06
ANNUAL REPORT
MUELLER
INDUSTRIES, INC.

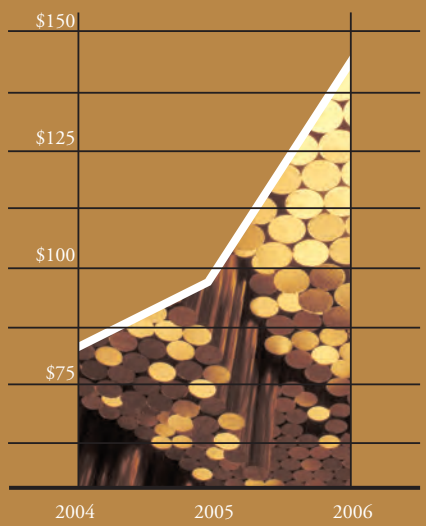
Mueller Industries, Inc. (NYSE: MLI) is a leading U.S. manufacturer of copper tube and fittings; brass and copper alloy rod, bar, and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; plastic fittings and valves; refrigeration valves and fittings; and fabricated tubular products.

FINANCIAL & OPERATING
HIGHLIGHTS

(In thousands, except per share data)	2006	2005	2004	2003	2002
SUMMARY OF OPERATIONS					
Net sales	$ 2,510,912	$ 1,729,923	$ 1,379,056	$ 999,078	$ 952,983
Net income	$ 148,869	$ 92,542	$ 79,416	$ 45,381	$ 77,992
Diluted earnings per share	$ 4.00	$ 2.49	$ 2.15	$ 1.23	$ 2.11
Dividends per share	$ 0.40	$ 0.40	$ 15.40	$ -	$ -
SIGNIFICANT YEAR-END DATA					
Cash and cash equivalents	$ 200,471	$ 129,685	$ 47,449	$ 255,088	$ 217,601
Ratio of current assets to current liabilities	3.0 to 1	2.4 to 1	2.5 to 1	4.6 to 1	4.6 to 1
Long-term debt (including current portion)	$ 344,152	$ 316,190	$ 315,978	$ 14,272	$ 18,166
Debt as a percent of total capitalization	36.9%	42.8%	47.3%	1.7%	2.4%
Stockholders' equity	$ 588,814	$ 422,908	$ 351,686	$ 814,858	$ 753,523
Book value per share	$ 15.90	$ 11.54	$ 9.66	$ 23.77	$ 22.00
Capital expenditures	$ 41,206	$ 18,449	$ 19,980	$ 27,236	$ 23,265

NET SALES
(in millions)

NET INCOME
(in millions)



TO OUR STOCKHOLDERS, CUSTOMERS & EMPLOYEES

Two Thousand and Six was an outstanding year for Mueller. We set records in virtually every category… sales, operating income, net income, and earnings per share.

Net sales in 2006 totaled $2.51 billion compared with $1.73 billion in 2005. Much of the sales increase was driven by the increase in the price of copper, our principal raw material. The average price of copper in 2006 was $3.09 per pound, or 84 percent higher than the year before. Mueller endeavors to incorporate its added costs into the price of our products in a timely manner. Largely, in 2006, we were able to do so.

Net income in 2006 was $148.9 million, 61 percent more than the year before. Earnings per diluted share were $4.00 compared with $2.49 in 2005.

In the first three quarters of 2006, we achieved the best ever results for each such quarter. However, in the fourth quarter, the much anticipated "correction" in the housing market finally occurred. There was a precipitous drop in orders, as customers became increasingly cautious. As a result we earned 14 cents per diluted share in the fourth quarter (after an inventory valuation adjustment of 26 cents per diluted share) compared with 97 cents per diluted share for the same period the year before. We believe that many of our customers are now at the point of needing to replenish their inventories, and that more normal business conditions in the housing sector may prevail as the year 2007 progresses.

Housing starts in 2006 declined by 15 percent compared with 2005, and a further decline may occur in 2007. However, the commercial construction market continues to expand and the "do-it-yourself" retail market is in a long-term upswing.

Financial Position

Mueller ended the year with over $200 million in cash on hand. Our current ratio is 3.0 to 1 and our debt to total capitalization is 36.9 percent. We place a high priority on maintaining a strong balance sheet. By doing so, we are well positioned to take advantage of business opportunities as they arise. Our cash flow remains solid despite the additional investments made to working capital due to rising raw material costs. We expect to fund our 2007 capital expenditures from internal sources.

In the fourth quarter, we increased our existing credit facility to $200 million with a syndicate of six commercial banks. The terms of this credit facility are comparable to a single A credit rating which reflects the underlying strength of our financial position. As of this writing, the $200 million credit facility is undrawn and available to fund investment opportunities.

