

2000

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 23, 2000 Commission file number 1-6770

MUELLER INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

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

8285 TOURNAMENT DRIVE, SUITE 150
MEMPHIS, TENNESSEE 38125
(Address of principal executive offices)

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

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

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

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

The number of shares of the Registrant's common stock outstanding as of October 31, 2000, was 33,411,935.

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MUELLER INDUSTRIES, INC.

FORM 10-Q

For the Period Ended September 23, 2000

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

<TABLE>

MUELLER INDUSTRIES, INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share data)

<CAPTION>

	For the Quarter Ended	
	September 23, 2000	September 25, 1999
<S>	<C>	<C>
Net sales	\$ 295,979	\$ 287,880
Cost of goods sold	234,063	216,341
	-----	-----
Gross profit	61,916	71,539
Depreciation and amortization	9,238	9,268
Selling, general, and administrative expense	22,437	23,162
	-----	-----
Operating income	30,241	39,109
Interest expense	(2,207)	(3,078)
Other income, net	2,554	2,143
	-----	-----
Income before income taxes	30,588	38,174
Current income tax expense	(8,739)	(602)
Deferred income tax expense	(2,542)	(11,232)
	-----	-----
Total income tax expense	(11,281)	(11,834)
	-----	-----
Net income	\$ 19,307	\$ 26,340
	=====	=====
Weighted average shares		
for basic earnings per share	34,439	35,683
Effect of dilutive stock options	3,836	4,131
	-----	-----
Adjusted weighted average shares		
for diluted earnings per share	38,275	39,814
	-----	-----
Basic earnings per share	\$ 0.56	\$ 0.74
	=====	=====
Diluted earnings per share	\$ 0.50	\$ 0.66
	=====	=====

<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 23, 2000	September 25, 1999
<S>	<C>	<C>
Net sales	\$ 926,912	\$ 869,062
Cost of goods sold	708,370	658,421
	-----	-----
Gross profit	218,542	210,641
Depreciation and amortization	27,519	27,606
Selling, general, and administrative expense	71,547	74,229
	-----	-----
Operating income	119,476	108,806
Interest expense	(7,130)	(9,086)
Other income, net	7,509	7,093
	-----	-----
Income before income taxes	119,855	106,813
Current income tax expense	(38,605)	(15,187)
Deferred income tax expense	(5,615)	(18,158)
	-----	-----
Total income tax expense	(44,220)	(33,345)
	-----	-----
Net income	\$ 75,635	\$ 73,468
	=====	=====
Weighted average shares		
for basic earnings per share	34,582	35,772
Effect of dilutive stock options	3,867	3,979
	-----	-----
Adjusted weighted average shares		
for diluted earnings per share	38,449	39,751
	-----	-----
Basic earnings per share	\$ 2.19	\$ 2.05
	=====	=====
Diluted earnings per share	\$ 1.97	\$ 1.85
	=====	=====

<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 23, 2000	December 25, 1999
<S>	<C>	<C>
Assets		
Current assets:		
Cash and cash equivalents	\$ 135,144	\$ 149,454
Accounts receivable, less allowance for doubtful accounts of \$5,165 in 2000 and \$5,367 in 1999	184,110	167,858
Inventories:		

Raw material and supplies	25,772	28,337
Work-in-process	21,669	14,423
Finished goods	77,642	76,884
	-----	-----
Total inventories	125,083	119,644
Current deferred income taxes	387	-
Other current assets	11,353	3,790
	-----	-----
Total current assets	456,077	440,746
Property, plant, and equipment, net	361,059	347,846
Goodwill, net	103,362	94,530
Other assets	19,112	20,958
	-----	-----
\$	939,610	\$ 904,080
	=====	=====

