

1995

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 fiscal quarter ended September 30, 1995  
Commissions file number 1-6770

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

DELAWARE  
(State or other jurisdiction  
of incorporation or organization)

25-0790410  
(I.R.S. Employer  
Identification No.)

2959 N. ROCK ROAD  
WICHITA, KANSAS 67226-1191  
(Address of principal executive offices)

Registrant's telephone number, including area code: (316) 636-6300  
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 / /

The number of shares of the Registrant's common stock outstanding as of October 18, 1995 was 17,334,998.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes /X/ No / /

MUELLER INDUSTRIES, INC.

FORM 10-Q

For the Period Ended September 30, 1995

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

<TABLE>

MUELLER INDUSTRIES, INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share data)

<CAPTION>

For the Quarter Ended  
September 30,      September 24,

	1995	1994
<S>	<C>	<C>
Net sales	\$ 171,549	\$ 137,975
Cost of goods sold	137,410	113,253
Gross profit	----- 34,139	----- 24,722
Depreciation, depletion, and amortization	4,098	3,227
Selling, general, and administrative expense	13,011	10,497
Operating income	----- 17,030	----- 10,998
Interest expense	(820)	(1,988)
Environmental reserves	(955)	-
Unusual items	-	-
Other income, net	1,736	3,023
Income before income taxes	----- 16,991	----- 12,033
Current income tax expense	(4,202)	(3,221)
Deferred income tax expense	(1,184)	(294)
Total income tax expense	----- (5,386)	----- (3,515)
Net income	\$ 11,605	\$ 8,518
	=====	=====

Net income per share:

Primary:

Average shares outstanding	19,263,000	18,997,000
Net income	\$ 0.60	\$ 0.45
	=====	=====

Fully diluted:

Average shares outstanding	19,263,000	19,029,000
Net income	\$ 0.60	\$ 0.45
	=====	=====

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE>

MUELLER INDUSTRIES, INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share data)

<CAPTION>

	For the Nine-Months Ended	
	September 30, 1995	September 24, 1994
<S>	<C>	<C>
Net sales	\$ 524,699	\$ 395,363
Cost of goods sold	427,557	325,483
Gross profit	----- 97,142	----- 69,880
Depreciation, depletion, and amortization	11,507	9,102
Selling, general, and administrative expense	38,387	32,411
Operating income	----- 47,248	----- 28,367
Interest expense	(3,331)	(5,300)
Environmental reserves	(955)	(412)
Unusual items	-	(1,406)
Other income, net	4,311	6,566
Income before income taxes	----- 47,273	----- 27,815
Current income tax expense	(12,889)	(5,342)
Deferred income tax expense	(2,066)	(3,995)
Total income tax expense	----- (14,955)	----- (9,337)
Net income	\$ 32,318	\$ 18,478
	=====	=====

Net income per share:

Primary:		
Average shares outstanding	19,115,000	20,071,000
Net income	\$ 1.69	\$ 0.92
	=====	=====
Fully diluted:		
Average shares outstanding	19,256,000	20,077,000
Net income	\$ 1.68	\$ 0.92
	=====	=====

<FN>  
See accompanying notes to consolidated financial statements.

</TABLE>  
<TABLE>  
MUELLER INDUSTRIES, INC.  
CONSOLIDATED BALANCE SHEETS  
(Unaudited)  
(In thousands)  
<CAPTION>

	September 30, 1995	December 31, 1994
<S>	<C>	<C>
Assets		
Current assets:		
Cash and cash equivalents	\$ 31,176	\$ 34,492
Accounts receivable, less allowance for doubtful accounts of \$3,182 in 1995 and \$3,336 in 1994	96,229	66,925
Inventories:		
Raw materials and supplies	18,243	20,043
Work-in-process	14,255	18,251
Finished goods	37,236	36,074
Total inventories	69,734	74,368
Current deferred income taxes	5,724	4,491
Other current assets	3,469	3,275
Total current assets	206,332	183,551
Property, plant and equipment, net	220,315	196,772
Deferred income taxes	20,097	23,797
Other assets	13,275	26,635
	\$ 460,019	\$ 430,755
	=====	=====

<FN>  
See accompanying notes to consolidated financial statements.