Operations Review

Operating income in 2006 totaled $218.9 million, an increase of 66 percent, compared with $131.8 million the year before.

The increase resulted from improved margins in our brass rod, copper tube and copper fittings businesses, as well as better returns from our European companies and the addition of our joint venture in China. Only our North American trading operations fell short of expectation, which we believe to be an aberration.

In many ways, 2006 was a particularly challenging year, despite our successful results. The year was marked by record high copper prices, which reached $4.08 per pound in May and then declined by 36 percent from its peak by year-end. The same extraordinary volatility occurred with other metals and energy costs too.

Also, our manufacturing operations had to rapidly adjust to significant fluctuations in demand. Our plants operated at moderate levels for the first half of 2006, but then had to retrench as the order volume declined. We are pleased that our operations were able to respond to these changing circumstances with flexibility and promptness.

We continue to invest in improving all aspects of our business. Our capital expenditures in 2006 exceeded $40 million, with $18 million invested in China to enlarge our commercial copper tube capacity.

Also, we recently opened a sourcing office in China for the purpose of identifying and managing supplier relations for the procurement of valves, fittings, faucets, and plumbing specialties. We expect to use this office to fully leverage the benefits available from coordinated purchasing for our North American and United Kingdom import distribution activities.

We have dedicated a portion of our factory in Wynne, Arkansas to manufacture commercial copper tube for the North American market. This is a new product line for us, but we possess the technical capabilities and the customer contacts to become a significant factor in this marketplace.

In addition, we will soon be manufacturing ABS plastic pipe in our Ontario, California factory. This is a logical extension of our product line, and it will be sold to the marketplace we now serve.

In February 2007, our Company purchased Extruded Metals, Inc., located in Belding, Michigan. Extruded manufactures brass rod, which is complementary to our

existing brass rod business in Port Huron, Michigan. Although the consumption of brass rod in North America has been declining, we believe that there are substantial cost savings and economies of scale to be achieved. The combined companies will be better able to compete in the globalized brass rod business.

Business Outlook

After more than five years of vigorous growth, the housing industry is undergoing a widely predicted "correction," which commenced in the latter part of 2006. The "correction" has continued into 2007, but it remains uncertain whether it has already bottomed-out.

We believe that we will see an improving environment for our business as the year continues. We note that the overall United States economy is in very good shape. The statistics on GDP growth, consumer confidence, capital-goods orders, interest and mortgage rates, and job growth are all positive.

Also, the inventory of new unsold homes has begun to decline and in most markets home prices have stabilized or retreated. The housing sector is making the necessary adjustments, which will put it on a sound footing going forward.

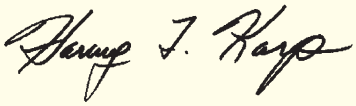
We anticipate that our non-residential businesses, which constitute a significant portion of our total, will have a good year.

Closing

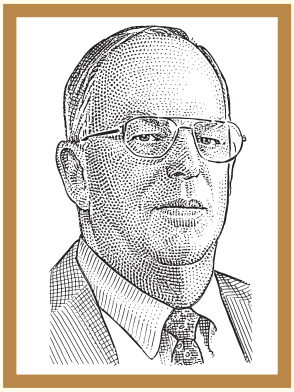
We extend our thanks and appreciation to our talented and dedicated employees. This past year was particularly challenging due to volatility in the prices of copper and energy. Our people met the challenge and the result was the best year in Mueller's history.

We are pleased to report that Mueller was recently recognized in the *Forbes* Platinum list of the 400 Best Big Companies in America.

Sincerely,



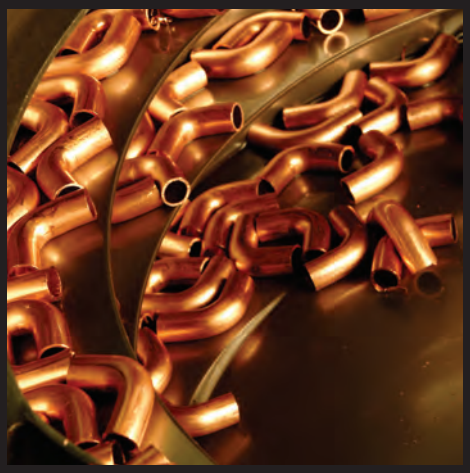
HARVEY L. KARP
CHAIRMAN OF THE BOARD



WILLIAM D. O'HAGAN
PRESIDENT AND CHIEF EXECUTIVE OFFICER

March 1, 2007

Statements in this release that are not strictly historical may be "forward-looking" statements, which involve risks and uncertainties. These include economic and currency conditions, continued availability of raw materials, market demand, pricing, and competitive and technological factors, among others, as set forth in the Company's SEC filings.