<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 23, 2000	December 25, 1999
	<C>	<C>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 23,994	\$ 31,012
Accounts payable	50,067	49,958
Accrued wages and other employee costs	27,354	30,182
Other current liabilities	45,182	41,909
	-----	-----
Total current liabilities	146,597	153,061
Long-term debt	107,401	118,858
Pension and postretirement liabilities	13,924	13,591
Environmental reserves	8,453	12,965
Deferred income taxes	30,958	24,275
Other noncurrent liabilities	14,916	11,546
	-----	-----
Total liabilities	322,249	334,296
	-----	-----
Minority interest in subsidiaries	297	354
Stockholders' equity:		
Preferred stock - shares authorized		
4,985,000; none outstanding	-	-
Series A junior participating preferred		
stock - \$1.00 par value; shares		
authorized 15,000; none outstanding	-	-
Common stock - \$.01 par value; shares		
authorized 100,000,000; issued		
40,091,502; outstanding 34,381,435		
in 2000 and 34,918,646 in 1999	401	401
Additional paid-in capital, common	261,082	259,977
Retained earnings (Since		
January 1, 1991)	448,112	372,477
Cumulative translation adjustment	(15,228)	(8,112)
Treasury common stock, at cost	(77,303)	(55,313)

Total stockholders' equity	----- 617,064	----- 569,430
Commitments and contingencies (Note 2)	----- -	----- -
	----- \$ 939,610	----- \$ 904,080
	=====	=====

<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 23, 2000	September 25, 1999
<S>	<C>	<C>
Cash flows from operating activities		
Net income	\$ 75,635	\$ 73,468
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	27,519	27,606
Minority interest in subsidiaries	(57)	-
Deferred income taxes	5,615	18,158
Gain on disposal of properties	(4)	(1,574)
Income tax benefit from exercise of stock options	1,402	-
Changes in assets and liabilities:		
Receivables	(16,371)	(16,746)
Inventories	(6,125)	21,975
Other assets	(5,570)	1,304
Current liabilities	(1,425)	20,244
Other liabilities	(55)	(3,061)
Other, net	184	(343)
	-----	-----
Net cash provided by operating activities	80,748	141,031
	-----	-----
Cash flows from investing activities		
Capital expenditures	(38,349)	(26,742)
Businesses acquired	(15,245)	-
Proceeds from sales of properties	222	4,887
Escrowed IRB proceeds	-	6,022
	-----	-----
Net cash used in investing activities	(53,372)	(15,833)
	-----	-----
Cash flows from financing activities		
Acquisition of treasury stock	(24,878)	(15,915)
Repayments of long-term debt	(18,475)	(19,560)
Proceeds from stock options exercised	2,591	812
Proceeds from issuance of long-term debt	-	125,000
Repayments on line of credit, net	-	(139,840)
	-----	-----
Net cash used in financing activities	(40,762)	(49,503)
	-----	-----
Effect of exchange rate changes on cash	(924)	356
	-----	-----

</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 23, 2000	September 25, 1999
<S>	<C>	<C>

(Decrease) increase in cash

and cash equivalents	(14,310)	76,051
Cash and cash equivalents at the beginning of the period	149,454	80,568
	-----	-----
Cash and cash equivalents at the end of the period	\$ 135,144	\$ 156,619
	=====	=====

<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

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

Note 2 - Commitments and Contingencies

The Company is subject to normal environmental standards imposed by federal, state, local, and foreign 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 3 - Comprehensive Income

Comprehensive income for the Company consists of net income and foreign currency translation adjustments. Total comprehensive income was \$15,811,000 and \$27,477,000 for the quarters ending September 23, 2000, and September 25, 1999, respectively and was \$68,519,000 and \$71,012,000 for the nine-month periods ending September 23, 2000, and September 25, 1999, respectively.

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Note 4 - Industry Segments

Summarized segment information is as follows:
(In thousands)
[CAPTION]

[S]	For the Quarter Ended	
	September 23, 2000	September 25, 1999
	[C]	[C]
Net sales:		
Standard Products Division	\$ 219,460	\$ 213,163
Industrial Products Division	71,579	68,895
Other Businesses	5,833	6,455
Elimination of intersegment sales	(893)	(633)
	-----	-----
	\$ 295,979	\$ 287,880
	=====	=====
Operating income:		
Standard Products Division	\$ 26,612	\$ 33,575
Industrial Products Division	5,334	6,765
Other Businesses	725	1,956
Unallocated expenses	(2,430)	(3,187)
	-----	-----
	\$ 30,241	\$ 39,109
	=====	=====

