2001

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 29, 2001 Commission file number 1-6770

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

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

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

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, 2001, was 33,440,632.

<Page>

MUELLER INDUSTRIES, INC.

FORM 10-Q

For the Period Ended September 29, 2001

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Part I. Financial Information   Page

Item 1. Financial Statements (Unaudited)

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 29, 2001	September 23, 2000
<S>	<C>	<C>
Net sales	$ 253,438	$ 304,017
Cost of goods sold	190,809	242,101
Gross profit	62,629	61,916
Depreciation and amortization	10,683	9,238
Selling, general, and administrative expense	21,073	22,437
Operating income	30,873	30,241
Interest expense	(660)	(2,207)
Environmental reserves	(1,349)	-
Other income, net	1,755	2,554
Income before income taxes	30,619	30,588
Current income tax expense	(7,010)	(8,739)
Deferred income tax expense	(4,608)	(2,542)
Total income tax expense	(11,618)	(11,281)
Net income	$ 19,001	$ 19,307
Weighted average shares for basic earnings per share	33,424	34,439
Effect of dilutive stock options	3,874	3,836
Adjusted weighted average shares for diluted earnings per share	37,298	38,275
Basic earnings per share	$ 0.57	$ 0.56
Diluted earnings per share	$ 0.51	$ 0.50

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

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

	For the Nine Months Ended	
	September 29, 2001	September 23, 2000
Net sales	$ 816,037	$ 950,847
Cost of goods sold	628,015	732,305
Gross profit	188,022	218,542
Depreciation and amortization	31,715	27,519
Selling, general, and administrative expense	66,390	71,547
Operating income	89,917	119,476
Interest expense	(2,764)	(7,130)
Environmental reserves	(2,966)	-
Other income, net	4,890	7,509
Income before income taxes	89,077	119,855
Current income tax expense	(24,928)	(38,605)
Deferred income tax expense	(8,904)	(5,615)
Total income tax expense	(33,832)	(44,220)
Net income	$ 55,245	$ 75,635
Weighted average shares for basic earnings per share	33,396	34,582
Effect of dilutive stock options	3,841	3,867
Adjusted weighted average shares for diluted earnings per share	37,237	38,449
Basic earnings per share	$ 1.65	$ 2.19
Diluted earnings per share	$ 1.48	$ 1.97

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

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

	September 29, 2001	December 30, 2000
Assets		
Current assets:		
Cash and cash equivalents	$ 133,520	$ 100,268
Accounts receivable, less allowance for doubtful accounts of $5,759 in 2001 and $5,612 in 2000	156,393	152,157
Inventories:		

Raw material and supplies	28,662	25,111
Work-in-process	19,177	19,941
Finished goods	80,316	97,273
Total inventories	128,155	142,325
Current deferred income taxes	3,891	-
Other current assets	9,804	10,421
Total current assets	431,763	405,171
Property, plant, and equipment, net	381,428	379,885
Goodwill, net	99,355	102,673
Other assets	26,809	22,547
	$ 939,355	$ 910,276

<FN>
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</TABLE>

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

<S>	September 29, 2001 <C>	December 30, 2000 <C>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 4,120	$ 5,909
Accounts payable	42,436	43,733
Accrued wages and other employee costs	21,471	26,994
Other current liabilities	69,069	41,213
Total current liabilities	137,096	117,849
Long-term debt	47,884	100,975
Pension and postretirement liabilities	18,691	19,320
Environmental reserves	9,068	9,862
Deferred income taxes	48,056	39,362
Other noncurrent liabilities	10,693	8,506
Total liabilities	271,488	295,874
Minority interest in subsidiaries	297	297
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 33,425,554 in 2001 and 33,358,061 in 2000	401	401
Additional paid-in capital, common	261,278	260,979
Retained earnings	520,412	465,167
Accumulated other comprehensive income (loss)	(14,761)	(11,826)
Treasury common stock, at cost	(99,760)	(100,616)

Total stockholders' equity	667,570	614,105
Commitments and contingencies (Note 2)	-	-
	$ 939,355	$ 910,276