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<TABLE>  
MUELLER INDUSTRIES, INC.  
CONSOLIDATED BALANCE SHEETS

(Unaudited)  
(In thousands, except share data)  
<CAPTION>

	September 30, 1995	December 31, 1994
<S>	<C>	<C>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 17,721	\$ 18,611
Accounts payable	23,446	21,607
Accrued wages and other employee costs	14,529	13,105
Current deferred income taxes	194	366
Other current liabilities	25,324	13,532
	-----	-----
Total current liabilities	81,214	67,221
Long-term debt	62,727	76,125
Pension and postretirement liabilities	16,721	18,445
Environmental reserves	10,144	11,178
Deferred income taxes	2,787	3,016
Other noncurrent liabilities	12,924	12,822
	-----	-----
Total liabilities	186,517	188,807
	-----	-----
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-\$0.01 par value; shares authorized 20,000,000; issued 20,000,000; outstanding 17,334,998 in 1995 and 17,397,954 in 1994	200	100
Additional paid-in capital, common	254,056	254,251
Retained earnings (since January 1, 1991)	54,305	21,987
Cumulative translation adjustments	(2,322)	(2,832)
Treasury common stock, at cost	(32,737)	(31,558)
	-----	-----
Total stockholders' equity	273,502	241,948
Commitments and contingencies (Note 2)	-	-
	-----	-----
	\$ 460,019	\$ 430,755
	=====	=====

<FN>  
See accompanying notes to consolidated financial statements.

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<TABLE>

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

	For the Nine-Months Ended	
	September 30, 1995	September 24, 1994
<S>	<C>	<C>
Cash flows from operating activities		
Net income	\$ 32,318	\$ 18,478
Adjustments to reconcile net income to net cash provided by operating activities:		
Provisions for unusual items	-	1,406
Depreciation, depletion, and amortization of intangibles	11,507	8,509
Amortization of deferred preparation costs	-	593
Provision for doubtful accounts receivable	-	146
Deferred income taxes	2,066	3,995
Gain on disposal of properties	(1,081)	(2,804)
Changes in assets and liabilities:		
Receivables	(29,304)	(10,252)
Inventories	4,634	(11,538)
Other assets	(309)	(1,344)
Current liabilities	15,155	10,107
Other liabilities	(2,656)	(2,662)
Other, net	631	291
	-----	-----

Net cash provided by operating activities	32,961	14,925
Cash flows from investing activities		
Capital expenditures	(34,555)	(30,161)
Acquisition of business	-	(12,964)
Proceeds from sales of properties	1,137	4,759
Escrowed IRB proceeds	12,703	(27,695)
Net cash used by investing activities	(20,715)	(66,061)
Cash flows from financing activities		
Repayments of long-term debt	(14,288)	(6,581)
Proceeds from the sale of treasury stock	781	766
Acquisition of treasury stock	(2,055)	(25,897)
Proceeds from issuance of long-term debt	-	45,344
Net cash provided (used) by financing activities	(15,562)	13,632
Decrease in cash and cash equivalents	(3,316)	(37,504)
Cash and cash equivalents at the beginning of the period	34,492	77,336
Cash and cash equivalents at the end of the period	\$ 31,176	\$ 39,832

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

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

General

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles 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 by reference.

The accompanying unaudited interim financial statements include all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented.

Note 1 - Earnings Per Common Share

Primary earnings per common share are based upon the weighted average number of common and common equivalent shares outstanding during the period. Fully diluted earnings per share are based upon the weighted average number of common shares outstanding plus the dilutive effects of all outstanding stock options.

Note 2 - Commitments and Contingencies

The Company is subject to normal environmental standards imposed by federal, state and local environmental laws and regulations. Management believes that the outcome of pending environmental matters will not materially effect the overall financial position of the Company.

In addition, the Company is involved in certain litigation as either plaintiff or defendant as a result of claims that arise in the ordinary course of business which management believes will not have a material effect on the Company's financial condition.

Purchase Commitments

The Company has committed to capital expenditures for the following projects: (i) approximately \$20.0 million to modernize the copper tube mill in Fulton, Mississippi; (ii) approximately \$16.0 million to modernize the brass rod mill in Port Huron, Michigan; and (iii) approximately \$22.0 million to construct a new high-volume copper fitting facility adjacent to the Company's copper tube mill in Fulton, Mississippi. As of September 30, 1995, expenditures of \$50.5 million have been incurred of which \$35.9 million was funded with proceeds of the 1993 and 1994 Series IRBs. At September 30, 1995, \$3.4 million of the IRB proceeds remain escrowed, until required for funding the projects, and are classified as other assets. These approved major projects should be substantially complete by the end of 1995. No other material purchase commitments for capital expenditures exist.

## Forward Contracts

During the first quarter of 1995, the Company entered into a forward contract to deliver approximately 15,000 ounces of gold on July 6, 1995 at a price of \$381 per ounce. At September 30, 1995, there were no open hedge transactions.

