

Mueller Water Products, Inc.
Form S-1
February 03, 2006

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As filed with the Securities and Exchange Commission on February 3, 2006

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MUELLER WATER PRODUCTS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

3491
(Primary Standard Industrial
Classification Code Number)

20-3547095
(I.R.S. Employer
Identification Number)

**4211 W. Boy Scout Blvd.
Tampa, FL 33607
(813) 871-4811**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

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If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount Of Registration Fee(2)
Series A Common Stock, par value 0.01 per share	\$400,000,000	\$42,800

(1) Includes the underwriters' option to purchase additional shares.

(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY 3, 2006

Shares

Mueller Water Products, Inc.

Series A Common Stock

We are selling _____ shares of Series A common stock. Prior to this offering there has been no public market for our Series A common stock. The initial public offering price of the Series A common stock is expected to be between \$ _____ and \$ _____ per share. We will apply to list our Series A common stock on The New York Stock Exchange under the symbol " _____."

We are a wholly-owned subsidiary of Walter Industries, Inc. We have two series of authorized common stock Series A common stock and Series B common stock. Walter Industries owns all of the outstanding shares of our Series B common stock. Except in certain circumstances, holders of our Series A common stock are entitled to one vote per share and the holders of our Series B common stock are entitled to eight votes per share on all matters to be voted on by shareholders. Following the offering, the outstanding shares of Series A common stock will represent _____ % of the combined voting power of all series of voting stock and _____ % of the economic interest (or rights of holders of common equity to participate in distributions in respect of the common equity) in us (_____ % and _____ %, respectively, if the underwriters' option to purchase additional shares is exercised in full). The remainder of the voting power and economic interest in us will be beneficially held by Walter Industries.

Investing in our Series A common stock involves a high degree of risk. See "Risk Factors" beginning on page 16.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to us
Per Share	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____

We have granted the underwriters the right to purchase up to _____ additional shares of Series A common stock on the same terms and conditions as set forth above if the underwriters sell more than _____ shares of Series A common stock in this offering. The underwriters can exercise their right at any time and from time to time, in whole or in part, within 30 days after the offering.

Delivery of the shares of Series A common stock will be made on or about _____, 2006.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Banc of America Securities LLC

Morgan Stanley

Lehman Brothers

The date of this prospectus is _____, 2006

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Through and including _____, 2006 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

BASIS OF PRESENTATION

In this prospectus, unless the context otherwise requires, (1) "Mueller Water," the "Company," "we," "us" or "our" refer to Mueller Water Products, Inc. and its subsidiaries, including U.S. Pipe; (2) the "Issuer" refers to Mueller Water Products, Inc. and not to its subsidiaries; (3) "Predecessor Mueller" refers to Mueller Water prior to the Acquisition (as defined below); (4) "Walter Industries" refers to Walter Industries, Inc. and its subsidiaries (other than us); and (5) "U.S. Pipe" refers to United States Pipe and Foundry Company, LLC, our subsidiary.

On October 3, 2005, Walter Industries, through a wholly-owned subsidiary, acquired all outstanding shares of capital stock of Predecessor Mueller and contributed U.S. Pipe (which Walter Industries owned since 1969) to Predecessor Mueller through a series of transactions (the "Acquisition"). For accounting and financial statement presentation purposes, in accordance with the accounting principles generally accepted in the United States of America ("GAAP"), U.S. Pipe is treated as the accounting acquiror of Predecessor Mueller. Accordingly, effective October 3, 2005, U.S. Pipe's historical financial information is used for the Company, and all historical financial data of the Company included in this prospectus prior to October 3, 2005 is that of U.S. Pipe. Historical financial statements for Predecessor Mueller for the periods preceding the Acquisition are also included in this prospectus.

