

1994

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 March 26, 1994 Commissions file number 1-569

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

DELAWARE
(State or other jurisdiction
of incorporation or organization)

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

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

Registrant's telephone number, including area code: (316) 636-6300
Securities registered pursuant to Section 12(b) of the Act:

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

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

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

The number of shares of the Registrant's common stock outstanding as of April 11, 1994 was 9,599,193.

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

MUELLER INDUSTRIES, INC.

FORM 10-Q

For the Period Ended March 26, 1994

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

| <S> | For the Quarter Ended | |
|---|-----------------------|-----------------------|
| | March 26, 1994 <C> | March 27, 1993 <C> |
| Net sales | \$ 120,812 | \$ 131,037 |
| Cost of goods sold | 97,473 | 108,256 |
| Depreciation, depletion, and amortization | 2,700 | 2,875 |
| Selling, general, and administrative expense | 10,688 | 12,058 |
| | ----- | ----- |
| Operating income | 9,951 | 7,848 |
| Interest expense | (1,694) | (1,495) |
| Environmental reserves | (412) | - |
| Unusual items | (265) | - |
| Other income, net | 1,379 | 632 |
| | ----- | ----- |
| Income before income taxes | 8,959 | 6,985 |
| Current income tax expense | (794) | (851) |
| Deferred income tax expense | (2,528) | (1,921) |
| | ----- | ----- |
| Total income tax expense | (3,322) | (2,772) |
| | ----- | ----- |
| Net income | \$ 5,637 | \$ 4,213 |
| | ===== | ===== |

Earnings per common and
common equivalent share

Primary:

| | | |
|----------------------------|------------|------------|
| Average shares outstanding | 10,437,000 | 10,372,000 |
| Net income | \$ 0.54 | \$ 0.41 |
| | ===== | ===== |

Fully diluted:

| | | |
|----------------------------|------------|------------|
| Average shares outstanding | 10,437,000 | 10,398,000 |
| Net income | \$ 0.54 | \$ 0.41 |
| | ===== | ===== |

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE>

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

| <S> | March 26, 1994 <C> | December 25, 1993 <C> |
|--|-----------------------|--------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 79,360 | \$ 77,336 |
| Accounts receivable, less allowance for doubtful accounts of \$3,500 in 1994 and \$3,495 in 1993 | 62,404 | 59,197 |
| Inventories: | | |
| Raw materials and supplies | 10,261 | 5,704 |
| Work-in-process | 13,606 | 16,501 |
| Finished goods | 30,509 | 30,913 |
| | ----- | ----- |
| Total inventories | 54,376 | 53,118 |
| Current deferred income taxes | 2,714 | 3,242 |
| Other current assets | 2,835 | 1,518 |
| | ----- | ----- |
| Total current assets | 201,689 | 194,411 |
| Property, plant and equipment, net | 156,388 | 154,403 |
| Deferred income taxes | 10,751 | 12,751 |
| Other assets | 24,264 | 8,178 |
| | ----- | ----- |
| | \$ 393,092 | \$ 369,743 |
| | ===== | ===== |

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE>

MUELLER INDUSTRIES, INC.

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except share data)

<CAPTION>

| | March 26, 1994 | December 25, 1993 |
|---|----------------|-------------------|
| <S> | <C> | <C> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 11,352 | \$ 8,391 |
| Accounts payable | 16,245 | 15,637 |
| Accrued wages and other employee costs | 11,148 | 11,787 |
| Restructuring reserves | 4,835 | 5,305 |
| Current deferred income taxes | 441 | 446 |
| Other current liabilities | 10,544 | 9,340 |
| | ----- | ----- |
| Total current liabilities | 54,565 | 50,906 |
| Long-term debt | 69,654 | 54,320 |
| Pension and post retirement liabilities | 18,362 | 18,834 |
| Deferred income taxes | 3,810 | 3,810 |
| Other noncurrent liabilities | 19,328 | 19,759 |
| | ----- | ----- |
| Total liabilities | 165,719 | 147,629 |
| Stockholders' equity: | | |
| Preferred stock-shares authorized 5,000,000; none outstanding | - | - |
| Common stock - \$.01 par value; shares authorized 20,000,000; issued and outstanding 10,000,000 | 100 | 100 |
| Paid-in capital, common | 236,293 | 236,406 |
| Accumulated deficit (Since January 1, 1991) | (302) | (5,939) |
| Cumulative translation adjustment | (2,435) | (1,944) |
| Treasury common stock at cost, 402,307 shares in 1994 and 416,807 shares in 1993 | (6,283) | (6,509) |
| | ----- | ----- |
| Total stockholders' equity | 227,373 | 222,114 |
| Commitments and contingencies | - | - |
| | ----- | ----- |
| | \$ 393,092 | \$ 369,743 |
| | ===== | ===== |