## Note 3 - Stockholders' Equity

During the third quarter of 1995, the Company's Board of Directors declared a two-for-one stock split to be effected in the form of a 100 percent stock dividend. The record date was September 6, 1995. All presentations of share data herein, including earnings per share, have been adjusted to reflect the split for all periods presented.

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

### General Overview

The Company's principal business is the manufacture and sale of copper tube, brass rod, fittings and other products made of copper, brass, bronze, plastic and aluminum. These core manufacturing businesses have been in operation for over 75 years. New housing starts and commercial construction are important determinants of the Company's sales to the air-conditioning, 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 units and commercial buildings.

Profitability of certain of the Company's product lines is dependent upon the "spreads" between the cost of metal and the gross selling prices of its completed products. The open market price for copper cathode, for example, directly influences the selling price of copper tubing, a principal product manufactured by the Company. The Company attempts to minimize the effects of changes in copper prices by passing base metal costs through to its customers.

In 1994, the Company adopted the LIFO method of accounting for the copper metal component of its copper tube and fittings inventories. Management believes the LIFO method results in a better matching of current costs with current revenues. The market price of copper does, however, indirectly effect the carrying value (FIFO basis) of the Company's brass inventories. The Company's copper and brass inventories customarily total between 30 to 40 million pounds. "Spreads" fluctuate based upon competitive market conditions.

The Company also owns various natural resource properties in the Western United States and Canada. It operates a short line railroad in Utah and a placer gold mining operation in Alaska. Additionally, certain other natural resource properties produce royalty and other income.

### Results of Operations

Net income was \$11.6 million, or 60 cents per common share, for the third quarter of 1995, which compares with net income of \$8.5 million, or 45 cents per common share, for the same period of 1994. Year-to-date, net income was \$32.3 million, or \$1.69 per common share, which compares to net income of \$18.5 million or 92 cents per common share, for 1994.

During the third quarter of 1995, the Company's net sales were \$171.5 million, which compares to net sales of \$138.0 million, or a 24 percent increase over the same period of 1994. Net sales were \$524.7 million in the first three quarters of 1995 versus \$395.4 million in 1994. The third quarter increase in net sales was primarily attributable to (i) higher sales prices in the core manufacturing businesses, partially attributable to the pass through of higher metal costs, and (ii) higher sales activity in the natural resources segment that pertains to gold sales. The year-to-date increase in net sales is primarily attributable to the manufacturing businesses which achieved higher volume (approximately 6.9 percent more pounds in 1995), and higher sales prices. The September, 1994 acquisition of two plastic manufacturing facilities contributed to the volume increase. The Company's core manufacturing businesses shipped 90.9 million pounds of product in the third quarter of 1995 which compares to 92.3 million pounds in the same quarter of 1994. The slight third quarter decline in pounds shipped was due to minor production interruptions. Third quarter operating income increased primarily due to: (i) productivity improvements at its manufacturing plants; and (ii) selective price increases in the fittings and brass rod markets.

Interest expense for the third quarter of 1995 decreased approximately \$1.2 million due to capitalized interest of \$.9 million related to capital improvement programs at the copper tube mill, the brass rod mill, and the

high-volume copper fittings factory. A charge of \$955 thousand for environmental reserves was recorded; the amount results from cost overruns and updated estimates for costs associated with various sites. The effective tax rate of 31.7 percent in the third quarter of 1995 reflects the benefits of a lower federal provision relating to the recognition of net operating loss carryforwards and a lower state provision associated with incentive IRB financings.

Compared to the same periods of 1994, third quarter and year-to-date 1995 earnings per share were favorably effected by the June, 1994 purchase of treasury stock aggregating 9.6 percent of shares then outstanding.

#### Liquidity and Capital Resources

Cash provided by operating activities in the first three quarters of 1995 totaled \$33.0 million which is primarily attributable to net income, increases in current liabilities, and depreciation, depletion, and amortization offset by an increase in accounts receivable. The increase in accounts receivable reflects the favorable increase in sales activity.

During the first three quarters of 1995, the Company's capital expenditures totaled \$34.6 million which was provided for by cash from operations, except that portion related to two major capital improvement projects which were funded by IRBs.

During the second quarter of 1995, the Company increased to \$50.0 million its unsecured line-of-credit agreement (the Credit Facility) which expires on June 30, 1997, but may be extended for successive one year periods by agreement of the parties. At the Company's option, borrowings bear interest at prime less 1/2 of one percent. There are no outstanding borrowings under the Credit Facility. At September 30, 1995, the Company's total debt was \$80.4 million or 22.7 percent of its capitalization.