[CAPTION]

[S]	For the Nine Months Ended	
	September 23, 2000	September 25, 1999
	[C]	[C]
Net sales:		
Standard Products Division	\$ 680,931	\$ 634,094
Industrial Products Division	228,116	219,683
Other Businesses	19,940	17,018
Elimination of intersegment sales	(2,075)	(1,733)
	-----	-----
	\$ 926,912	\$ 869,062
	=====	=====
Operating income:		
Standard Products Division	\$ 102,174	\$ 94,400
Industrial Products Division	23,423	23,740
Other Businesses	3,588	3,441
Unallocated expenses	(9,709)	(12,775)
	-----	-----
	\$ 119,476	\$ 108,806
	=====	=====

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Note 5 - Acquisitions

During 2000, Mueller acquired Micro Gauge, Inc. and a related

business, Microgauge Machining Inc., for approximately \$9.1 million. These acquisitions bring to our Industrial Products Division specialized machining capabilities, which were previously outsourced to Micro Gauge. The Company also acquired Propipe Technologies, Inc., a fabricator of gas train manifold systems, for approximately \$6.1 million. These acquired businesses have annualized sales of approximately \$30 million, a portion of which were to Mueller. The transactions were accounted for as purchases.

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

General Overview

The Company is a leading manufacturer of copper, brass, plastic, and aluminum products. The range of these products is broad: copper tube and fittings; brass and copper alloy rod, bar, and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; plastic fittings and valves; refrigeration valves and fittings; and fabricated tubular products. Mueller's plants are located throughout the United States, and in Canada, France, and Great Britain. The Company also owns a short line railroad in Utah and natural resource properties in the Western U.S.

The Company's businesses are managed and organized into three segments: (i) Standard Products Division ("SPD"); (ii) Industrial Products Division ("IPD"); and (iii) Other Businesses. SPD manufactures and sells copper tube, copper and plastic fittings, and valves. Outside of the United States, SPD manufactures copper tube in Europe and copper fittings in Canada. SPD sells these products to wholesalers in the HVAC (heating, ventilation, and air-conditioning), plumbing, and refrigeration markets, and to distributors to the manufactured housing and recreational vehicle industries. IPD manufactures and sells brass and copper alloy rod, bar, and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; refrigeration valves and fittings; fabricated tubular products; and gas valves and assemblies. IPD sells its products primarily to original equipment manufacturers ("OEMs"), many of which are in the HVAC, plumbing, and refrigeration markets. Other Businesses include Utah Railway Company and other natural resource properties and interests. SPD and IPD account for more than 98 percent of consolidated net sales and more than 81 percent of consolidated net assets.

New housing starts and commercial construction are important determinants of the Company's sales to the HVAC, refrigeration and plumbing markets because the principal end use of a significant portion of the Company's products is in the construction of single and multi-family housing and commercial buildings.

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Profitability of certain of the Company's product lines depends upon the "spreads" between the cost of raw material and the selling prices of its completed products. The open market prices for copper cathode and scrap, for example, influence the selling price of copper tubing, a principal product manufactured by the Company. The Company attempts to minimize the effects of fluctuations in material costs by passing through these costs to its customers. Spreads fluctuate based upon competitive market conditions.

Results of Operations

Net income was \$19.3 million, or 50 cents per diluted share, for the third quarter of 2000, compared with net income of \$26.3 million, or 66 cents per diluted share, for the same period of 1999. Year-to-date, net income was \$75.6 million, or \$1.97 per diluted share, compared with net income of \$73.5 million, or \$1.85 per diluted share, for 1999.

During the third quarter of 2000, the Company's net sales were \$296.0 million, which compares with net sales of \$287.9 million, or a 2.8 percent increase over the same period of 1999. Net sales were \$926.9 million in the first nine months of 2000 compared with \$869.1 million in 1999. The average price of copper was approximately 18 percent higher in the first nine months of 2000 compared with the same period of 1999, which contributed to the increase in net sales. During the third quarter of 2000, the Company's manufacturing businesses shipped 193.2 million pounds of product compared to 196.0 million pounds in the same quarter of 1999. The Company shipped 602.8 million pounds of product in the first nine months of 2000 compared with 615.0 million in the same period of 1999.

