

February 5, 2008



Mueller Industries, Inc. Reports Fourth Quarter and Fiscal 2007 Earnings

MEMPHIS, Tenn., Feb. 5 /PRNewswire-FirstCall/ -- Harvey L. Karp, Chairman of Mueller Industries, Inc. (NYSE: MLI), announced today that Mueller's net income for the fiscal year ended December 29, 2007 was \$115.5 million, or \$3.10 per diluted share, which compares with \$148.9 million, or \$4.00 per diluted share, for 2006. Net sales for 2007 were \$2.70 billion compared with \$2.51 billion in 2006.

For the fourth quarter of 2007, the Company's net income was \$28.8 million, or 78 cents per diluted share, on net sales of \$621.7 million. This compares with net income of \$5.2 million, or 14 cents per diluted share, on net sales of \$544.2 million for the fourth quarter of 2006.

Financial and Operating Highlights

Mr. Karp said:

- "The increase in net sales is primarily due to the acquisition of Extruded Metals, Inc. as well as the higher average cost of copper, the Company's principal raw material, which is generally passed through to customers by changes in selling prices. The COMEX average price of copper was \$3.25 per pound in the fourth quarter of 2007.
- "During the fourth quarter of 2007, the Company recognized LIFO income of \$10.0 million (or 17 cents per diluted share after tax) resulting from a decrease in inventory quantities accounted for under the LIFO method. The fourth quarter of 2006 included a pre-tax charge of approximately \$14.2 million (or 26 cents per diluted share after tax) due to a write-down of inventories to the lower of cost or market.
- "Our return on average equity was 17.8 percent for 2007.
- "Our current ratio remains strong at 2.8 to 1 and our working capital is \$605.3 million, of which over \$300 million is cash on hand.
- "Cash provided by operating activities was \$185.8 million in 2007 compared with \$64.5 million during 2006.
- "As of year end, our financial leverage was modest with a debt to total capitalization ratio of 33.3 percent.
- "Total stockholders' equity was \$710.5 million which equates to a book value per share of \$19.16 of which \$8.32 per share is in cash.
- "For the full year, our Plumbing & Refrigeration segment posted operating earnings of \$178.4 million on net sales of \$1.57 billion which compares with operating earnings of \$197.4 million on net sales of \$1.72 billion in 2006. Operating earnings includes LIFO income of \$10.0 million in 2007. Also, in the fourth quarter of 2007, we wrote down the goodwill carrying value of our Mexican operations by \$2.8 million due to an impairment charge.

- "Our OEM segment posted operating earnings of \$38.2 million during the year on net sales of \$1.14 billion, which compares with operating earnings of \$44.8 million on net sales of \$835.3 million for 2006.
- "Capital expenditures during 2007 totaled \$29.9 million; cash flow to fund capital expenditures in 2008 are expected to be less than depreciation.
- "After year end, we acquired approximately \$25.5 million of our outstanding 6% Subordinated Debentures at approximately 90 percent of face value. Accordingly, these were reclassified to the current portion of long-term debt on our balance sheet."

Business Outlook for 2008

Regarding the outlook for 2008, Mr. Karp said, "Despite the challenges presented by the decline in the housing market, and the volatility in the prices of copper and energy, Mueller had its two best years ever in 2006 and 2007.

"The year 2008 will also be challenging as the national economy is slowing down and the housing market continues to contract. However, the U.S. economy has proven itself to be remarkably resilient, and we believe that later this year the housing market will bottom out and then gradually start to improve.

"Also, we anticipate that our non-residential businesses, which constitute a significant portion of our total, will have another good year in 2008.

"Mueller is well positioned to take advantage of opportunities in our marketplace. On average, we have made one or more acquisitions per year over the past decade. We will continue our quest to acquire sound companies which are compatible with our core businesses."