<FN>
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</TABLE>

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

	For the Nine Months Ended	
	September 29, 2001	September 23, 2000
<S>	<C>	<C>
Cash flows from operating activities		
Net income	$ 55,245	$ 75,635
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	31,715	27,519
Minority interest in subsidiaries	-	(57)
Deferred income taxes	8,904	5,615
Gain on disposal of properties	(243)	(4)
Income tax benefit from exercise of stock options	252	1,402
Changes in assets and liabilities:		
Receivables	(4,801)	(16,371)
Inventories	13,981	(6,125)
Other assets	(5,881)	(5,570)
Current liabilities	21,298	(1,425)
Other liabilities	1,992	(55)
Other, net	(2,597)	184
Net cash provided by operating activities	119,865	80,748
Cash flows from investing activities		
Capital expenditures	(32,660)	(38,349)
Businesses acquired	-	(15,245)
Proceeds from sales of properties	2,476	222
Escrowed IRB proceeds	(1,891)	-
Net cash used in investing activities	(32,075)	(53,372)
Cash flows from financing activities		
Acquisition of treasury stock	-	(24,878)
Repayments of long-term debt	(64,879)	(18,475)
Proceeds from stock options exercised	902	2,591
Proceeds from issuance of long-term debt	10,000	-
Net cash used in financing activities	(53,977)	(40,762)
Effect of exchange rate changes on cash	(561)	(924)

</TABLE>

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

	For the Nine Months Ended	
	September 29, 2001	September 23, 2000
<S>	<C>	<C>
Increase (decrease) in cash		

and cash equivalents	33,252	(14,310)
Cash and cash equivalents at the beginning of the period	100,268	149,454
Cash and cash equivalents at the end of the period	$ 133,520	$ 135,144

<FN>
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</TABLE>

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

General

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

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

Note 1 - Earnings Per Common Share

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 - Reclassifications

Certain prior period amounts have been reclassified to conform with the current period's presentation.

During 2001, the Company began classifying the cost of shipping its products to customers as a component of cost of goods sold resulting from the adoption of Emerging Issues Task Force Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs". Previously, the Company classified these costs as a reduction of net sales. This change required a restatement of net sales and cost of goods sold amounts for all periods presented and did not have a significant effect on the net sales, cost of goods sold, and gross profit of the Company.

Note 4 - Comprehensive Income

Comprehensive income for the Company consists of net income and other comprehensive income. Total comprehensive income was $23,627,000 and $15,811,000 for the quarters ending September 29, 2001, and September 23, 2000, respectively and was $52,311,000 and $68,518,000 for the nine-month periods ending September 29, 2001, and September 23, 2000, respectively. Included in "Accumulated other comprehensive income (loss)" were cumulative changes in the fair value of certain derivative financial instruments which qualify for hedge accounting totaling $2.8 million at September 29, 2001, and none at December 30, 2000.

Note 5 - Industry Segments

Summarized segment information is as follows:

<TABLE>
(In thousands)
<CAPTION>

	For the Quarter Ended	
	September 29, 2001	September 23, 2000
<S>	<C>	<C>
Net sales:		
Standard Products Division	$ 188,345	$ 226,342
Industrial Products Division	60,745	72,735
Other Businesses	5,870	5,833
Elimination of intersegment sales	(1,522)	(893)
	$ 253,438	$ 304,017
Operating income:		
Standard Products Division	$ 29,743	$ 26,612
Industrial Products Division	3,225	5,334
Other Businesses	497	725
Unallocated expenses	(2,592)	(2,430)
	$ 30,873	$ 30,241

</TABLE>

<TABLE>
(In thousands)
<CAPTION>

For the Nine Months Ended

<S>	September 29, 2001 <C>	September 23, 2000 <C>
Net sales:		
Standard Products Division	$ 606,397	$ 701,456
Industrial Products Division	195,206	231,526
Other Businesses	17,638	19,940
Elimination of intersegment sales	(3,204)	(2,075)
	$ 816,037	$ 950,847
Operating income:		
Standard Products Division	$ 86,132	$ 102,174
Industrial Products Division	12,525	23,423
Other Businesses	2,286	3,588
Unallocated expenses	(11,026)	(9,709)
	$ 89,917	$ 119,476

</TABLE>

Note 6 - Adoption of a New Accounting Standard

Effective at the beginning of fiscal 2001, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133), as amended by Statement of Financial Accounting Standards No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" (SFAS No. 138), which requires that all derivative instruments be reported on the balance sheet at fair value and establishes criteria for designation and effectiveness of hedging relationships. The cumulative effect of adopting SFAS No. 133 and SFAS No. 138 as of the beginning of fiscal 2001 was not material to the Company's consolidated financial statements.

The Company occasionally uses financial instruments, including forward contracts and interest rate swap contracts, to manage its exposures to movements in foreign exchange rates, commodity prices, and interest rates. The use of these financial instruments modifies the exposure of these risks with the intent to reduce the risk and variability to the Company. The Company does not hold or issue derivative financial instruments for trading purposes.