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

Management believes that cash provided by operations and currently available cash of \$31.2 million will be adequate to meet the Company's normal future capital expenditure and operational needs. The Company's current ratio remains strong at 2.5 to 1.

The Company has ongoing three major capital expenditure projects: (i) a modernization project at its Fulton, Mississippi copper tube mill; (ii) a modernization project at its Port Huron, Michigan brass rod mill to install an indirect extrusion press; and (iii) a new high-volume copper fittings plant in Fulton, Mississippi. These projects will require capital of approximately \$58.0 million. The two Fulton, Mississippi projects have been financed primarily by IRBs. The objective of these projects is to improve efficiency, yield and productivity as well as add some capacity.

Additionally, the Company's modernization of its copper fittings plant in Covington, Tennessee will require approximately \$6.0 to \$7.0 million. This project will be funded with cash generated by operations.

#### Update on Capital Improvement Programs

Mueller is upgrading its brass rod mill manufacturing processes with an expansion that includes the installation of an indirect extrusion press, new billet heating furnaces, and material handling systems. The indirect extrusion press and much of the related equipment has arrived at the Port Huron facility. The Company expects to transition production to the new equipment by early 1996.

The building containing Mueller's new high-volume fittings plant in Fulton, Mississippi, is completed and most fittings manufacturing equipment has arrived. Limited production of certain fittings commenced in the second quarter, however, most lines in the plant will become fully operational later in 1995.

Mueller's capital improvement project at its Fulton copper tube mill to upgrade technology and install state-of-the-art tube drawing equipment remains on schedule. All major items of equipment have been delivered and installed at the Fulton facility. At the beginning of October, 1995, the Company began permanently operating the new equipment.

Another important ongoing program is the modernization of the copper fittings plant in Covington, Tennessee. Modernization of this facility, which produces a broad range of low-volume items, is estimated to require approximately \$6.0 to \$7.0 million in capital improvements.



## Update on Other Matters

### Gold Mining

Last winter, Alaska Gold Company ("Alaska Gold") commenced full scale open pit gold mining operations in Nome, Alaska. During the winter and spring of 1995, Alaska Gold removed overburden and stockpiled pay gravel for processing in the summer. The stockpiled pay gravel thaws naturally and is then run through a wash plant in the summer, with the raw gold being sent to a third party to be refined into pure gold, which can then be sold. During the second and third quarters, Alaska Gold processed approximately 300,000 cubic yards of pay gravel which yielded approximately 18,000 ounces of gold.

### Coal Properties

In 1994, United States Fuel Company ("U.S. Fuel") entered into an agreement to sell the majority of its assets. This sale has not yet been consummated, but U.S. Fuel has granted extensions of the closing date to give the potential purchaser additional time to finalize financing. If this sale is not completed, U.S. Fuel intends to offer the property to other potential buyers while resuming full scale remediation at the site.

## Part II. OTHER INFORMATION

### Item 5. Other Information

The following discussion updates the disclosure in Item 1, Business, in the Company's Annual Report on Form 10-K, for the year ended December 31, 1994.

#### Environmental Matters

##### Mining Remedial Recovery Company (MRRC)

###### 1. Cleveland Mill Site

During the third quarter, MRRC and Bayard Mining Corp. ("Bayard"), both wholly-owned subsidiaries of Arava Natural Resources Company, Inc., collectively paid \$384,000 to governmental entities, which represented Bayard's and MRRC's share of past response costs and natural resource damage claims. The remainder of the past response costs and natural resource damage claims were paid by a third party. Bids to process the Cleveland Mill tailings have been solicited from potential processors, with bid responses due later this year.

###### 2. Hanover

During the third quarter, MRRC substantially completed its voluntary plan to regrade and cap tailings at the Hanover site located in Grant County, New Mexico. During excavation, MRRC discovered that the actual volume of tailings on the site was significantly greater than had been estimated, which resulted in MRRC's costs exceeding budget by approximately \$300,000.

### Item 6. Exhibits and Reports on Form 8-K

#### (a) Exhibits

- 10.1 Amendment to Employment Agreement, effective as of August 10, 1995, by and between Mueller Industries, Inc. and William D. O'Hagan.
- 19.1 Mueller Industries, Inc.'s Quarterly Report to Stockholders for the quarter ended September 30, 1995. 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.

99.1 Press Release issued by Mueller Industries, Inc. on  
October 18, 1995.

(b) During the quarter ended September 30, 1995, the Registrant filed no  
Current Reports on Form 8-K.