Third quarter operating income decreased primarily due to increases in raw material costs that were not recovered in the selling price of the Company's products. Year-to date, operating income has increased due to spread improvements during the first half of 2000, partially offset by the third quarter raw material cost increases. Operating income was partially offset by losses at our European operations. Selling, general, and administrative expense for the third quarter was slightly below the same period of last year. For the first nine months of 2000, selling, general, and administrative expense decreased \$2.7 million, primarily due to reduced expenses at businesses acquired in the second half of 1998. Depreciation and amortization in 2000 is level with 1999.

Interest expense for the third quarter of 2000 totaled \$2.2 million compared to \$3.1 million in the same quarter of 1999. For the first nine months of 2000, interest expense was \$7.1 million compared to \$9.1 million for the same period of 1999. The Company capitalized \$0.9 million of interest related to capital improvement programs in the first nine months of 2000 and capitalized \$0.4 million during the same period of 1999. Total interest in the first nine months of 2000 decreased due to scheduled repayments of long-term debt.

The Company's effective income tax rate for the first nine months of 2000 was 36.9 percent compared with 31.2 percent for the first nine months of last year. The tax rate increase was due to the Company having recognized the majority of historical tax benefits in prior years.

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Liquidity and Capital Resources

Cash provided by operating activities during the first nine months of 2000 totaled \$80.7 million which is primarily attributable to net income and depreciation and amortization, partially offset by components of working capital. During the first nine months of 2000, the Company used \$53.4 million in investing activities, consisting primarily of \$38.3 million in capital expenditures and \$15.2 for business acquisitions. The Company also used \$40.8 million for financing activities during the nine-month period, consisting of \$24.9 million for acquisition of treasury stock and \$18.5 million for repayments of long-term debt, offset by \$2.6 million of proceeds from the sale of treasury stock. Existing cash balances and cash from operations were used to fund the investing and financing activities.

On October 18, 1999, the Company's Board of Directors authorized the repurchase of up to four million shares of the Company's common stock from time to time over the next year through open market transactions or through privately negotiated transactions. The Company will have no obligation to purchase any shares and may cancel, suspend, or extend the time period for the purchase of shares at any time. The purchases are being funded primarily through existing cash and cash from operations. The Company may hold such shares in treasury or use a portion of the repurchased shares for employee benefit plans, as well as for other corporate purposes. Through September 23, 2000, the Company has repurchased approximately 1,253,000 shares under this program. Subsequent to the end of the third quarter, the Company's Board of Directors expanded and extended this authorization to purchase a total of 10 million shares through October 2001.

The Company has a \$100.0 million unsecured line-of-credit agreement (the Credit Facility) which expires in May 2001, but which 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 subject to adjustment, or (iii) Federal Funds Rate plus .65 percent. There are no outstanding borrowings under the Credit Facility. At September 23, 2000, funds available under the Credit Facility were reduced by \$7.3 million for outstanding letters of credit. At September 23, 2000, the Company's total debt was \$131.4 million or 17.6 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.

During the year, the Company completed the installation of equipment and systems specified in the modernization project for approximately \$24 million at the Wynne, Arkansas, copper tube mill. When transition to this new equipment is complete, the mill's conversion costs as well as yield should significantly improve. At the Port Huron, Michigan, brass rod mill, the Company began installation of a horizontal continuous caster. This investment, totaling approximately \$10 million, is expected to be completed near the end of 2000, and should increase our casting capacity, improve yield, and reduce conversion costs.

Approximately \$40 million has been authorized for the modernization of the Company's European factories. This investment will upgrade the casting, extrusion, drawing, and finishing processes at our facility in the United Kingdom. The project is expected to be completed near the end of 2001. During the first quarter, the Company received confirmation of Regional Selective Assistance financial support from the Department of Trade and Industry (United Kingdom) of approximately \$3.6 million for this project. During the second quarter, the Company negotiated commitments and/or signed letters of intent with the primary vendors of equipment and services for the majority of the project.

Management believes that cash provided by operations and currently available cash of \$135.1 million will be adequate to meet the Company's normal future capital expenditure and operational needs. The Company's current ratio remains strong at 3.1 to 1.

