

1997

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 27, 1997 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.)

6799 GREAT OAKS ROAD, SUITE 200
MEMPHIS, TENNESSEE 38138-2572
(Address of principal executive offices)

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

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

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

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

The number of shares of the Registrant's common stock outstanding as of October 20, 1997 was 17,508,708.

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MUELLER INDUSTRIES, INC.

FORM 10-Q

For the Period Ended September 27, 1997

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
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MUELLER INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share data)

<CAPTION>

For the Quarter Ended
September 27, September 28,

	1997	1996
<S>	<C>	<C>
Net sales	\$ 229,133	\$ 175,991
Cost of goods sold	181,376	133,204
	-----	-----
Gross profit	47,757	42,787
Depreciation and amortization	5,593	4,697
Selling, general, and administrative expense	15,120	12,809
	-----	-----
Operating income	27,044	25,281
Interest expense	(1,818)	(1,400)
Environmental reserves	(1,100)	(1,945)
Other income, net	1,661	1,424
	-----	-----
Income before income taxes	25,787	23,360
Current income tax expense	(8,217)	(8,532)
Deferred income tax benefit (expense)	481	1,354
	-----	-----
Total income tax expense	(7,736)	(7,178)
	-----	-----
Net income	\$ 18,051	\$ 16,182
	=====	=====
Net income per share:		
Primary:		
Average shares outstanding	19,641	19,520
Net income	\$ 0.92	\$ 0.83
	=====	=====
Fully diluted:		
Average shares outstanding	19,648	19,550
Net income	\$ 0.92	\$ 0.83
	=====	=====

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

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<TABLE>

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

<CAPTION>

	For the Nine-Months Ended	
	September 27, 1997	September 28, 1996
<S>	<C>	<C>
Net sales	\$ 645,936	\$ 546,063
Cost of goods sold	509,845	426,272
	-----	-----
Gross profit	136,091	119,791
Depreciation and amortization	15,409	13,718
Selling, general, and administrative expense	45,850	41,632
	-----	-----
Operating income	74,832	64,441
Interest expense	(4,114)	(4,113)
Environmental reserves	(3,100)	(1,945)
Other income, net	4,857	4,364
	-----	-----
Income before income taxes	72,475	62,747
Current income tax expense	(21,874)	(17,087)
Deferred income tax expense	(453)	(2,289)
	-----	-----
Total income tax expense	(22,327)	(19,376)
	-----	-----
Net income	\$ 50,148	\$ 43,371
	=====	=====

Net income per share:

Primary:

Average shares outstanding	19,604	19,477
Net income	\$ 2.56	\$ 2.23
	=====	=====

Fully diluted:

Average shares outstanding	19,641	19,534
Net income	\$ 2.55	\$ 2.22
	=====	=====

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

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<TABLE>

MUELLER INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands)

<CAPTION>

	September 27, 1997	December 28, 1996
<S>	<C>	<C>
Assets		
Current assets:		
Cash and cash equivalents	\$ 44,333	\$ 96,956
Accounts receivable, less allowance for doubtful accounts of \$3,229 in 1997 and \$3,188 in 1996	139,254	88,905
Inventories:		
Raw material and supplies	21,219	15,416
Work-in-process	20,459	12,540
Finished goods	57,434	42,041
Gold	14,050	6,650
	-----	-----
Total inventories	113,162	76,647
Current deferred income taxes	6,374	6,508
Other current assets	7,009	5,696
	-----	-----
Total current assets	310,132	274,712
Property, plant and equipment, net	256,391	219,855
Deferred income taxes	9,058	10,064
Other assets	34,062	4,726
	-----	-----
	\$ 609,643	\$ 509,357
	=====	=====

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

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<TABLE>

MUELLER INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands, except share data)