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE>

MUELLER INDUSTRIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)
<CAPTION>

| <S> | For the Quarter Ended | |
|---|-----------------------|-----------------------|
| | March 26, 1994 <C> | March 27, 1993 <C> |
| Cash flows from operating activities | | |
| Net income | \$ 5,637 | \$ 4,213 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Provision for unusual items | 265 | - |
| Depreciation, depletion and amortization of intangibles | 2,700 | 2,875 |
| Deferred income taxes | 2,528 | 1,921 |
| Gain on disposal of properties | (753) | (24) |
| Changes in assets and liabilities: | | |
| Receivables | (3,207) | (9,074) |
| Inventories | (1,258) | 6,653 |
| Other assets | (826) | 1,948 |
| Current liabilities | 702 | (5,281) |
| Other liabilities | (1,167) | 1,192 |
| Other, net | (262) | 213 |
| Net cash provided by operating activities | 4,359 | 4,636 |
| Cash flows from investing activities | | |
| Capital expenditures | (5,730) | (3,342) |
| Proceeds from sales of properties | 1,596 | 59 |
| Escrowed IRB proceeds included in other assets | (16,609) | - |
| Net cash used by investing activities | (20,743) | (3,283) |
| Cash flows from financing activities | | |
| Repayments of long-term debt | (1,705) | (1,191) |
| Proceeds from sale of treasury stock | 113 | 118 |
| Issuance of long-term debt | 20,000 | 386 |
| Net cash provided (used) by financing activities | 18,408 | (687) |
| Increase in cash and cash equivalents | 2,024 | 666 |
| Cash and cash equivalents at the beginning of the period | 77,336 | 44,459 |
| Cash and cash equivalents at the end of the period | \$ 79,360 | \$ 45,125 |

<FN>
See accompanying notes to consolidated financial statements.

</TABLE>
MUELLER INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

General

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

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

Note 1 - Income Taxes

As discussed more fully in Note 6 of Notes to Consolidated Financial Statements included in the Company's 1993 Annual Report, the Company has substantial Net Operating Loss Carryforwards (NOL). As of December 25, 1993, approximately \$21.7 million of these NOLs were available for immediate use. Use of the remaining NOLs is limited to an annual amount of \$14.4 million by Section 382 of the Internal Revenue Code of 1986, as amended (the Code), as a

result of the "change in ownership" that occurred on December 28, 1990 in connection with the reorganization of Sharon Steel Corporation, the Company's predecessor for purposes of the Bankruptcy Code. See Note 1 of Notes to Consolidated Financial Statements. Based on information available to the Company, the sale in August, 1993, of shares of Common Stock by Quantum Fund N.V. (Quantum), as described in the Registration Statement on Form S-3 filed with the Securities and Exchange Commission on July 7, 1993, has resulted in a substantial owner shift, but will not, standing alone, result in a "change of ownership" for purposes of Section 382 of the Code.

Note 2 - Earnings Per Common Share

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

Note 3 - Long-term Debt

On December 28, 1993, the Company, through a wholly owned subsidiary, issued \$20.0 million of 6.95% taxable Industrial Development Revenue Bonds due December 15, 2000 (the IRBs). The IRBs are due in quarterly installments of \$0.7 million beginning March 15, 1994 through December 15, 2000. Interest on the IRBs is payable quarterly commencing March 15, 1994. The IRBs are secured by \$10 million of cash and securities on deposit in an investment account with the lender. The \$10 million of cash security will reduce to zero in 1996. Proceeds of the IRBs will be used to fund a modernization project at the Company's Fulton, Mississippi facility. The IRBs were purchased by the same financial institution that provided the Credit Facility. Concurrently, the Company agreed to reduce availability under the Credit Facility to \$7.0 million to accommodate the lender's internal policy limits. Availability is restored as the Company repays its obligations held by that institution.

Note 4 - Commitments and Contingencies

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

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

Purchase Commitments

The Company has committed to capital expenditures of approximately \$20.0 million, for a major project to modernize the copper tube mill in Fulton, Mississippi. In February, 1994, the Board approved a \$15.0 million modernization project for the brass rod mill in Port Huron, Michigan. Both of these approved major projects should become fully operational in the latter half of 1995. No other material purchase commitments for capital expenditures exist.