OPERATIONAL OVERVIEW

PLUMBING & REFRIGERATION

Standard Products

Locations	Products and Applications	Customers
Fulton, Mississippi Wynne, Arkansas	· Water tube, in straight lengths and coils, for plumbing and construction · Dehydrated coils and nitrogen-charged straight lengths for refrigeration and air-conditioning · Industrial tube, in straight lengths and level-wound coils, for fittings, redraw, etc. · Line sets for controlling the flow of refrigerant gases	· Plumbing wholesalers, home centers, and hardware wholesalers and co-ops · Air-conditioning and refrigeration wholesalers and OEMs · Mueller's copper fittings plants and OEMs
Fulton, Mississippi Covington, Tennessee	· Over 1,500 wrot copper elbows, tees and adapters, and assorted fittings for plumbing, heating, air-conditioning, and refrigeration	· Plumbing and air-conditioning wholesalers, home centers, hardware wholesalers and co-ops, and OEMs
Portage, Michigan Ontario, California Upper Sandusky, Ohio Fort Pierce, Florida	· A broad line of over 1,000 PVC and ABS plastic fittings and valves for drainage, waste and ventilation, and pressure applications in housing and commercial construction, recreational vehicles, and manufactured housing	· Plumbing and air-conditioning wholesalers, home centers, hardware wholesalers and co-ops, and OEMs
Elk Grove Village, Illinois	· Imports an extensive line of plumbing products including valves, faucets, malleable iron pipe fittings, steel nipples, and plumbing specialties	· Building product retailers · Hardware co-ops and wholesalers · Plumbing wholesalers · Distributors to the manufactured housing and recreational vehicle industry

European Operations

Bilston, United Kingdom Birmingham, United Kingdom	· Copper tube in various lengths, diameters, and hardnesses for plumbing, refrigeration, and heating · Industrial tube for redraw, copper fittings, etc. · Imports an extensive line of plumbing products including valves, faucets, malleable iron pipe fittings, steel nipples, and plumbing specialties	· Builders' merchants, plumbing, refrigeration, and heating wholesalers · OEMs

Mexican Operations

Monterrey, Mexico	· Pipe nipple manufacturing · Imports an extensive line of plumbing products including malleable iron pipe fittings, steel nipples, and plumbing specialties	· Building product retailers · Hardware co-ops and wholesalers · Plumbing wholesalers

ORIGINAL EQUIPMENT MANUFACTURER (OEM)

Industrial Products

Port Huron, Michigan	· A broad range of brass rod rounds, squares, hexagons, and special shapes in free machining, thread rolling, and forging alloys for numerous end products, including plumbing brass, valves and fittings, and industrial machinery and equipment	· OEMs, contract machining companies and distributors
Port Huron, Michigan	· Brass and aluminum hot forgings in various alloys for plumbing brass, valves and fittings, and industrial machinery and equipment	· OEMs
Marysville, Michigan Brighton, Michigan	· Cold-formed aluminum and copper products for automotive, industrial, and recreational components · High volume machining of aluminum, steel, brass and cast iron, forgings, impacts, and castings for automotive applications	· OEMs
North Wales, Pennsylvania	· Shaped and formed tube, produced to tight tolerances, for baseboard heating, appliances, medical instruments, etc.	· OEMs

Engineered Products

Hartsville, Tennessee Carthage, Tennessee	· Valves and custom OEM products for refrigeration and air-conditioning applications	· OEMs and refrigeration wholesalers
Jacksboro, Tennessee Waynesboro, Tennessee Middletown, Ohio	· Custom valves and gas train assemblies for the gas appliance and barbecue grill markets	· OEMs
Jintan City, Jiangsu, China	· Engineered, grooved copper tube products for refrigeration and air-conditioning applications.	· OEMs and refrigeration wholesalers