<CAPTION>

	September 27, 1997	December 28, 1996
<S>	<C>	<C>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 19,083	\$ 14,844
Accounts payable	36,805	18,305
Accrued wages and other employee costs	21,569	16,872
Other current liabilities	31,925	28,935
	-----	-----
Total current liabilities	109,382	78,956
Long-term debt	61,094	44,806
Pension and postretirement liabilities	15,882	15,875
Environmental reserves	13,043	9,105
Deferred income taxes	2,234	2,922
Other noncurrent liabilities	10,181	9,214
	-----	-----
Total liabilities	211,816	160,878
	-----	-----
Minority interest in subsidiaries	641	397
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 50,000,000; issued 20,000,000; outstanding 17,507,508 in 1997 and 17,434,888 in 1996	200	200
Additional paid-in capital, common	253,924	254,214
Retained earnings (since January 1, 1991)	178,131	127,983
Cumulative translation adjustments	(4,446)	(2,805)
Treasury common stock, at cost	(30,623)	(31,510)
	-----	-----
Total stockholders' equity	397,186	348,082
Commitments and contingencies (Note 3)	-	-
	-----	-----
	\$ 609,643	\$ 509,357
	=====	=====

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

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<TABLE>

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

<CAPTION>

	For the Nine-Months Ended	
	September 27, 1997	September 28, 1996
<S>	<C>	<C>
Operating activities		
Net income	\$ 50,148	\$ 43,371
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	15,409	13,718
Minority interest in subsidiaries	244	459
Deferred income taxes	453	2,289
Gain on disposal of properties	(1,641)	(1,442)
Changes in assets and liabilities:		
Receivables	(34,805)	(20,756)
Inventories	(14,013)	(3,332)
Other assets	(7,304)	(1,325)
Current liabilities	8,071	15,466
Other liabilities	(1,495)	294
Other, net	(18)	61
	-----	-----
Net cash provided by operating activities	15,049	48,803
	-----	-----

Investing activities		
Capital expenditures	(26,743)	(15,167)
Proceeds from sales of properties	1,722	3,657
Acquisition of businesses	(37,743)	-
Escrowed IRB financing	(23,001)	-
	-----	-----
Net cash used in investing activities	(85,765)	(11,510)
	-----	-----
Financing activities		
Proceeds from issuance of long-term debt	27,500	-
Repayments of long-term debt	(9,840)	(9,341)
Proceeds from the sale of treasury stock	597	1,219
	-----	-----
Net cash provided by (used in) financing activities	18,257	(8,122)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(164)	-
	-----	-----

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

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<TABLE>

MUELLER INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(Unaudited)
(In thousands)

<CAPTION>

	For the Nine-Months Ended	
	September 27, 1997	September 28, 1996
<S>	<C>	<C>
Increase (decrease) in cash and cash equivalents	(52,623)	29,171
Cash and cash equivalents at the beginning of the period	96,956	48,357
	-----	-----
Cash and cash equivalents at the end of the period	\$ 44,333	\$ 77,528
	=====	=====

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

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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.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, Earnings per Share (SFAS No. 128), which is required to be adopted for periods ending after December 15, 1997. At that time, the Company will be required to change the method currently used to compute earnings per share and to restate all prior periods. The following table presents pro forma earnings per share amounts computed using SFAS No. 128:

<TABLE>
<CAPTION>

	For the Quarter Ended	
	September 27, 1997	September 28, 1996
<S>	<C>	<C>
Pro forma earnings per share:		
Earnings per common share	\$ 1.03 =====	\$ 0.93 =====
Earnings per common share assuming dilution	\$ 0.92 =====	\$ 0.83 =====

</TABLE>

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<TABLE>
<CAPTION>

	For the Nine-Months Ended	
	September 27, 1997	September 28, 1996
<S>	<C>	<C>
Pro forma earnings per share:		
Earnings per common share	\$ 2.87 =====	\$ 2.49 =====
Earnings per common share assuming dilution	\$ 2.56 =====	\$ 2.23 =====

</TABLE>

Note 2 - Long Term Debt

On July 15, 1997, the Company, through a wholly-owned subsidiary, issued \$25 million of 1997 Series IRBs. These 1997 Series IRBs bear interest at 7.39 percent for seven years and then convert to LIBOR plus 1.35 percent. Payments are due in quarterly installments of \$875 thousand plus

interest for seven years beginning October 15, 1997, followed by annual payments of \$50 thousand plus interest for ten years. Proceeds of these 1997 Series IRBs will be used to fund a new copper refining facility located adjacent to the Company's existing tube mill in Fulton, Mississippi.