During the first nine months of 2001, the Company utilized foreign currency forward contracts to offset the effect of exchange rate fluctuations on certain foreign sales and the collection of the receivables related to these sales. These foreign sales were primarily denominated in the Euro, British pound sterling, and Swedish krona. In addition, the Company used copper and natural gas forward contracts to manage the volatility related to certain copper and natural gas purchases. The Company also entered into interest rate swaps that effectively fix the interest payments of certain floating rate debt instruments. At September 29, 2001,

the Company had interest rate swap contracts outstanding with a notional principal amount of $10 million, which expire in 2008. These derivative financial instruments are accounted for as cash flow hedges. The fair value of these contracts and instruments at September 29, 2001 and changes in their fair values during the third quarter and first nine months of 2001 were not material to the consolidated financial statements of the Company.

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141, "Business Combinations" (SFAS No. 141), and Statement No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142). SFAS No. 141 requires the purchase method of accounting for all business combinations initiated after June 30, 2001 and eliminates the pooling-of-interests method. SFAS No. 142 requires that goodwill and intangible assets with indefinite lives no longer be amortized, but instead be reviewed for impairment and written-down to fair value when impairment is indicated. SFAS No. 141 is effective immediately, while SFAS No. 142 will be effective at the start of fiscal 2002. The Company is currently reviewing the impact of adopting these Statements.

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

General Overview

The Company is a leading manufacturer of copper, brass, plastic, and aluminum products. The range of these products is broad: copper tube and fittings; brass and copper alloy rod, bar, and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; plastic fittings and valves; refrigeration valves and fittings; and fabricated tubular products. 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.

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 is composed primarily of Utah Railway Company. SPD and IPD account for more than 98 percent of consolidated net sales and more than 86 percent of consolidated total 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.

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 market conditions.

Results of Operations

Net income was $19.0 million, or 51 cents per diluted share, for the third quarter of 2001, compared with net income of $19.3 million, or 50 cents per diluted share, for the same period of 2000. Weighted average shares outstanding plus assumed conversions used to compute diluted earnings per share were 37.3 million during the third quarter of 2001 versus 38.3 million for the third quarter last year. Year-to-date, net income was $55.2 million, or $1.48 per diluted share, compared with net income of $75.6 million, or $1.97 per diluted share, for 2000.

During the third quarter of 2001, the Company's net sales were $253.4 million, which compares with net sales of $304.0 million, or a 16.6 percent decrease over the same period of 2000. Net sales were $816.0 million in the first nine months of 2001 compared with $950.8 million in 2000. The average price of copper was approximately 10 percent lower in the first nine months of 2001 compared with the same period of 2000, which contributed to the decrease in net sales. During the third quarter of 2001, the Company's manufacturing businesses shipped 173.6 million pounds of product compared to 193.3 million pounds in the same quarter of 2000. The Company shipped 535.8 million pounds of product in the first nine months of 2001 compared with 602.8 million in the same period of 2000. This decline in volume reflects the overall slowdown in the economy.

Cost of goods sold decreased from $242.1 million in the third quarter of 2000 to $190.8 million in the same period of 2001. Selling, general, and administrative expense also decreased from $22.4 million in 2000 to $21.1 million in the third quarter of 2001. The decreases in these operating costs are attributable to the decline in volume experienced in the third quarter. Depreciation and amortization increased to $10.7 million in the third quarter of 2001 compared with $9.2 million in 2000. Production efficiencies at certain manufacturing locations contributed to the increase in third quarter gross profit. Operating income was partially offset by losses at our European operations.

Interest expense for the third quarter of 2001 totaled $0.7 million compared with $2.2 million in the same quarter of 2000. For the first nine months of 2001, interest expense was $2.8 million compared with $7.1 million for the same period of 2000. The Company capitalized $1.4 million and $0.9 million of interest related to capital improvement programs in the first three quarters of 2001 and 2000, respectively. Total interest in the third quarter and first nine months of 2001 decreased due to rate reductions following the restructuring of the Company's bank credit facility late in 2000, combined with lower funded balances.

The Company's effective income tax rate for the first nine months of 2001 was 38.0 percent compared with 36.9 percent for the same period of last year.

Liquidity and Capital Resources

Cash provided by operating activities during the first nine months of 2001 totaled $119.9 million, which is primarily attributable to net income, depreciation and amortization, decreased inventories, and increased current liabilities. During the first nine months of 2001, the Company used $32.1 million in investing activities, consisting primarily of capital expenditures. The Company also used $54.0 million for financing activities during the nine-month period consisting primarily of $64.9 million for repayments of long-term debt, offset by $10.0 million of proceeds from the issuance of Industrial Revenue Bonds (IRB). Existing cash balances, cash from operations, and IRB proceeds were used to fund the year-to-date 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 through open market transactions or through privately negotiated transactions. During 2000, this authorization was expanded to purchase up to 10 million shares. During the third quarter, the authorization was extended through October 2002. 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 will be 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 29, 2001, the Company has repurchased approximately 2.3 million shares under this authorization. There were no shares repurchased during the first three quarters of 2001.

