

February 6, 2007



Mueller Industries, Inc. Reports Fourth Quarter and Fiscal 2006 Earnings

MEMPHIS, Tenn., Feb. 6 /PRNewswire-FirstCall/ -- Harvey L. Karp, Chairman of Mueller Industries, Inc. (NYSE: MLI), announced today that Mueller's income from continuing operations for fiscal 2006 was \$148.9 million, or \$4.00 per diluted share, which compares with \$89.2 million, or \$2.40 per diluted share, for 2005. Net sales for 2006 were \$2.51 billion compared with \$1.73 billion in 2005. The increase in net sales is primarily due to the increased cost of copper, the Company's principal raw material, which is generally passed through to customers by changes in selling prices.

For the fourth quarter of 2006, the Company's net income was \$5.2 million, or 14 cents per diluted share, on net sales of \$544.2 million. This compares with net income of \$35.8 million, or 97 cents per diluted share, on net sales of \$483.6 million for the quarter ended December 31, 2005. The fourth quarter of 2006 includes a pre-tax charge of approximately \$14.2 million (or 26 cents per diluted share after tax) to write-down inventories to the lower-of-cost- or-market that resulted from falling copper prices. Additionally, the fourth quarter results were adversely impacted by lower unit volumes due to the much anticipated "correction" in the residential construction market.

Financial and Operating Highlights
Mr. Karp said:

- * "The COMEX average price of copper was \$3.19 per pound in the fourth quarter of 2006 and closed the year at \$2.85 per pound. During 2006, copper had reached the price of \$4.08 per pound, which is a historic high.
- * "Our current ratio remains strong at 3.0 to 1 and our working capital is \$520.7 million, of which \$200.5 million is cash on hand.
- * "Cash provided by operating activities was \$64.5 million in 2006 compared with \$106.1 million during 2005. Additional investments in accounts receivable and inventories were required because of higher raw material costs.
- * "For the full year, our Plumbing & Refrigeration segment posted operating earnings of \$197.4 million on net sales of \$1.72 billion which compares with operating earnings of \$125.5 million on net sales of \$1.28 billion in 2005. During the fourth quarter of 2006, market conditions for our core product lines remained challenging; unit volumes, particularly copper tube, were down substantially compared with the fourth quarter of 2005. Operating margins were curtailed during the fourth quarter due to weakness in demand, price reductions, and higher unit costs on lower production volume.
- * "Our OEM segment posted operating earnings of \$44.8 million during the year on net sales of \$835.3 million, which compares with operating earnings of \$27.0 million on net sales of \$460.3 million for 2005. Included in the OEM segment is our Chinese joint venture which reported total operating income of \$6.4 million for 2006.
- * "Of the \$14.2 million inventory write-down, \$11.2 million occurred in Europe where FIFO inventory accounting is employed. In the U.S., LIFO inventory accounting is primarily used for the cost of the copper

component in inventory, which moderates swings in inventory valuations.
 * "Capital expenditures during 2006 totaled \$41.2 million of which \$17.9 million relates to our Chinese joint venture."

Business Outlook for 2007

Regarding the outlook for 2007, Mr. Karp said, "After more than five years of vigorous growth, the housing industry is experiencing the widely predicted 'correction.' The 'correction' is underway but may have already bottomed-out.

"We note that the inventory of unsold new homes is declining, while building permits, the key indicator of future business, increased at the end of 2006. Also, mortgage rates are near historical lows and demographic factors are positive for the housing market.

"We expect the commercial and retail sectors of Mueller's business will perform well during the year."

Mueller Industries, Inc. is a leading 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. Mueller's operations are located throughout the United States and in Canada, Mexico, Great Britain, and China. Mueller's business is importantly linked to: (1) the construction of new homes; (2) the improvement and reconditioning of existing homes and structures; and (3) the commercial construction market which includes, office buildings, factories, hotels, hospitals, etc.

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 and energy, market demand, pricing, competitive and technological factors, and the availability of financing, among others, as set forth in the Company's SEC filings. The words "outlook," "estimate," "project," "intend," "expect," "believe," "target," and similar expressions are intended to identify forward-looking statements. The reader should not place undue reliance on forward-looking statements, which speak only as of the date of this report. The Company has no obligation to publicly update or revise any forward-looking statements to reflect events after the date of this report.