Also, on July 15, 1997, the Company, through another wholly-owned subsidiary, issued \$2.5 million of 1997 Series IRBs. These 1997 Series IRBs bear interest at 7.31 percent for five years and then convert to LIBOR plus 1.35 percent. Payments are due in quarterly installments of \$115 thousand plus interest for five years beginning October 15, 1997, followed by annual payments of \$29 thousand plus interest for seven years. Proceeds of these 1997 Series IRBs will be used to fund a new line set plant in Fulton, Mississippi.

Note 3 - Commitments and Contingencies

The Company is subject to normal environmental standards imposed by federal, state and local environmental laws and regulations. Based upon information currently available, management believes that the outcome of pending environmental matters will not materially affect the overall financial position and results of operations of the Company.

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.

Note 4 - Acquisitions

On December 30, 1996, the Company acquired the assets and certain liabilities of Precision Tube Company, Inc. (Precision) for approximately \$6.6 million. Precision, which fabricates tubing and coaxial cables and assemblies, had net sales of approximately \$20.0 million in 1996. Precision's tubing and coaxial divisions are located in North Wales, Pennsylvania, and Salisbury, Maryland, respectively.

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On February 28, 1997, the Company acquired certain assets of Wednesbury Tube Company (Wednesbury) for approximately \$21.3 million. Wednesbury, which manufactures copper tube and is located in Bilston, West Midlands, England, had net sales of approximately \$94.0 million in 1996.

On May 15, 1997, the Company acquired Desnoyers S.A., a copper tube manufacturer which operates two factories near Paris in Laigneville and Longueville, France. The Company acquired Desnoyers for approximately \$13.5 million which includes certain assumed debt obligations. Desnoyers had net sales of approximately \$100.0 million in 1996.

These acquisitions are accounted for using the purchase method. Therefore, the results of operations of the acquired businesses are included in the consolidated financial statements of the Company from the date of acquisition.

The following table presents condensed pro forma consolidated results of operations as if the acquisitions had occurred at the beginning of the periods presented. This information combines the historical results of operations of the Company and the acquired businesses 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>

(In thousands, except per share data)

<CAPTION>

	For the Nine-Months Ended	
	September 27, 1997	September 28, 1996
<S>	<C>	<C>
Net sales	\$ 707,419	\$ 712,347
Net income	45,363	38,279
Net income per share:		
Primary	2.31	1.97
Fully diluted	2.31	1.96

</TABLE>

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.

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Profitability of certain of the Company's product lines is dependent upon the "spreads" between the cost of material and the 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. "Spreads" fluctuate based upon competitive market conditions.

The Company uses the LIFO method of accounting for the copper component of certain of its domestic 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 affect the carrying value (FIFO basis) of the Company's brass and other inventories. The Company's copper and brass inventories customarily total between 45 to 55 million pounds.

The Company also operates a short line railroad in Utah and a placer gold mining operation in Alaska. Additionally, certain other natural resource properties produce rental or royalty income.

Results of Operations

Net income was \$18.1 million, or 92 cents per common share, for the third quarter of 1997, which compares with net income of \$16.2 million, or 83 cents per common share, for the same period of 1996. Year-to-date, net income was \$50.1 million, or \$2.56 per common share, which compares to net income of \$43.4 million or \$2.23 per common share, for 1996. These comparisons include 1997 Wednesbury, Desnoyers and Precision operations since their acquisitions during the first half of 1997.

During the third quarter of 1997, the Company's net sales were \$229.1 million, which compares to net sales of \$176.0 million, or a 30 percent increase over the same period of 1996. Net sales were \$645.9 million in the first nine-months of 1997 versus \$546.1 million in 1996. During the third quarter of 1997, the Company's manufacturing businesses shipped 140.1 million pounds of product compared to 113.1 million pounds in the same quarter of 1996. The Company's manufacturing businesses shipped 397.6 million pounds of product in the first nine-months of 1997, or 18 percent more than the same period of 1996. The Company's third quarter and year-to-date operating income increased primarily due to: (i) productivity improvements at its manufacturing plants; (ii) higher sales volumes; (iii) favorable pricing in copper and plastic fittings; and (iv) cost containment in selling, general, and administrative expenses. These improvements to operating income were partially offset by lower domestic copper tube spreads compared to 1996, and third quarter operating losses of approximately \$2 million at our newly acquired European tube businesses.