Canco Litigation Settlement

On March 25, 1994, the Company's Canco Oil & Gas Ltd. (Canco) subsidiary settled all litigation against the Government of Saskatchewan and Scurry Rainbow Oil Limited in which Canco asserted, among other things, that its royalty interests continued against mineral titles transferred to the government as well as other expropriated properties. The Company recognized a gain of approximately \$.6 million as a result of the settlement.

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

General Overview

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

Profitability of certain of the Company's product lines is dependent upon the "spreads" between the cost of metal and the gross selling price of the related manufactured product. The open market price for grade A copper cathode, for example, directly influences the selling price for copper tubing, a principal product manufactured by the Company. The Company attempts to

minimize the effects of changes in copper prices by passing through to its customers base metal costs. The market price of copper does, however, effect the carrying value (FIFO basis) of the Company's copper inventories and, to a lesser extent, brass inventories. These inventories customarily total between 30 to 35 million pounds. "Spreads" fluctuate based upon competitive market conditions. In 1993 and 1992, "spreads" were favorable by historical standards.

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

Results of Operations

Net income was \$5.6 million, or 54 cents per common share, for the first quarter of 1994, which compares with net income of \$4.2 million, or 41 cents per common share, for the same period of 1993.

During the first quarter of 1994 the Company's net sales were \$120.8 million, which compares to net sales of \$131.0 million, or a 8 percent decrease over the same period of 1993. The change in net sales was primarily attributable to: (i) volume increases of 3 percent; and (ii) pricing decreases due to lower average raw material costs (price of copper) in 1994 the benefits of which generally are passed through to customers in certain product lines. The Company's core manufacturing businesses shipped 92.0 million pounds of product in the first quarter of 1994 which compares to 89.1 million pounds in the same quarter of 1993. First quarter operating income increased primarily due to: (i) productivity improvements at its manufacturing plants; (ii) selective price increases in the fittings and brass rod markets; and (iii) cost reductions in the areas of selling, general and administrative expenses.

The Company uses the first-in, first-out (FIFO) method of accounting for its inventories. Under this method, the inventory items acquired first are assumed to be sold first, thereby matching earliest costs with current selling prices. In two of the principal product line markets in which the Company competes, selling prices are influenced by the current price of metal (primarily copper as well as base metals used in the formation of brass alloys). Therefore, when metal prices change on the open market, the Company adjusts its selling prices, to the extent competitive pressures allow, to reflect such changes and maintain the "spreads". Nonetheless, financial reporting, under the FIFO method, matches historical inventory costs with current selling prices, rather than current replacement costs with current selling prices. While the impact of metal price volatility is moderated by rapid inventory turns, upward and downward trends of longer duration may impact gross profits under the FIFO method.

Interest expense increased approximately \$.2 million due to IRBs issued early in the first quarter of 1994 for the purpose of financing a capital improvement program at the copper tube mill. Other non-operating items included (i) a gain of \$.6 million related to the settlement of litigation as discussed in Note 4, (ii) a provision for environmental reserves of \$.4 million related to a site in which Mueller Brass Co., a subsidiary of the Company, was notified it was a potentially responsible party, and (iii) a \$.3 million provision to further reduce the carrying cost of a note receivable from Sharon Specialty Steel Company, Inc.

Liquidity and Capital Resources

Cash provided by operating activities in the first quarter of 1994 totaled \$4.4 million which is primarily attributable to net income, depreciation, and deferred income taxes, offset by increases in receivables and inventories.

During the first quarter of 1994, the Company's capital expenditures totaled \$5.7 million which was provided for by cash from operations, except that portion related to the copper tube mill project which was funded by the IRBs as discussed in Note 3.

The Company has an unsecured line-of-credit agreement (the Credit Facility) which expires on September 30, 1994, but may be extended to September 30, 1995 at the Company's option. Borrowings bear interest at prime less 1/2 of one percent.

During the first quarter of 1994, the Company agreed to reduce its borrowing availability under the Credit Facility to \$7.0 million concurrently with the issuance of the IRBs. At March 26, 1994, the Company's total debt was \$81.0 million or 26.3 percent of its capitalization.

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

certain notes issued by its wholly-owned subsidiary restrict the amount of cash that may be loaned or dividdened by that subsidiary. The Company is in compliance with all debt covenants.

Management believes that cash provided by operations and currently available cash of \$79.4 million will be adequate to meet the Company's normal future capital expenditure and operational needs. The Company's current ratio remains strong at 3.7 to 1.

As part of its ongoing strategic planning process, the Company has approved two major capital expenditure projects and is evaluating a third for the following plants: (i) Fulton, Mississippi copper tube mill; (ii) Port Huron, Michigan brass rod mill; and (iii) our copper fittings operation. These projects will require capital of approximately \$15.0 to \$20.0 million each. The primary objective of these projects is to improve efficiency and productivity as well as add some capacity.