Items 1, 2, 3, and 4 are not applicable and have been omitted.

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  
October 20, 1995.

MUELLER INDUSTRIES, INC.

/S/ EARL W. BUNKERS  
Earl W. Bunkers, Executive Vice President  
and Chief Financial Officer

/S/ KENT A. MCKEE  
Kent A. McKee  
Treasurer and Assistant Secretary

/S/ RICHARD W. CORMAN  
Richard W. Corman  
Director of Corporate Accounting

AMENDMENT

AMENDMENT, effective as of August 10, 1995, to EMPLOYMENT AGREEMENT by and between MUELLER INDUSTRIES, INC., a Delaware corporation having its principle address at 2959 North Rock Road, Wichita, Kansas 67226 ( the "Employer") and WILLIAM D. O'HAGAN, an individual residing at 1104 North Linden Circle, Wichita, Kansas 67206 (the "Executive").

WITNESSETH:

WHEREAS, the parties desire to amend the Employment Agreement, dated as of January 1, 1994, between Employer and Executive (the "Employment Agreement"); the Employment Agreement, as amended effective as of August 10, 1995, being hereinafter called the "Agreement").

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

1. In section 1 of the Agreement the phrase "ending on December 31, 1996" is amended to read as follows: "ending on December 31, 1999".

2. Section 3 a (i) of the Agreement shall be revised to read as follows: " a base salary for the first calendar year at a rate of \$375,000.00 per annum to be paid in equal installments in accordance with normal payroll practices of the Employer but not less frequently than monthly, provided that in each subsequent calendar year or part thereof during which the Executive is employed commencing in 1996, Executive's base salary shall be adjusted upward annually from Executive's 1995 base salary in relation to increases granted to other key executives (the "Base Salary");".

3. Section 3 a of the Agreement shall be amended by adding the following clause iv to the end of Section 3a:

"iv. an option (the "Second Option") to acquire a total of fifty-five thousand (55,000) shares of common stock of the Employer, of which eleven thousand five hundred (11,500) shares has been granted pursuant to the 1991 Incentive Stock Option Plan, and forty-three thousand five hundred (43,500) shares has been granted pursuant to the 1994 Stock Option Plan by the Compensation Committee, such option to be in the form and subject to the terms and conditions expressed in Exhibit A-1 attached hereto.

4. Section 4 c (i) of the Agreement shall be amended by changing the word "1996" in the third and fifth line to "1999".

5. Section 4 d of the Agreement shall be amended by changing the word "1996" in the second line to "1999".

6. Section 4 of the Agreement shall be amended by adding the following subsections f and g to the end of Section 4:

"f. If concurrent with, or at any time within six months after a "Change in Control" either the Employer terminates the Executive's employment or the Executive voluntarily terminates his employment, then:

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

(1) the Executive's full Base salary through the date of termination at the rate in effect immediately prior to the termination date;

(2) in lieu of any further Base salary payments to Executive for any period subsequent to the date of termination, an amount equal to the period of (x) Executive's annual Base salary rate in effect immediately prior to the date of termination, multiplied by (y) the number of years (including partial years) then remaining in the Term; and

(3) in lieu of any further bonus payments to Executive for any period subsequently to the date of termination, an amount equal to the product of (x) Executive's bonus for the immediately preceding year, multiplied by (y) the number of years (treating any remaining partial year as a full year) then remaining in the Term;

(ii) Employer shall, at Employer's expense, allow Executive to continue to participate, for the number of years (including partial years) then remaining in the Term, in all the Employer's employee benefits plans, to the same extent and upon the same terms and conditions as the Executive participated immediately prior to the termination, provided that Employee's

continued participation is permissible or otherwise practicable under the general terms and provisions of such benefit plans; and

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

"Change in Control", as used in clause 4 f of the Agreement, is defined to mean the occurrence of any of the following three events:

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

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

(iii) when the individual who, on August 10, 1995, constitute the Board of Directors of Employer cease for any reason to constitute at least a majority thereof, provided, however, that a director who was not a director on August 10, 1995 shall be deemed to have been a director at that date if such director was elected by, or on the recommendation of or with the approval of, at least sixty percent of the directors on August 10, 1995 (either directly or by prior operation of this provision);

provided, however, that a Change in Control shall not be deemed to occur until, as to clause (i), a change in control form or report is actually filed, and as to clause (ii), a beneficial owner discloses in a public filing that it has crossed the 20% threshold.

g. In no event may the Employer terminate the Executive's employment hereunder upon less than thirty (30) days prior written notice."