During 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). This statement requires companies to record derivative instruments on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the values of a derivative would be accounted for depending on the use of a derivative and whether it qualifies for hedge accounting. The Company will adopt SFAS No. 133 (as amended by SFAS No. 138) at the beginning of fiscal year 2001. Because of the Company's minimal historical use of derivatives, management anticipates that the adoption of SFAS No. 133 will not have a significant effect on earnings or on the financial position of the Company.

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 25, 1999.

Environmental Matters

1. Mammoth Mine Site

In furtherance of remedial activities to reduce or prevent discharge of acid mine drainage at certain inactive mines owned by MRRC in Shasta County, California, MRRC completed and submitted in July, 2000 a use attainability analysis which is under review by the California Regional Water Quality Control Board. Remedial activities continue and the extent of further remediation depends on the effectiveness of MRRC's remedial options in reducing acid rock drainage.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 10.1 Mueller Industries, Inc. 1998 Stock Option Plan
(Amended and Restated as of June 30, 2000)
- 19.1 Mueller Industries, Inc.'s Quarterly Report to
Stockholders for the quarter ended September 23,
2000. 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 23, 2000, the
Registrant filed no Current Reports on Form 8-K.

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

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on November 3, 2000.

MUELLER INDUSTRIES, INC.

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

/s/ Richard W. Corman
Richard W. Corman
Corporate Controller

EXHIBIT INDEX

Exhibits	Description	Page
10.1	Mueller Industries, Inc. 1998 Stock Option Plan (Amended and Restated as of June 30, 2000)	
19.1	Mueller Industries, Inc.'s Quarterly Report to Stockholders for the quarter ended September 23, 2000. 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.	
27.1	Financial Data Schedule (EDGAR filing only)	

MUELLER INDUSTRIES, INC.
1998 STOCK OPTION PLAN
(Amended and Restated as of June 30, 2000)

1. Purposes.

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

2. Administration of the Plan.

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

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

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

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

3. Shares Subject to the Plan.

The total number of shares of Common Stock which shall be subject to Options granted under the Plan shall not exceed 600,000 (reflecting a two for one stock split in 1998), subject to adjustment as provided in Section 7 hereof. The Company shall at all times while the Plan is in force reserve such number of shares of Common Stock as will be sufficient to satisfy the requirements of outstanding Options. The shares of Common Stock to be issued upon exercise of Options shall be authorized and unissued or reacquired shares of Common Stock. The shares of Common Stock relating to the unexercised portion of any expired, terminated or cancelled Option shall thereafter be available for the grant of Options under the Plan.

4. Eligibility.

- (a) Options may be granted under the Plan only to (i)

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

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

5. Terms of Options.

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

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

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

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

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

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

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

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

6. Special Provisions Applicable to ISOs.

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

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

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

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

7. Adjustment upon Changes in Capitalization.

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

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

8. Further Conditions of Exercise.

(a) The obligation of the Company to issue shares of Common Stock pursuant to the exercise of Options shall be subject to all applicable laws, rules and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any of the provisions hereof, the Optionee may not exercise the Options, and the Company will be under no obligation to offer to sell or to sell and shall be prohibited from offering to sell or selling any shares of Common Stock pursuant to the exercise of any Option unless such exercise, offer or sale shall be properly registered pursuant to the Securities Act of 1933 (as now in effect or as hereafter amended) (the "Securities Act") with the Securities and Exchange Commission or unless the Company has received an opinion of counsel, satisfactory to the Company, that such shares may be offered or sold without such registration pursuant to an available exemption therefrom and the terms and conditions of such exemption have been fully complied with. Any determination in this connection by the Committee shall be final, binding and conclusive. The Company shall use reasonable efforts to register the offer or sale of shares of Common Stock underlying any Option pursuant to the Securities Act and to take any other affirmative action in order to cause the exercise of the Options or the

issuance or transfer of shares pursuant thereto to comply with any law or regulation of any governmental authority. If the shares of Common Stock offered for sale or sold under any Option are offered or sold pursuant to an exemption from registration under the Securities Act, the Company may restrict the transfer of such shares and may legend the Common Stock certificates representing such shares in such manner as it deems advisable to ensure the availability of any such exemption.