10 YEAR SUMMARY

(Dollars in thousands, except per share data)	2006	2005	2004	2003
INCOME STATEMENT DATA				
Net sales	$2,510,912	$1,729,923	$1,379,056	$ 999,078
Cost of goods sold	2,109,436	1,430,075	1,115,612	815,849
Gross profit	401,476	299,848	263,444	183,229
Depreciation and amortization	41,619	40,696	40,613	38,954
Selling, general, and administrative expense	140,972	127,394	106,400	94,891
Impairment charge	-	-	3,941	-
Operating income	218,885	131,758	112,490	49,384
Interest expense	(20,477)	(19,550)	(3,974)	(1,168)
Other income, net	5,171	11,997	6,842	3,220
Income from continuing operations before income taxes	203,579	124,205	115,358	51,436
Income tax expense	(54,710)	(34,987)	(35,942)	(7,215)
Net income from continuing operations	148,869	89,218	79,416	44,221
Income (loss) from discontinued operations	-	3,324	-	1,160
Net income	$ 148,869	$ 92,542	$ 79,416	$ 45,381
Adjusted weighted average shares (000)	37,246	37,103	36,911	36,861
Diluted earnings per share	$ 4.00	$ 2.49	$ 2.15	$ 1.23
Dividends per share	$ 0.40	$ 0.40	$ 15.40	$ -
BALANCE SHEET DATA				
Cash and cash equivalents	$ 200,471	$ 129,685	$ 47,449	$ 255,088
Current assets	776,194	624,276	462,928	575,591
Working capital	520,675	360,594	274,513	451,494
Total assets	1,268,907	1,116,928	971,328	1,060,420
Current liabilities	255,519	263,682	188,415	124,097
Debt	344,152	316,190	315,978	14,272
Stockholders' equity	588,814	422,908	351,686	814,858
SELECTED OPERATING DATA				
Cash provided by operations	$ 64,539	$ 106,117	$ 154,761	$ 73,416
Capital expenditures	$ 41,206	$ 18,449	$ 19,980	$ 27,236
Number of employees	4,721	4,756	4,535	3,525
Current ratio	3.0 to 1	2.4 to 1	2.5 to 1	4.6 to 1
Return on average equity	29.4%	23.9%	13.6%	5.8%
Debt to total capitalization	36.9%	42.8%	47.3%	1.7%
Outstanding shares (000)	37,025	36,644	36,390	34,276
Book value per share	$ 15.90	$ 11.54	$ 9.66	$ 23.77

2002	2001	2000	1999	1998	1997
$ 952,983	$ 969,106	$1,157,660	$1,110,361	$ 854,030	$ 843,545
744,781	740,366	887,635	840,364	657,664	665,874
208,202	228,740	270,025	269,997	196,366	177,671
37,440	39,461	34,043	32,901	21,127	19,311
85,006	83,750	90,344	91,420	69,784	60,294
-	-	-	-	-	-
85,756	105,529	145,638	145,676	105,455	98,066
(1,460)	(3,311)	(8,623)	(11,090)	(5,517)	(4,920)
4,171	2,187	7,066	8,317	4,359	4,206
88,467	104,405	144,081	142,903	104,297	97,352
(17,290)	(38,982)	(51,096)	(43,541)	(30,309)	(28,338)
71,177	65,423	92,985	99,362	73,988	69,014
6,815	1,532	(295)	(83)	1,457	756
$ 77,992	$ 66,955	$ 92,690	$ 99,279	$ 75,445	$ 69,770
37,048	37,245	38,096	39,605	39,644	39,250
$ 2.11	$ 1.80	$ 2.43	$ 2.51	$ 1.90	$ 1.78
$ -	$ -	$ -	$ -	$ -	$ -
$ 217,601	$ 121,862	$ 100,268	$ 149,454	$ 80,568	$ 69,978
502,871	403,913	405,171	440,746	382,324	309,051
393,996	302,425	287,322	287,685	239,750	208,494
990,471	916,065	910,276	904,080	874,694	610,776
108,875	101,488	117,849	153,061	142,574	100,557
18,166	50,973	106,884	149,870	194,549	72,093
753,523	672,933	614,105	569,430	502,122	418,040
$ 124,217	$ 121,453	$ 120,619	$ 164,869	$ 91,508	$ 66,131
$ 23,265	$ 46,624	$ 62,876	$ 38,272	$ 45,639	$ 33,396
3,575	3,420	3,965	4,048	4,340	2,961
4.6 to 1	4.0 to 1	3.4 to 1	2.9 to 1	2.7 to 1	3.1 to 1
10.9%	10.4%	15.7%	18.5%	16.4%	18.2%
2.4%	7.0%	14.8%	20.8%	27.9%	14.7%
34,257	33,467	33,358	34,919	35,808	35,017
$ 22.00	$ 20.11	$ 18.41	$ 16.31	$ 14.02	$ 11.94

DIRECTORS & OFFICERS

Board of Directors

Harvey L. Karp
Chairman of the Board, Mueller Industries, Inc.

Alexander P. Federbush [2][3]
President, Queens West Development Corp.