7. Except as expressly amended by this Agreement, the remaining terms and provisions of the Employment Agreement shall remain unchanged and continue in full force and effect.

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

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

MUELLER INDUSTRIES, INC.

By: / s / Harvey L. Karp  
Name: Harvey L. Karp  
Title: Chairman

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

EXHIBIT A-1

1. Except as provided in Section 3 of this Exhibit A-1, the 11,500 shares granted pursuant to the 1991 Incentive Stock Option Plan, would vest as follows:

11,000 shares	August 10, 1996
500 shares	August 10, 1997

2. Except as provided in Section 3 of this Exhibit A-1, the 43,500 shares granted pursuant to the 1994 Stock Option Plan, would vest as follows:

10,500 shares	August 10, 1997
11,000 shares	August 10, 1998
11,000 shares	August 10, 1999
11,000 shares	June 15, 2000

3. If Employer and Executive do not enter into a new employment agreement prior to September 30, 1999, all remaining unvested options shall become immediately exercisable on that date. The options shall also vest earlier, if and to the extent provided for in Section 4 (f) of the Employment Agreement.
4. Executive may exercise his options referenced in Section 1 of this Exhibit A-1 by paying (i) cash or, at Executive's option, (ii) executing a promissory note in favor of the Employer, in the form attached as Exhibit 1 to the Agreement, and containing the following terms: (i) the note would be secured by the stock, which could not otherwise be sold, assigned, pledged, encumbered, transferred or otherwise hypothecated by Executive as long as the note was outstanding, provided, however, that Executive would be free to sell any or all such shares so long as the Executive paid down the note in an amount equal to the option price times the number of shares sold; (ii) the note would be down in three years from the date of exercise of the option; (iii) interest would be payable quarterly; (iv) the interest rate would be fixed at the three year treasury rate in effect when the options were exercised; and (v) the note would be prepayable, at any time, in whole or in part without penalty.
5. If Executive elects to pay cash for his option referenced in Section 1 of this Exhibit A-1, the shares so acquired may immediately be sold, assigned, pledged, encumbered, transferred or otherwise hypothecated by Executive.
6. Options for the first 50,000 shares which vest shall be priced using fair market value on the date of grant as determined under the 1991 Incentive Stock Option Plan and the 1994 Stock Option Plan, which grant date was July 27, 1995.
7. Options for the last 5,000 shares, which vest on June 15, 2000, shall be based using the fair market value on the date of grant as determined under the 1994 Stock Option Plan, which grant date was August 10, 1995.

TO OUR STOCKHOLDERS:

Mueller's earnings rose 36 percent for the third quarter of 1995 compared with the same quarter of 1994. This is the fifth record quarter in a row and the 15th consecutive quarter of strong earnings performance.

Earnings for the third quarter of 1995 were \$11.6 million, or 60 cents per share, compared to earnings of \$8.5 million or 45 cents per share for the same quarter of 1994. Net sales for the third quarter of 1995 totaled \$171.5 million compared with sales of \$138.0 million for the same quarter of 1994.

Mueller's sales and earnings for the first three quarters of 1995 were the best ever in our Company's history. However, this reflects only part of the important developments taking place at our Company. Over the past 18 months, we have not only acquired plastic fittings manufacturing operations located in California and Michigan, but we have made significant progress toward implementation of three major internal capital improvement programs. Most companies our size would probably have undertaken only one, or perhaps two such programs at a time. We decided to tackle all of these simultaneously, in order to reduce our costs, accelerate our growth, and provide our customers with the best possible product, availability, and service. We are pleased to report that our copper tube modernization project and our new high-volume copper fittings plant, both in Fulton, Mississippi, should be substantially completed by the end of 1995. The Port Huron, Michigan indirect extrusion press project should be completed shortly thereafter. In addition, the ongoing modernization program at our copper fittings plant in Covington, Tennessee, is on schedule and we should see increasing benefits from this program by mid-1996. Needless to say, we expect to harvest substantial benefits from these capital programs in the years ahead.

Last month, Mueller declared a two-for-one stock split of our common stock. The stock commenced trading on a post-split basis on October 2, 1995. Accordingly, all per share amounts in this report have been adjusted to reflect the results of this split.

Also, we recently announced to our employees that our corporate headquarters will be relocated from Wichita, Kansas to Memphis, Tennessee by next spring. This move will place our corporate offices in closer proximity to our manufacturing facilities in Tennessee and Northern Mississippi. To achieve our desired results, our corporate management and staff must be positioned and structured to provide the fullest level of leadership and support to our operating businesses.