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

9. Termination, Modification and Amendment.

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

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

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granted under the Plan, (ii) increase the maximum number of shares as to which Options may be granted to any person in any single year, (iii) decrease the purchase price for Options below Fair Market Value at the time of grant, or (iv) change the class of persons eligible to receive Options under the Plan.

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

10. Effectiveness of the Plan.

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

11. Not a Contract of Employment.

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

12. Governing Law.

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

13. Withholding.

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

TO OUR STOCKHOLDERS, CUSTOMERS, AND EMPLOYEES

Mueller's earnings in the third quarter of 2000 declined due to increased raw material costs, which we were unable to recover in the selling prices of our products. Net income for the third quarter was \$19.3 million, or 50 cents per diluted share, compared with \$26.3 million, or 66 cents per diluted share, for the same quarter of 1999.

Net sales for the third quarter totaled \$296.0 million, an increase of 2.8 percent over net sales of \$287.9 million for the comparable 1999 period.

For the nine months year-to-date, net income was \$75.6 million compared with \$73.5 million during the same period in 1999. On a pre-tax basis, year-to-date earnings increased more than 12 percent to \$119.9 million, but higher effective tax rates (36.9 percent versus 31.2 percent) offset pre-tax earnings improvement. Earnings per diluted share for the first nine months of 2000 were \$1.97, an increase of 6.5 percent over the \$1.85 reported a year ago. Year-to-date, net sales were \$926.9 million, an increase of 6.7 percent over net sales of \$869.1 million in the 1999 period.

Mueller ended the quarter in excellent financial shape with \$135 million in cash on hand and a very comfortable 17.6 percent debt-to-total-capitalization ratio.

During the third quarter, our manufacturing operations performed well. Also, our capital investment programs are on schedule and on budget. In Wynne, Arkansas, we have installed the equipment and systems specified in our tube mill modernization project. The transition to this new equipment should produce benefits in the fourth quarter and beyond. Our European copper tube mill modernization program is scheduled for completion by the end of 2001, and by early 2001, a horizontal continuous caster should be operational at our brass rod mill in Port Huron, Michigan.

Demand for our products, which is largely tied to housing and construction markets, continues to be good despite reports that new home starts may decline by 6 to 8 percent from the torrid pace of 1999. On the other hand, 30-year mortgage rates have recently declined from a high of 8.64 percent in May to 7.83 percent currently. We welcome lower rates, as past experience shows a strong correlation between mortgage rates and the vibrancy of Mueller's business.

Through early October 2000, Mueller acquired 2.1 million shares of its common stock under a four-million-share repurchase authorization. Our Board of Directors has expanded and extended this authorization to repurchase a total of ten million shares through October 2001.

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Over the past month, the stock market has been particularly volatile, and Mueller's stock price has declined along with many others. However, the vagaries of the stock market have not altered our Company's business philosophy or objectives. We are committed to being a world-class manufacturing company which provides our customers with outstanding service. We relentlessly focus on enhancing intrinsic value which we are confident will benefit our customers, stockholders, and employees.

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 10, 2000

HISTORICAL ANALYSIS (1994-2000) OF QUARTERLY
EARNINGS BEFORE TAX AND EARNINGS PER SHARE

Mueller's earnings have grown substantially over the past six years. In the third quarter of 2000, our Company earned \$30.6 million before tax, compared with \$12.0 million for the same quarter of 1994, an increase of 155 percent. Diluted earnings per share have risen 127 percent, from 22 cents to 50 cents.

