, 2007