We continue to be optimistic regarding the outlook for future business conditions in the housing industry. Long-term mortgage rates are low by historical standards and this generally translates into increased demand for housing.

Sincerely,

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

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

October 18, 1995

<TABLE>  
MUELLER INDUSTRIES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)  
(In thousands, except share data)  
<CAPTION>

	For the Quarter Ended	
	September 30, 1995	September 24, 1994
<S>	<C>	<C>
Net sales	\$ 171,549	\$ 137,975
Costs and expenses	154,519	126,977
	-----	-----
Operating income	17,030	10,998
Non operating income (expense), net	(39)	1,035
	-----	-----
Income before taxes	16,991	12,033
Income tax expense	5,386	3,515
	-----	-----
Net income	\$ 11,605	\$ 8,518
	=====	=====
Earnings per common and common equivalent share:		
Primary	\$ 0.60	\$ 0.45
	=====	=====
Fully diluted	\$ 0.60	\$ 0.45
	=====	=====

<CAPTION>

	For the Nine-Months Ended	
	September 30, 1995	September 24, 1994
<S>	<C>	<C>
Net sales	\$ 524,699	\$ 395,363
Costs and expenses	477,451	366,996
	-----	-----
Operating income	47,248	28,367
Non operating income (expense), net	25	(552)
	-----	-----
Income before taxes	47,273	27,815
Income tax expense	14,955	9,337
	-----	-----
Net income	\$ 32,318	\$ 18,478
	=====	=====
Earnings per common and common equivalent share:		
Primary	\$ 1.69	\$ 0.92
	=====	=====

Fully diluted	\$ 1.68	\$ 0.92
	=====	=====

</TABLE>

<TABLE>

MUELLER INDUSTRIES, INC.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Unaudited)  
 (In thousands, except share data)  
 <CAPTION>

	September 30, 1995	December 31, 1994
	<C>	<C>
<S>		
Assets		
Current assets	\$ 206,332	\$ 183,551
Property, plant and equipment, net	220,315	196,772
Other assets	33,372	50,432
	-----	-----
	\$ 460,019	\$ 430,755
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities	\$ 81,214	\$ 67,221
Long-term debt	62,727	76,125
Other noncurrent liabilities	42,576	45,461
	-----	-----
Total liabilities	186,517	188,807
	-----	-----
Stockholders' equity:		
Common stock	200	100
Paid-in capital, common	254,056	254,251
Retained earnings since January, 1991	54,305	21,987
Cumulative translation adjustments	(2,322)	(2,832)
Treasury common stock at cost	(32,737)	(31,558)
	-----	-----
Total stockholders' equity	273,502	241,948
	-----	-----
	\$ 460,019	\$ 430,755
	=====	=====
Book value per share	\$ 15.78	\$ 13.91
	=====	=====

</TABLE>

DIRECTORS AND OFFICERS

DIRECTORS

Harvey L. Karp	Chairman of the Board Mueller Industries, Inc.
Robert B. Hodes (1) (3)	Partner Willkie Farr & Gallagher
Allan Mactier (1) (2) (3)	Private Investor
William D. O'Hagan	President and Chief Executive Officer Mueller Industries, Inc.
Robert J. Pasquarelli (1) (2)	Chief Executive Officer of New Jersey Steel Corporation

OFFICERS



Harvey L. Karp	Chairman of the Board
William D. O'Hagan	President and Chief Executive Officer
Earl W. Bunkers	Executive Vice President and Chief Financial Officer
Harvey W. Clements	Vice President and General Manager - Tube Division
John B. Hansen	Vice President and General Manager- Fittings Division
William H. Hensley	Vice President, General Counsel and Secretary
Richard G. Miller	Vice President and Chief Information Officer
Lee R. Nyman	Vice President - Manufacturing/ Management Engineering
James H. Rourke	Vice President and General Manager - Industrial Division
Roy C. Harris	Corporate Controller
Kent A. McKee	Treasurer and Assistant Secretary

Mueller Industries, Inc./2959 N. Rock Road/Wichita, KS 67226/(316)636-6300

[FN]

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

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<SEQUENCE>4

<DESCRIPTION>EXHIBIT 27.1 ARTICLE 5 FINANCIAL DATA SCHEDULES

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S FORM 10-Q FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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MUELLER INDUSTRIES, INC. ANNOUNCES  
36 PERCENT INCREASE IN THIRD QUARTER EARNINGS

Wichita, KS - Mueller Industries, Inc. (NYSE: MLI) today reported net income for the quarter ended September 30, 1995 of \$11.6 million or 60 cents per share, on 19,263,000 weighted average shares outstanding. This compared with net income for the third quarter of 1994 of \$8.5 million, or 45 cents per share on 18,997,000 weighted average shares outstanding. Net sales for the third quarter of 1995 were \$171.5 million compared with net sales of \$138.0 million for the same quarter of 1994. Earnings per share and weighted average shares outstanding have been adjusted in all periods presented for the Company's two-for-one stock split that was effected in September, 1995.