Gennaro J. Fulvio [1][2][3]
Member, Fulvio & Associates, LLP

Gary S. Gladstein [1][3]
Senior Consultant, Soros Fund Management LLC

Terry Hermanson [1][2]
President, Mr. Christmas Incorporated

Robert B. Hodes
Counsel, Willkie Farr & Gallagher LLP

William D. O'Hagan
President and Chief Executive Officer, Mueller Industries, Inc.

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Nominating and Corporate Governance Committee

Executive Officers

Harvey L. Karp
Chairman of the Board

William D. O'Hagan
President and Chief Executive Officer

Gregory L. Christopher
President – Standard Products

Patrick W. Donovan
President – European Operations

Kent A. McKee
Executive Vice President and Chief Financial Officer

James H. Rourke
President – Industrial Products

Gary C. Wilkerson
Vice President, General Counsel and Secretary

Other Officers and Management

K.J. Bambas
Vice President – Tax

James E. Browne
Assistant Secretary

Richard W. Corman
Vice President – Controller

Roy C. Harris
Vice President and Chief Information Officer

Standard Products Division
Keith A. Baltz
Vice President, Supply Chain Management

Michael L. Beasley
Director of Information Systems

Brian Caufield
Vice President, Sales

Daniel R. Corbin
Vice President, Manufacturing – Plastics

John E. Dillon
Vice President, Sales Retail Division

Robert L. Fleeman
Director International & Canada

Melanie K. Franks
Director of Division Accounting

John B. Hansen
Vice President, Marketing & Administration

Jeffrey A. Martin
Vice President, Operations

Nicholas W. Moss
President – Trading Group

European Operations
Peter J. Marsh
Managing Director – Tube

Mark Millerchip
Managing Director – Primaflow

Industrial Products Division
James T. Davidson
Vice President, Manufacturing – Forgings, Impacts, Micro Gauge

David G. Lockhart
Vice President – Sales

Joseph J. Napolitan
Vice President – Sales, Brass Rod

Kent H. Schenk
Division Controller

Engineered Products
Mark T. Lang
General Manager – Gas Products

Douglas J. Murdock
General Manager – Refrigeration Products

Brad M. Alvine
Division Controller

Jiquan Gao
Chief Executive Officer Jiangsu Mueller-Xingrong Copper Co. Limited

SECURITY HOLDER INFORMATION

Annual Meeting
The annual meeting of stockholders will be held at the Company's headquarters at 8285 Tournament Drive, Suite 150, Memphis, TN 38125, 10:00 a.m. local time, May 3, 2007.

Form 10-K
The Company's Annual Report on Form 10-K is available on the Company's website at www.muellerindustries.com or upon written request:

c/o Mueller Industries, Inc.
Suite 150
8285 Tournament Drive,
Memphis, TN 38125
Attention: Investor Relations

Market for Mueller Securities
- Common stock is traded on the NYSE – Symbol MLI.
- 6% Subordinated Debentures due 2014 are traded over-the-counter.

Transfer Agent, Registrar and Paying Agent
To notify the Company of address changes, lost certificates, dividend payments, or account consolidations, security holders should contact:

Continental Stock Transfer
& Trust Co.
17 Battery Place
New York, NY 10004
(212) 509-4000

NYSE Certifications
The Company submitted an unqualified Section 12(a) CEO Certification to the NYSE in 2006. The Company filed with the SEC the CEO/CFO Certifications required under Section 302 of the Sarbanes-Oxley Act as an exhibit to the Company's Annual Report on Form 10-K for 2006 and 2005.

Independent Registered Public Accounting Firm
Ernst & Young LLP
Memphis, Tennessee

CAPITAL STOCK INFORMATION

The Company's Board of Directors declared a regular quarterly dividend of 10 cents per share on its common stock during each quarter of 2006 and 2005. Payment of dividends in the future is dependent upon the Company's financial condition, cash flows, capital requirements, earnings, and other factors.

The high, low, and closing prices of Mueller's common stock on the New York Stock Exchange for each fiscal quarter of 2006 and 2005 were as follows:

	High	Low	Close
2006			
Fourth quarter	$ 38.25	$ 30.35	$ 31.70
Third quarter	40.35	30.34	35.17
Second quarter	41.80	28.84	33.03
First quarter	35.86	26.81	35.69
2005			
Fourth quarter	$ 28.42	$ 24.41	$ 27.42
Third quarter	29.99	25.35	27.77
Second quarter	28.39	24.75	27.24
First quarter	32.74	27.13	27.97

As of February 23, 2007 the number of holders of record of Mueller's common stock was approximately 1,600. On February 23, 2007, the closing price for Mueller's common stock on the New York Stock Exchange was $30.93.

MUELLER INDUSTRIES, INC.
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muellerindustries.com