Interest expense for the third quarter of 1997 totaled \$1.8 million compared to \$1.4 million in the same quarter of 1996. For the first nine-months of 1997, interest expense was \$4.1 million, equal to the same period of 1996. During the first nine-months of 1996, the Company capitalized \$0.3 million of interest related to capital improvement programs compared to none in 1997.

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The Company has provided an additional \$1.1 million in the third quarter, or \$3.1 million for the first nine-months of 1997, for environmental reserves based on updated information and results of ongoing remediation at previously identified environmental sites.

The effective tax rate of 30.0 percent in the third quarter and 30.8 percent in the first nine-months of 1997 reflect 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.

Liquidity and Capital Resources

Cash provided by operating activities during the first three quarters of 1997 totaled \$15.0 million which is primarily attributable to net income

and depreciation offset by increases in receivables and inventories. Approximately \$8.2 million has been used to fund Wednesbury's trade accounts receivable, which were not acquired.

During the first three quarters of 1997, the Company used \$85.8 million in investing activities, consisting primarily of \$37.7 million in business acquisitions as described in Note 4, plus \$26.7 million in capital expenditures. On July 15, 1997, the Company, through two wholly-owned subsidiaries, issued two 1997 Series IRBs for \$25 million and \$2.5 million. Proceeds from these IRBs will be used to fund a new copper refining facility located adjacent to the Company's tube mill in Fulton, Mississippi, and a new line set plant also in Fulton, Mississippi. Cash used in investing activities was funded with existing cash plus the proceeds of the two 1997 Series IRBs.

The Company has a \$100.0 million unsecured line-of-credit agreement (the Credit Facility) which expires in December 1999, but may be extended for successive one year periods by agreement of the parties. Borrowings under the Credit Facility bear interest, at the Company's option, at (i) prime rate less .50 percent, (ii) LIBOR plus .27 percent, or (iii) Federal Funds Rate plus .65 percent. There are no outstanding borrowings under the Credit Facility. At September 27, 1997, the Company's debt was \$80.2 million or 17 percent of its total 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, currently available cash of \$44.3 million, and the escrowed proceeds from the 1997 Series IRBs will be adequate to meet the Company's normal future capital expenditure and operational needs. The Company's current ratio remains strong at 2.8 to 1 as of September 27, 1997.

The Company currently anticipates spending approximately \$40 million for major capital improvement projects during 1997. The significant projects were identified in the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1997. These capital improvement projects will be funded from existing cash balances, cash generated from operations, and the IRB financing discussed above.

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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 28, 1996.

Environmental Matters

Mining Remedial Recovery Company (MRRC)

1. Cleveland Mill Site

The EPA has agreed to permit the Cleveland Mill tailings to be capped on site, rather than placed at the nearby Hanover site. An approved holding cell near the tailings is under construction. Consolidation of the mill tailings into the cell is scheduled to commence this year and capping of the tailings is anticipated to be substantially completed by the Fall of 1998.

2. Hanover Site

MRRC had chosen to defer regrading and capping of approximately twenty acres at Hanover pending a decision on storage of tailings in its nearby Cleveland Mill site. Following the EPA's decision to permit on site storage of tailings at the Cleveland Mill site, MRRC completed its regrading and capping of the remaining Hanover acres.

3. Mammoth Mine Site

In response to an Order issued by the California Regional Water Quality Control Board in 1996, MRRC recently completed a feasibility study describing measures designed to mitigate the effects of acid rock drainage in Shasta County, California. MRRC proposed remedial options that would involve expenditures of approximately \$1.7 million by the end of 1998. Regulatory officials requested MRRC modify its proposed design at two locations, which MRRC plans to do once it establishes that the requested modifications can be accomplished for the currently estimated incremental cost of \$200,000. Further remediation may be required depending on how effective MRRC's remedial options are in reducing acid rock drainage.

4. U.S.S. Lead

In the process of remediating the Lead Refinery site in East Chicago, Illinois, Lead Refinery identified the presence of suspected petroleum contamination on site. Lead Refinery is evaluating whether and how to address remediation of this contamination as part of the Corrective Action Management Unit.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10.1 Amended and Restated Employment Agreement, effective as of September 17, 1997, by and between Mueller Industries, Inc. and Harvey L. Karp.

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10.2 Amended and Restated Employment Agreement, effective as of September 17, 1997, 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 27, 1997. 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.