The Company has an unsecured $200 million revolving credit facility (the Credit Facility), which matures in November 2003. Borrowings under the Credit Facility bear interest, at the Company's option, at (i) LIBOR plus a variable premium or (ii) the larger of Prime or the Federal Funds rate plus .50 percent. LIBOR advances may be based upon the one, two, three, or six-month LIBOR. The variable premium over LIBOR is based on certain financial ratios and can range from 25 to 40 basis points. At September 29, 2001, the premium was 25 basis points. Additionally, a facility fee is payable quarterly on the total commitment and varies from 12.5 to 22.5 basis points based upon the Company's capitalization ratios. When funded debt is 50 percent or more of the commitment, a utilization fee is payable quarterly on the average loan balance outstanding and varies from 0 to 20 basis points

based upon the capitalization ratio. Availability of funds under the Credit Facility is reduced by the amount of certain outstanding letters of credit, which totaled approximately $6.5 million at September 29, 2001. At September 29, 2001, the Company's total debt was $52.0 million or 7.2 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.

The Company expects to invest approximately $50 million for capital improvements and additions in 2001, the majority of which relate to projects approved and initiated during the previous year. The modernization of the Company's European copper tube operations is nearing completion. This investment, totaling approximately $40 million, will upgrade the casting, extrusion, and drawing processes. The Company expects to recognize certain benefits of cost reductions and productivity improvements during the remainder of 2001.

On February 13, 2001, the Company, through a wholly owned subsidiary, issued $10 million of 2001 Series IRBs. The Company entered into an interest rate swap agreement, which fixes the interest rate at 6.63 percent for seven years. Subsequent to the seven-year period, the rate will convert to LIBOR plus .90 percent. The IRBs call for quarterly interest payments from June 1, 2001 to March 1, 2021 and for quarterly principal payments of $250 thousand plus interest from June 1, 2011 to March 1, 2021. Proceeds from these 2001 Series IRBs are being used to fund a new extrusion press in the Company's tube mill in Fulton, Mississippi.

Management believes that cash provided by operations and currently available cash of $133.5 million will be adequate to meet the Company's normal future capital expenditure and operational needs. The Company's current ratio is 3.1 to 1 at September 29, 2001.

Item 3. Quantitative and Qualitative Disclosure of Market Risk

Quantitative and qualitative disclosures about market risk are incorporated herein by reference to Part II, Item 7A, of the Company's Report on Form 10-K for the year ended December 30, 2000.

Part II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

19.1 Mueller Industries, Inc.'s Quarterly Report to Stockholders for the quarter ended September 29, 2001. 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 29, 2001, the Registrant filed no Current Reports on Form 8-K.

Items 1, 2, 3, 4, and 5 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 November 2, 2001.

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
19.1	Mueller Industries, Inc.'s Quarterly Report to Stockholders for the quarter ended September 29, 2001. 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.	

TO OUR STOCKHOLDERS, CUSTOMERS, AND EMPLOYEES

We are gratified to report that Mueller's pretax earnings in the third quarter of 2001 increased from the same quarter the year before. Although the increase was small, it was significant, since the nation's economy clearly slowed during the quarter. Despite the horrific September 11th terrorist attacks on our country, our Company and its employees carried on. We recognize that Mueller manufactures basic infrastructure products needed for rebuilding and construction, and you can be assured Mueller will be there when needed.

Net earnings were $19.0 million, or 51 cents per diluted share, in the third quarter of 2001 compared with $19.3 million, or 50 cents per diluted share, for the same quarter last year. The effective tax rate for the quarter was 37.9 percent versus 36.9 percent for the third quarter of 2000. Also, average diluted shares outstanding were 37.3 million versus 38.3 million for the third quarter last year.

Net sales for the third quarter were $253.4 million compared with net sales of $304.0 million for the third quarter of 2000. Our net sales were affected by the decline in the price of copper which averaged 67 cents per pound in the quarter versus 87 cents per pound in the same quarter last year. Also affecting sales was the total pounds of product shipped, which declined by 10 percent from the year before.

The sales decline led to a contraction in margins in the Industrial Products Division; however, margins in the Standard Products Division improved, largely due to production efficiencies and reduced raw material costs.