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	
	December 29,	December 30,	December 29,	December 30,
	2007	2006	2007	2006
	(Unaudited)		(Unaudited)	
Net sales	\$621,734	\$544,212	\$2,697,845	\$2,510,912
Cost of goods sold	523,381	486,383	2,324,924	2,109,436
Gross profit	98,353	57,829	372,921	401,476
Depreciation and amortization	10,299	10,586	44,153	41,619
Selling, general, and administrative expense	33,140	31,537	143,284	140,972
Copper litigation settlement	(28)	-	(8,893)	-
Impairment charge	2,756	-	2,756	-
Operating income	52,186	15,706	191,621	218,885
Interest expense	(5,504)	(5,316)	(22,071)	(20,477)
Other income, net	2,793	1,773	13,731	5,171
Income before income taxes	49,475	12,163	183,281	203,579
Income tax expense	(20,635)	(6,988)	(67,806)	(54,710)
Net income	\$28,840	\$5,175	\$115,475	\$148,869
Weighted average shares for basic earnings per share	37,079	37,016	37,060	36,983
Effect of dilutive stock options	95	220	163	263
Adjusted weighted average shares for diluted earnings per share	37,174	37,236	37,223	37,246
Basic earnings per share	\$0.78	\$0.14	\$3.12	\$4.03
Diluted earnings per share	\$0.78	\$0.14	\$3.10	\$4.00
Summary Segment Data:				
Net sales:				
Plumbing & Refrigeration segment	\$349,228	\$352,253	\$1,572,565	\$1,716,613
OEM segment	276,249	206,867	1,144,302	835,339
Elimination of intersegment sales	(3,743)	(14,908)	(19,022)	(41,040)
Net sales	\$621,734	\$544,212	\$2,697,845	\$2,510,912
Operating income:				
Plumbing & Refrigeration segment	\$47,507	\$18,018	\$178,367	\$197,402
OEM segment	9,113	2,438	38,215	44,764

Unallocated expenses	(4,434)	(4,750)	(24,961)	(23,281)
Operating income	\$52,186	\$15,706	\$191,621	\$218,885

MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 29, 2007	December 30, 2006 (Unaudited)
ASSETS		
Cash and cash equivalents	\$308,618	\$200,471
Accounts receivable, net	323,003	281,679
Inventories	269,032	258,647
Other current assets	39,694	35,397
Total current assets	940,347	776,194
Property, plant, and equipment, net	308,383	315,064
Other assets	200,474	177,649
	\$1,449,204	\$1,268,907
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	\$72,743	\$35,998
Accounts payable	140,497	96,095
Other current liabilities	121,813	123,426
Total current liabilities	335,053	255,519
Long-term debt	281,738	308,154
Pension and postretirement liabilities	36,071	36,599
Environmental reserves	8,897	8,907
Deferred income taxes	52,156	46,408
Other noncurrent liabilities	2,029	2,206
Total liabilities	715,944	657,793
Minority interest in subsidiaries	22,765	22,300
Stockholders' equity	710,495	588,814
	\$1,449,204	\$1,268,907

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

	For the Year Ended December 29, 2007	December 30, 2006 (Unaudited)
Operating activities:		
Net income	\$115,475	\$148,869
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	44,477	41,855
Deferred income taxes	3,094	(19,339)

Stock-based compensation expense	2,737	2,789
(Gain) loss on disposal of properties	(2,468)	2,620
Minority interest in subsidiaries, net of dividends received	(781)	2,610
Gain on sale of equity investment	-	(1,876)
Income tax benefit from exercise of stock options	(73)	(1,065)
Equity in income of unconsolidated subsidiary	-	(964)
Gain on early retirement of debt	-	(97)
Impairment charge	2,756	-
Changes in assets and liabilities, net of businesses acquired:		
Receivables	(8,114)	(14,350)
Inventories	20,411	(56,786)
Other assets	(4,120)	1,449
Current liabilities	12,704	(41,357)
Other liabilities	1,809	(2,578)
Other, net	(2,063)	2,759
Net cash provided by operating activities	185,844	64,539
Investing activities:		
Capital expenditures	(29,870)	(41,206)
Proceeds from sales of properties and equity investment	3,809	23,528
Businesses acquired, net of cash received	(32,243)	3,632
Net deposits into restricted cash balances	(4,194)	-
Net cash used in investing activities	(62,498)	(14,046)
Financing activities:		
Proceeds from issuance of long-term debt	16,635	28,759
Dividends paid	(14,825)	(14,775)
Issuance of shares under incentive stock option plans from treasury	1,124	7,701
Repayments of long-term debt	(18,765)	(2,059)
Acquisition of treasury stock	(54)	(1,092)
Income tax benefit from exercise of stock options	73	1,065
Net cash (used in) provided by financing activities	(15,812)	19,599
Effect of exchange rate changes on cash	613	694
Increase in cash and cash equivalents	108,147	70,786
Cash and cash equivalents at the beginning of the year	200,471	129,685
Cash and cash equivalents at the end of the year	\$308,618	\$200,471

SOURCE Mueller Industries, Inc.