The Fulton project was financed by IRBs which were issued during the first quarter of 1994. The Company is also evaluating alternatives for funding the other two projects including cash from operations and debt financing.

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 March 26, 1994. Such report is being furnished for the information of the Securities and Exchange Commission only and is not to be deemed filed as part of this Quarterly Report on Form 10-Q.

99.1 Press Release issued by Mueller Industries, Inc. on April 22, 1994.

(b) During the quarter ended March 26, 1994, 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 April 22, 1994.

MUELLER INDUSTRIES, INC.

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

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

/S/ ROY C. HARRIS
Roy C. Harris
Corporate Controller

TO OUR STOCKHOLDERS

Mueller's earnings rose 34 percent for the first quarter of 1994 compared with the same quarter of 1993. Earnings were \$5.6 million, or 54 cents per share on 10,437,000 average shares outstanding, compared to earnings of \$4.2 million, or 41 cents per share on 10,372,000 average shares outstanding, for the first quarter of 1993.

We are gratified that the earnings increase was achieved despite harsh weather conditions which prevailed during most of the first quarter this year. However, productivity increases, yield improvements and cost reductions contributed to improved profit margins.

Net sales for the first quarter of 1994 totaled \$120.8 million, compared to \$131.0 million for the first quarter of 1993. As we have previously noted, Mueller's sales dollars are significantly affected by the price of copper, our principal raw material. Average copper prices were fourteen percent lower in the first quarter of 1994 compared to the same period of 1993.

Our capital improvement programs continue to show good progress. The \$20 million expansion of our Fulton, Mississippi copper tube plant has commenced and the equipment has been ordered. The State of Mississippi, through tax credits and an industrial revenue bond facility, has enabled us to finance this project on attractive terms. Also, the \$15 million modernization program at our Port Huron, Michigan brass rod mill is underway. These programs are scheduled to be completed in the latter half of 1995. Other capital improvement projects are being evaluated including a major upgrading of our copper fittings manufacturing operations. We believe these programs will provide a sound foundation for our growth and profitability.

We are pleased to report that Mueller has entered into five-year contracts with the unions representing our production workers in Michigan and Mississippi. Labor contracts of this length are possible only when the parties are committed to teamwork and cooperation. Mueller operates in a highly competitive global environment, and we recognize that teamwork is an essential ingredient to our success.

Our annual stockholders' meeting will be held on May 12, 1994 in Wichita, Kansas. We invite each stockholder to attend, but if you cannot attend, please return your proxy card promptly.

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

April 22, 1994

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

| | For the Quarter Ended | |
|---|-----------------------|----------------|
| | March 26, 1994 | March 27, 1993 |
| <S> | <C> | <C> |
| Net sales | \$ 120,812 | \$ 131,037 |
| Costs and expenses | 110,861 | 123,189 |
| | ----- | ----- |
| Operating income | 9,951 | 7,848 |
| Non operating expense, net | 992 | 863 |
| | ----- | ----- |
| Income before taxes | 8,959 | 6,985 |
| Income tax expense | 3,322 | 2,772 |
| | ----- | ----- |
| Net income | \$ 5,637 | \$ 4,213 |
| | ===== | ===== |
| Earnings per common and common equivalent share: | | |
| Primary | \$ 0.54 | \$ 0.41 |
| | ===== | ===== |
| Fully diluted | \$ 0.54 | \$ 0.41 |
| | ===== | ===== |

</TABLE>

<TABLE>

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

| | March 26, 1994 <C> | December 25, 1993 <C> |
|--|-----------------------|--------------------------|
| <S> | | |
| Assets | | |
| Current assets | \$ 201,689 | \$ 194,411 |
| Property, plant and equipment, net | 156,388 | 154,403 |
| Other assets | 35,015 | 20,929 |
| | ----- | ----- |
| | \$ 393,092 | \$ 369,743 |
| | ===== | ===== |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | \$ 54,565 | \$ 50,906 |
| Long-term debt | 69,654 | 54,320 |
| Other noncurrent liabilities | 41,500 | 42,403 |
| | ----- | ----- |
| Total liabilities | 165,719 | 147,629 |
| | ----- | ----- |
| Stockholders' equity: | | |
| Common stock | 100 | 100 |
| Paid-in capital, common | 236,293 | 236,406 |
| Accumulated deficit (since January, 1991) | (302) | (5,939) |
| Cumulative translation adjustments | (2,435) | (1,944) |
| Treasury common stock at cost | (6,283) | (6,509) |
| | ----- | ----- |
| Total stockholders' equity | 227,373 | 222,114 |
| | ----- | ----- |
| | \$ 393,092 | \$ 369,743 |
| | ===== | ===== |
| Book value per share | \$ 23.69 | \$ 23.18 |
| | ===== | ===== |