(b) During the quarter ended September 27, 1997, 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 21, 1997.

MUELLER INDUSTRIES, INC.

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

/S/ KENT A. MCKEE
Kent A. McKee
Vice President Business Development/
Investor Relations

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

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

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

WITNESSETH:

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

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

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

1. Term of Employment.

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

2. Duties and Authority.

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

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

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3. Compensation.

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

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

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

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

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

the Employer are entitled to participate.

4. Termination of Employment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) when any "person," as such terms is used in Section 13(d) or

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

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

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

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5. Notices.

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

6. Registration of Options.

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

7. Certain Additional Payments by the Employer.

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

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

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

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

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

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

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

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

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

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

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

8. Assignability.

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

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9. Entire Agreement.

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

10. Waivers, Amendments and Further Agreements.

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

11. Severability.

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

12. No Conflicting Obligations.

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

13. Survival.

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

14. Governing Law.

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

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15. Arbitration; Legal Fees.

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

16. Headings.

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

17. Counterparts.

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

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

MUELLER INDUSTRIES, INC.

[Seal]

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

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

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

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

WITNESSETH:

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

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

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

1. Term of Employment.

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

2. Duties and Authority.

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

3. Compensation.

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

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

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

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

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

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

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

4. Termination of Employment.

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

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

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

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

provided in Section 2 herein, the assignment to the Executive by the Employer of duties inconsistent with the Executive's position, authority, duties, responsibilities or status with the

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

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

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

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

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

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

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

i. the Employer shall pay the Executive as severance pay in a lump sum within thirty (30) days following

such termination, the following amounts, which shall not be discounted to take into account present value:

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

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

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

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

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

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

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

the effective date of this Agreement (either directly or by prior operation of this provision);

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

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

5. Notices.

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

6. Certain Additional Payments by the Employer.

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

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

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

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

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

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

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

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

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

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

d. If, after the receipt by the Executive of an amount advanced by the Employer pursuant to Section 6(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Employer's

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

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7. Executive Loan.

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

8. Assignability.

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

9. Entire Agreement.

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

10. Waivers, Amendments and Further Agreements.

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

11. Severability.

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

12. No Conflicting Obligations.

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

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

13. Survival.

Except as otherwise provided herein, the covenants, agreements, representations and warranties contained

in or made pursuant to this Agreement shall survive the Executive's termination of employment, irrespective of any investigation made by or on behalf of any party.

14. Governing Law.

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

15. Arbitration; Legal Fees.

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

16. Headings.

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

17. Counterparts.

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

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

MUELLER INDUSTRIES, INC.

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

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

[Form of Promissory Note]

PROMISSORY NOTE

\$ _____ [1] _____ [2] _____

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

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

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

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

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

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

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

William D. O'Hagan

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

TO OUR STOCKHOLDERS, CUSTOMERS AND EMPLOYEES

The third quarter of 1997 was the best quarter in Mueller's history. Operating income, net earnings, and pounds of product manufactured and shipped all reached record levels. Net earnings for the third quarter of 1997 were \$18.1 million, or 92 cents per share, compared to \$16.2 million, or 83 cents per share, for the third quarter of 1996.

This earnings record was achieved even though our recently acquired European copper tube businesses incurred operating losses of approximately \$2 million. We acquired these businesses for a modest investment, with the objective of improving their cost structure and productivity. We see great opportunity to build substantial values in Europe.

Net sales for the third quarter of 1997 totaled \$229.1 million, an increase of 30 percent over sales of \$176.0 million for the same quarter of 1996. Pounds shipped increased by 24 percent.

Volume in the U.S. copper tube business continues to be strong; spreads have improved from the second quarter of 1997, though they remain significantly below levels achieved in the third quarter of 1996. Earnings at our copper fittings operations were the best ever. Brass rod also operated with solid volume and earnings.

Our DWV plastics business continues to grow. We recently purchased a factory building, which is contiguous to our existing plant in Kalamazoo, Michigan. Nineteen additional injection molding presses were installed in this expansion, and in other facilities.

Our copper refinery project in Fulton, Mississippi is on schedule. This \$25 million investment, when completed in 1999, will allow our Fulton tube mill to use a lower cost mix of scrap and cathode. Financing was established for this project through a Mississippi Industrial Revenue Bond, which will generate ongoing tax benefits.