For the first nine months of 1995, net income was \$32.3 million, or \$1.69 per share, on net sales of \$524.7 million, which compares with net income of \$18.5 million, or 92 cents per share on net sales of \$395.4 million for the same period of 1994.

Harvey L. Karp, Chairman, stated, "We are pleased to report that the copper tube modernization project and our new high-volume copper fittings plant should be substantially completed by year-end. Additionally, the indirect extrusion press project at our Port Huron rod mill should be completed by early 1996. We expect to achieve substantial benefits from these capital programs in the years ahead."

Mueller Industries, Inc. is a leading and diversified fabricator whose products include copper tube and fittings; brass and copper alloy rods, bars and shapes; brass and bronze forgings; aluminum and copper impact extrusions; plastic fittings and valves; and refrigeration valves, driers and flare fittings. The Company also owns a short line railroad in Utah, a placer gold mining operation in Alaska, and other natural resource properties.

<TABLE>  
MUELLER INDUSTRIES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)  
(In thousands, except per share data)  
<CAPTION>

	For the Quarter Ended	
	September 30, 1995	September 24, 1994
<S>	<C>	<C>
Net sales	\$ 171,549	\$ 137,975
Cost of goods sold	137,410	113,253
Depreciation and amortization	4,098	3,227
Selling, general, and administrative expense	13,011	10,497
Operating income	17,030	10,998
Interest expense	(820)	(1,988)
Environmental reserves	(955)	-
Unusual items	-	-
Other income, net	1,736	3,023
Income before taxes	16,991	12,033
Income tax expense	(5,386)	(3,515)
Net income	\$ 11,605	\$ 8,518

Net income per share:

Primary:		
Average shares outstanding	19,263,000	18,997,000
Net income	\$ 0.60	\$ 0.45
	=====	=====
Fully diluted:		
Average shares outstanding	19,263,000	19,029,000
Net income	\$ 0.60	\$ 0.45
	=====	=====

</TABLE>

<TABLE>

MUELLER INDUSTRIES, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (Unaudited)  
 (In thousands, except per share data)  
 <CAPTION>

	For the Nine-Months Ended	
	September 30, 1995	September 24, 1994
<S>	<C>	<C>
Net sales	\$ 524,699	\$ 395,363
Cost of goods sold	427,557	325,483
Depreciation and amortization	11,507	9,102
Selling, general, and administrative expense	38,387	32,411
	-----	-----
Operating income	47,248	28,367
Interest expense	(3,331)	(5,300)
Environmental reserves	(955)	(412)
Unusual items	-	(1,406)
Other income, net	4,311	6,566
	-----	-----
Income before taxes	47,273	27,815
Income tax expense	(14,955)	(9,337)
	-----	-----
Net income	\$ 32,318	\$ 18,478
	=====	=====

Net income per share:

Primary:		
Average shares outstanding	19,115,000	20,071,000
Net income	\$ 1.69	\$ 0.92
	=====	=====
Fully diluted:		
Average shares outstanding	19,256,000	20,077,000
Net income	\$ 1.68	\$ 0.92
	=====	=====

</TABLE>

<TABLE>

MUELLER INDUSTRIES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)  
(In thousands, except per share data)  
<CAPTION>

	September 30, 1995	December 31, 1994
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	\$ 31,176	\$ 34,492
Accounts receivable, net	96,229	66,925
Inventories	69,734	74,368
Other current assets	9,193	7,766
	-----	-----
Total current assets	206,332	183,551
Property, plant and equipment, net	220,315	196,772
Other assets	33,372	50,432
	-----	-----
	\$ 460,019	\$ 430,755
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	\$ 17,721	\$ 18,611
Accounts payable	23,446	21,607
Other current liabilities	40,047	27,003
	-----	-----
Total current liabilities	81,214	67,221
Long-term debt	62,727	76,125
Other noncurrent liabilities	42,576	45,461
	-----	-----
Total liabilities	186,517	188,807
Stockholders' equity	273,502	241,948
	-----	-----
	\$ 460,019	\$ 430,755
	=====	=====
Book value per share	\$ 15.78	\$ 13.91
	=====	=====

</TABLE>