Year-to-date, net income was $55.2 million on net sales of $816.0 million compared with net income of $75.6 million on net sales of $950.8 million for the first three quarters of 2000. Earnings per diluted share for the first nine months of 2001 were $1.48 compared with $1.97 reported a year ago.

Our European copper tube mill project is nearing completion, both on time and under budget. The objective of this investment was to reduce costs while improving productivity. We believe we will commence reaping these benefits in the fourth quarter of 2001.

With the completion of our European modernization, we are confident that all of our manufacturing plants are highly competitive and world class. This means that over the next several years, our capital investment programs will focus on maintenance and refinements.

The housing and construction industry over the past year has been solid and resilient. Housing starts are currently at a seasonally adjusted annual rate of 1.53 million units. And, mortgage rates are very attractive, having declined along with the nine interest rate cuts by the Federal Reserve Bank. Currently, 30-year mortgage rates are 6.19 percent, compared with 7.56 percent one year ago. Moreover, inventories of new homes available for sale are low, so there is very little overhang of unsold homes.

These factors are clearly positive for our business. The countervailing factors are the erosion in consumer confidence and the uncertain state of the economy.

Obviously, reading the economic tea leaves is a dubious undertaking, but one thing is clear - Americans have found that investing in their home is both personally satisfying and financially rewarding. We believe this will continue to be true, and that Mueller will benefit from this long-term trend.

Mueller is financially strong, with no net debt and excellent cash flow. We are in a position to take advantage of opportunities for growth in the years ahead.

Sincerely,

/S/HARVEY L. KARP	/S/WILLAIM D. O'HAGAN
Harvey L. Karp	William D. O'Hagan
Chairman of the Board	President and Chief Executive Officer

October 16, 2001

<TABLE>
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CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share data)
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Net income	$ 19,001	$ 19,307
Earnings per share		
Basic:		
Weighted average shares outstanding	33,424	34,439
Basic earnings per share	$ 0.57	$ 0.56
Diluted:		
Weighted average shares outstanding plus assumed conversions	37,298	38,275
Diluted earnings per share	$ 0.51	$ 0.50

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

	For the Nine Months Ended	
	September 29, 2001	September 23, 2000
<S>	<C>	<C>
Net sales	$ 816,037	$ 950,847
Cost of goods sold	628,015	732,305
Depreciation and amortization	31,715	27,519
Selling, general, and administrative expense	66,390	71,547
Operating income	89,917	119,476
Interest expense	(2,764)	(7,130)
Environmental reserves	(2,966)	-
Other income, net	4,890	7,509
Income before income taxes	89,077	119,855
Income tax expense	(33,832)	(44,220)
Net income	$ 55,245	$ 75,635
Earnings per share		
Basic:		
Weighted average shares outstanding	33,396	34,582
Basic earnings per share	$ 1.65	$ 2.19
Diluted:		
Weighted average shares outstanding plus assumed conversions	37,237	38,449
Diluted earnings per share	$ 1.48	$ 1.97

</TABLE>

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

	September 29, 2001	December 30, 2000
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	$ 133,520	$ 100,268
Accounts receivable, net	156,393	152,157
Inventories	128,155	142,325
Other current assets	13,695	10,421
Total current assets	431,763	405,171
Property, plant and equipment, net	381,428	379,885
Other assets	126,164	125,220

	$ 939,355	$ 910,276
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	$ 4,120	$ 5,909
Accounts payable	42,436	43,733
Other current liabilities	90,540	68,207
Total current liabilities	137,096	117,849
Long-term debt	47,884	100,975
Other noncurrent liabilities	86,508	77,050
Total liabilities	271,488	295,874
Minority interest in subsidiaries	297	297
Stockholders' equity	667,570	614,105
	$ 939,355	$ 910,276

</TABLE>

MUELLER INDUSTRIES, INC. IS NAMED SUPPLIER
OF THE YEAR BY AFFILIATED DISTRIBUTORS

At its annual meeting of North American affiliates and preferred suppliers, Affiliated Distributors (A-D) named Mueller Industries, Inc. its 2001 Plumbing Supplier of the Year. A-D is one of North America's largest distribution networks. Its plumbing division, which represents a cooperative of leading independent distributors of plumbing, heating, air-conditioning, and industrial piping products, consists of over 50 distributors and 700 locations in the United States.

A-D's affiliates selected Mueller for its overall excellent performance from a field of over 80 preferred suppliers. Selection criteria included excellence in sales representation, customer service, product quality, marketing support, and service levels. This award demonstrates Mueller's continuing success in fulfilling one of our prime objectives: to provide our customers with superior service.

[PHOTO]