[GRAPH]

THIRD QUARTER DILUTED EARNINGS PER SHARE

1994	\$0.22
1995	0.30
1996	0.41
1997	0.46
1998	0.47
1999	0.66
2000	0.50

<TABLE>
EARNINGS BEFORE TAX (millions)
<CAPTION>

	Quarter				Total Year
	1st	2nd	3rd	4th	
<S>	<C>	<C>	<C>	<C>	<C>
1994	\$ 6.7	\$ 9.1	\$ 12.0	\$ 13.0	\$ 40.8
1995	14.7	15.6	17.0	17.2	64.5
1996	19.3	20.1	23.4	25.6	88.4
1997	23.1	23.6	25.8	28.3	100.8
1998	28.5	29.0	26.1	25.7	109.3
1999	31.2	37.4	38.2	38.9	145.7
2000	42.1	47.2	30.6		

<TABLE>
Diluted Earnings Per Share
<CAPTION>

	Quarter				Total Year
	1st	2nd	3rd	4th	
<S>	<C>	<C>	<C>	<C>	<C>
1994	\$ 0.10	\$ 0.14	\$ 0.22	\$ 0.25	\$ 0.71
1995	0.27	0.28	0.30	0.32	1.17
1996	0.34	0.36	0.41	0.46	1.57
1997	0.40	0.42	0.46	0.50	1.78
1998	0.49	0.50	0.47	0.45	1.90
1999	0.55	0.64	0.66	0.66	2.51
2000	0.69	0.78	0.50		

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

	For the Quarter Ended	
	September 23, 2000	September 25, 1999
<S>	<C>	<C>
Net sales	\$ 295,979	\$ 287,880
Cost of goods sold	234,063	216,341
Depreciation and amortization	9,238	9,268
Selling, general, and administrative expense	22,437	23,162
	-----	-----
Operating income	30,241	39,109
Interest expense	(2,207)	(3,078)
Other income, net	2,554	2,143
	-----	-----
Income before income taxes	30,588	38,174
Income tax expense	(11,281)	(11,834)
	-----	-----
Net income	\$ 19,307	\$ 26,340
	=====	=====
Earnings per share:		
Basic:		
Weighted average shares outstanding	34,439	35,683
	=====	=====
Basic earnings per share	\$ 0.56	\$ 0.74
	=====	=====
Diluted:		
Weighted average shares outstanding plus assumed conversions	38,275	39,814
	=====	=====
Diluted earnings per share	\$ 0.50	\$ 0.66
	=====	=====

</TABLE>

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

	For the Nine Months Ended	
	September 23, 2000	September 25, 1999
<S>	<C>	<C>
Net sales	\$ 926,912	\$ 869,062
Cost of goods sold	708,370	658,421
Depreciation and amortization	27,519	27,606
Selling, general, and administrative expense	71,547	74,229
	-----	-----
Operating income	119,476	108,806
Interest expense	(7,130)	(9,086)
Other income, net	7,509	7,093
	-----	-----

Income before income taxes	119,855	106,813
Income tax expense	(44,220)	(33,345)
	-----	-----
Net income	\$ 75,635	\$ 73,468
	=====	=====
Earnings per share:		
Basic:		
Weighted average shares outstanding	34,582	35,772
	=====	=====
Basic earnings per share	\$ 2.19	\$ 2.05
	=====	=====
Diluted:		
Weighted average shares outstanding plus assumed conversions	38,449	39,751
	=====	=====
Diluted earnings per share	\$ 1.97	\$ 1.85
	=====	=====

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-5-

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MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands)
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	September 23, 2000 <C>	December 25, 1999 <C>
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ASSETS		
Cash and cash equivalents	\$ 135,144	\$ 149,454
Accounts receivable, net	184,110	167,858
Inventories	125,083	119,644
Other current assets	11,740	3,790
	-----	-----
Total current assets	456,077	440,746
Property, plant, and equipment, net	361,059	347,846
Other assets	122,474	115,488
	-----	-----
	\$ 939,610	\$ 904,080
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	\$ 23,994	\$ 31,012
Accounts payable	50,067	49,958
Other current liabilities	72,536	72,091
	-----	-----
Total current liabilities	146,597	153,061
Long-term debt	107,401	118,858
Other noncurrent liabilities	68,251	62,377
	-----	-----
Total liabilities	322,249	334,296
Minority interest in subsidiaries	297	354
Stockholders' equity	617,064	569,430
	-----	-----
	\$ 939,610	\$ 904,080
	=====	=====

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
COMPANY'S FORM 10-Q FOR THE FISCAL QUARTER ENDED SEPTEMBER 23, 2000 AND IS
QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

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