</TABLE>
DIRECTORS AND OFFICERS

DIRECTORS

| | |
|---------------------------|---|
| Harvey L. Karp | Chairman of the Board Mueller Industries, Inc. |
| Ray C. Adam (1) (2) | Private Investor |
| Rodman L. Drake (2) (3) | President of Rodman L. Drake & Co., Inc. |
| Gary S. Gladstein (1) (2) | Managing Director of Soros Fund Management |
| Allan Mactier (1) (3) | Private Investor |
| William D. O'Hagan | President and Chief Executive Officer Mueller Industries, Inc. |
| Robert J. Pasquarelli (1) | Chief Executive Officer of New Jersey Steel Corporation |
| Paul Soros | Private Investor |

OFFICERS

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

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

[FN]

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

FOR IMMEDIATE RELEASE
April 22, 1994

Contact: Kent A. McKee
(316) 636-6300

MUELLER INDUSTRIES, INC. ANNOUNCES
FIRST QUARTER RESULTS

Wichita, KS - Mueller Industries, Inc. (NYSE MLI) today reported net income of \$5.6 million, or \$.54 per share, on net sales of \$120.8 million for the fiscal quarter ended March 26, 1994. This compares with a net income of \$4.2 million, or \$.41 cents per share, on net sales of \$131.0 million for the first quarter of 1993. Average shares outstanding totaled 10,437,000 in 1994 and 10,372,000 in 1993.

Harvey L. Karp, Chairman stated, "We are gratified that the earnings increase was achieved despite harsh weather conditions which prevailed during most of the first quarter this year. However, productivity increases, yield improvements and cost reductions contributed to improved profit margins."

Mr Karp also stated that "Mueller's sales dollars are significantly affected by the price of copper, our principal raw material. Average copper prices were fourteen percent lower in the first quarter of 1994 compared to the same period of 1993."

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

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

| | For the Quarter Ended | |
|---|-----------------------|----------------|
| | March 26, 1994 | March 27, 1993 |
| <S> | <C> | <C> |
| Net sales | \$ 120,812 | \$ 131,037 |
| Costs and expenses | 110,861 | 123,189 |
| | ----- | ----- |
| Operating income | 9,951 | 7,848 |
| Non operating expense, net | 992 | 863 |
| | ----- | ----- |
| Income before taxes | 8,959 | 6,985 |
| Income tax expense | 3,322 | 2,772 |
| | ----- | ----- |
| Net income | \$ 5,637 | \$ 4,213 |
| | ===== | ===== |
| Earnings per common and common equivalent share: | | |
| Primary | \$ 0.54 | \$ 0.41 |
| | ===== | ===== |
| Fully diluted | \$ 0.54 | \$ 0.41 |
| | ===== | ===== |

</TABLE>

<TABLE>

MUELLER INDUSTRIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except per share data)

<CAPTION>

| | March 26, 1994 | December 25, 1993 |
|--------------------------------------|----------------|-------------------|
| <S> | <C> | <C> |
| ASSETS | | |
| Cash and cash equivalents | \$ 79,360 | \$ 77,336 |
| Accounts receivable, net | 62,404 | 59,197 |
| Inventories | 54,376 | 53,118 |
| Other current assets | 5,549 | 4,760 |
| | ----- | ----- |
| Total current assets | 201,689 | 194,411 |
| Property, plant and equipment, net | 156,388 | 154,403 |
| Other assets | 35,015 | 20,929 |
| | ----- | ----- |
| | \$ 393,092 | \$ 369,743 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current portion of long-term debt | \$ 11,352 | \$ 8,391 |
| Accounts payable | 16,245 | 15,637 |
| Other current liabilities | 26,968 | 26,878 |
| | ----- | ----- |
| Total current liabilities | 54,565 | 50,906 |
| Long-term debt | 69,654 | 54,320 |
| Other noncurrent liabilities | 41,500 | 42,403 |
| | ----- | ----- |
| Total liabilities | 165,719 | 147,629 |
| Stockholders' equity | 227,373 | 222,114 |
| | ----- | ----- |
| | \$ 393,092 | \$ 369,743 |
| | ===== | ===== |
| Book value per share | \$ 23.69 | \$ 23.18 |
| | ===== | ===== |

</TABLE>