U.S. economic conditions remain favorable for our business. Fixed 30-year mortgage rates are near 7.5 percent. Unemployment is close to its lowest level in more than 25 years. Inflation is modest. Consumer confidence is high. Although new housing starts declined slightly during the third quarter, the housing market remains solid. Consequently, we are optimistic that Mueller's business will be sound through the end of the year, and into 1998.

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 14, 1997

Corporate News

Plastics Business Continues
Consistent Improvement

Profits at Mueller's DWV plastic fittings business have improved dramatically since 1996. The plastic fittings unit earned the prestigious Harvey L. Karp EBIT ("Everyone Benefits In Teamwork") Award in five consecutive quarters commencing with the second quarter of 1996. This deserves special recognition because we have never had back-to-back winners before.

This internal award recognizes the business which demonstrates the best earnings improvement over the preceding quarter. The award was established in 1993, and has encouraged a healthy rivalry among the Company's operating units.

<TABLE>

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

<CAPTION>

	For the Quarter Ended	
	September 27, 1997	September 28, 1996
<S>	<C>	<C>
Net sales	\$ 229,133	\$ 175,991
Costs of goods sold	181,376	133,204
Depreciation and amortization	5,593	4,697
Selling, general, and administrative expense	15,120	12,809
	-----	-----
Operating income	27,044	25,281
Interest expense	(1,818)	(1,400)
Environmental reserves	(1,100)	(1,945)
Other income, net	1,661	1,424
	-----	-----
Income before taxes	25,787	23,360
Income tax expense	(7,736)	(7,178)
	-----	-----
Net income	\$ 18,051	\$ 16,182
	=====	=====
Net income per share:		
Primary:		
Average shares outstanding	19,641	19,520
Net income	\$ 0.92	\$ 0.83
	=====	=====
Fully diluted:		
Average shares outstanding	19,648	19,550
Net income	\$ 0.92	\$ 0.83
	=====	=====

</TABLE>

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<TABLE>

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

<CAPTION>

	For the Nine-Months Ended	
	September 27, 1997	September 28, 1996
<S>	<C>	<C>
Net sales	\$ 645,936	\$ 546,063
Costs of goods sold	509,845	426,272
Depreciation and amortization	15,409	13,718
Selling, general, and administrative expense	45,850	41,632
	-----	-----
Operating income	74,832	64,441
Interest expense	(4,114)	(4,113)
Environmental reserves	(3,100)	(1,945)
Other income, net	4,857	4,364
	-----	-----
Income before taxes	72,475	62,747
Income tax expense	(22,327)	(19,376)
	-----	-----
Net income	\$ 50,148	\$ 43,371
	=====	=====

Net income per share:

Primary:

Average shares outstanding	19,604	19,477
Net income	\$ 2.56	\$ 2.23
	=====	=====

Fully diluted:

Average shares outstanding	19,641	19,534
Net income	\$ 2.55	\$ 2.22
	=====	=====

</TABLE>

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<TABLE>

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

<CAPTION>

	September 27, 1997	December 28, 1996
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	\$ 44,333	\$ 96,956
Accounts receivable, net	139,254	88,905
Inventories	113,162	76,647
Other current assets	13,383	12,204
	-----	-----
Total current assets	310,132	274,712
Property, plant and equipment, net	256,391	219,855
Other assets	43,120	14,790
	-----	-----

	\$ 609,643	\$ 509,357
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	\$ 19,083	\$ 14,844
Accounts payable	36,805	18,305
Other current liabilities	53,494	45,807
	-----	-----
Total current liabilities	109,382	78,956
Long-term debt	61,094	44,806
Other noncurrent liabilities	41,340	37,116
	-----	-----
Total liabilities	211,816	160,878
Minority interest in subsidiaries	641	397
Stockholders' equity	397,186	348,082
	-----	-----
	\$ 609,643	\$ 509,357
	=====	=====
Book value per share	\$ 22.69	\$ 19.96
	=====	=====

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S FORM 10-Q FOR THE FISCAL PERIOD ENDED SEPTEMBER 27, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<CIK> 0000089439

<NAME> MUELLER INDUSTRIES, INC.

<MULTIPLIER> 1,000

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