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

	For the Quarter Ended		For the Year Ended	
	Dec. 30, 2006	Dec. 31, 2005	Dec. 30, 2006	Dec. 31, 2005
	(Unaudited)		(Unaudited)	
Net sales	\$544,212	\$483,624	\$2,510,912	\$1,729,923
Cost of goods sold	486,383	389,874	2,109,436	1,430,075
Gross profit	57,829	93,750	401,476	299,848
Depreciation and amortization	10,586	10,125	41,619	40,696
Selling, general, and				

administrative expense	31,537	34,606	140,972	127,394
Operating income	15,706	49,019	218,885	131,758
Interest expense	(5,316)	(4,820)	(20,477)	(19,550)
Other income, net	1,773	1,809	5,171	11,997
Income from continuing operations before income taxes	12,163	46,008	203,579	124,205
Income tax expense	(6,988)	(10,197)	(54,710)	(34,987)
Income from continuing operations	5,175	35,811	148,869	89,218
Gain from discontinued operations, net of income taxes	-	-	-	3,324
Net income	\$5,175	\$35,811	\$148,869	\$92,542
Earnings per share:				
Basic earnings per share:				
Weighted average shares outstanding	37,016	36,634	36,893	36,590
From continuing operations	\$0.14	\$0.98	\$4.04	\$2.44
From discontinued operations	-	-	-	0.09
Basic earnings per share	\$0.14	\$0.98	\$4.04	\$2.53
Diluted earnings per share:				
Weighted average shares outstanding plus assumed conversions	37,236	37,080	37,246	37,103
From continuing operations	\$0.14	\$0.97	\$4.00	\$2.40
From discontinued operations	-	-	-	0.09
Diluted earnings per share	\$0.14	\$0.97	\$4.00	\$2.49
Summary Segment Data:				
Net sales:				
Plumbing & Refrigeration segment	\$352,253	\$362,849	\$1,716,613	\$1,281,688
OEM segment	206,867	123,693	835,339	460,301
Elimination of intersegment sales	(14,908)	(2,918)	(41,040)	(12,066)
Net sales	\$544,212	\$483,624	\$2,510,912	\$1,729,923
Operating income:				
Plumbing & Refrigeration segment	\$18,018	\$46,770	\$197,402	\$125,502
OEM segment	2,438	7,445	44,764	26,985
Unallocated expenses	(4,750)	(5,196)	(23,281)	(20,729)

Operating income	\$15,706	\$49,019	\$218,885	\$131,758
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MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 30, 2006	December 31, 2005
	(Unaudited)	
ASSETS		
Cash and cash equivalents	\$200,471	\$129,685
Accounts receivable, net	281,679	260,685
Inventories	258,647	196,987
Other current assets	35,397	36,919
Total current assets	776,194	624,276
Property, plant, and equipment, net	315,064	307,046
Other assets	177,649	185,606
	\$1,268,907	\$1,116,928
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	\$35,998	\$4,120
Accounts payable	96,095	124,216
Other current liabilities	123,426	135,346
Total current liabilities	255,519	263,682
Long-term debt	308,154	312,070
Pension and postretirement liabilities	36,599	35,236
Environmental reserves	8,907	9,073
Deferred income taxes	46,408	63,944
Other noncurrent liabilities	2,206	3,078
Total liabilities	657,793	687,083
Minority interest in subsidiaries	22,300	6,937
Stockholders' equity	588,814	422,908
	\$1,268,907	\$1,116,928

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

	For the Year Ended December 30, 2006	December 31, 2005
	(Unaudited)	
Operating activities:		
Net income from continuing operations	\$148,869	\$89,218
Reconciliation of net income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	41,855	40,858

Deferred income taxes	(19,339)	(9,556)
Share-based compensation expense	2,789	-
Loss (gain) on disposal of properties	2,620	(3,665)
Minority interest in subsidiaries	2,610	9
Gain on sale of equity investment	(1,876)	-
Provision for doubtful accounts	1,109	1,911
Income tax benefit from exercise of stock options	(1,065)	991
Equity in income of unconsolidated subsidiary	(964)	(4,480)
Gain on early retirement of debt	(97)	-
Changes in assets and liabilities, net of business acquired:		
Receivables	(15,459)	(64,905)
Inventories	(56,786)	(5,979)
Other assets	1,449	1,764
Current liabilities	(41,357)	66,435
Other liabilities	(2,578)	(5,894)
Other, net	2,759	(590)
Net cash provided by operating activities	64,539	106,117
Investing activities:		
Capital expenditures	(41,206)	(18,449)
Proceeds from sales of properties and equity investment	23,528	10,112
Business acquired, net of cash received	3,632	(6,937)
Net cash used in investing activities	(14,046)	(15,274)
Financing activities:		
Issuance of long-term debt	28,759	-
Dividends paid	(14,775)	(14,647)
Proceeds from stock options exercised	7,701	4,819
Repayments of long-term debt	(2,059)	(1,090)
Acquisition of treasury stock	(1,092)	(551)
Income tax benefit from exercise of stock options	1,065	-
Net cash provided by (used in) financing activities	19,599	(11,469)
Effect of exchange rate changes on cash	694	(462)
Net cash provided by operating activities of discontinued operations	-	3,324
Increase in cash and cash equivalents	70,786	82,236
Cash and cash equivalents at the beginning of the period	129,685	47,449
Cash and cash equivalents at the end of the period	\$200,471	\$129,685

SOURCE Mueller Industries, Inc.