As of the date of this prospectus, we have one class of common stock, all of which is held by Walter Industries. Shortly before completion of this offering, we intend to complete a recapitalization in which we will create two series of common stock. The recapitalization, which may occur through the filing of a restated certificate of incorporation or by other means, will result in the creation of Series A common stock and Series B common stock. The shares sold in the initial public offering of our common stock will be our Series A common stock. Immediately following the offering, Walter Industries will own all of the outstanding shares of our Series B common stock, which will have eight votes per share and will be a series of common stock separate from the Series A common stock offered hereby (which has one vote per share). In general, our Series A common stock and Series B common stock will vote as a single class. The Series B common stock may be converted into Series A common stock at any time at the option of the holder prior to any tax-free spin-off of the Company and will automatically convert into Series A common stock upon certain transfers to third parties. Shares of Series A common stock and shares of Series B common stock will generally have identical rights in all material respects, except for certain voting, conversion and other rights described in this prospectus. See "Description of Capital Stock" for more information. As used in this prospectus, the term "common stock," when used in reference to our capital structure before completion of this offering, means our existing single class of common stock, and when used in reference to our capital structure following completion of this offering, means, collectively, the Series A common stock and the Series B common stock, unless otherwise specified.

Unless we specifically state otherwise, references to "pro forma" give effect, in the manner described under "Unaudited Pro Forma Condensed Combined Financial Statements," to (1) the Acquisition and related transactions, including borrowings under our \$1,195.0 million credit agreement ("2005 Mueller Credit Agreement") and the use of proceeds therefrom to repay old credit facilities and to redeem second priority senior secured floating rate notes of Predecessor Mueller (collectively with the Acquisition, the "Transactions") and (2) the sale by us of shares of Series A common stock in this offering and the application of the proceeds therefrom as described in "Use of Proceeds" (the "Offering").

Unless the context indicates otherwise, whenever we refer in this prospectus to a particular fiscal year, we mean the fiscal year ending in that particular calendar year. Effective December 30, 2005, U.S. Pipe changed its fiscal year to September 30, which coincides with Predecessor Mueller's fiscal year end. Therefore, on a prospective basis, our fiscal year will end on September 30 of each year. Beginning with the quarter ended December 31, 2005, we will manage our business and report

operations through three segments, based largely on the products they sell and the markets they serve. Our segments are named after the lead brand in each segment: Mueller^[nc_cad,176], U.S. Pipe^[nc_cad,176] and Anvil^[nc_cad,176]. Such segments are consistent with the historical reporting for both Predecessor Mueller and U.S. Pipe. Predecessor Mueller had three reporting segments, Mueller, Anvil and corporate, while U.S. Pipe operated within one segment. Unless we specifically state otherwise, the operating data and historical financial data presented in this prospectus refer to U.S. Pipe prior to the Acquisition.

Certain of the titles and logos of our products referenced in this prospectus are our trademarks. Each trade name, trademark or servicemark of any other company appearing in this prospectus is the property of its holder.

INDUSTRY AND MARKET DATA

In this prospectus, we rely on and refer to information and statistics regarding economic conditions and trends, the flow control product market and our market share in the sectors of that market in which we compete. In particular, we have obtained general industry information and statistics from the Congressional Budget Office, the U.S. Census Bureau, Freddie Mac and Moody's. We believe that these sources of information and estimates are reliable and accurate, but we have not independently verified them.

Although some of the companies that compete in our particular industry segments are publicly held as of the date of this prospectus, many are not. Accordingly, other than certain market data with respect to fire hydrants, ductile iron pipe and water valves, no current publicly available information is available with respect to the size of such markets or our relative market strength or competitive position. Our statements about our relative market strength and competitive position in this prospectus with respect to other products are based on our management's belief, internal studies and our management's knowledge of industry trends.

SUMMARY

This summary highlights the more detailed information in this prospectus and you should read the entire prospectus carefully, including the section entitled "Risk Factors" and the financial statements and the related notes included in this prospectus.

Our Company

We are a leading North American manufacturer of a broad range of water infrastructure and flow control products for use in water distribution networks, water and wastewater treatment facilities, gas distribution systems and fire protection piping systems. We believe we have the most comprehensive water infrastructure and flow control product line in our industry and enjoy leading market positions based on the estimated market share of our key products, broad brand recognition and a strong reputation for quality and service within the markets we serve. We maintain one of the largest installed bases of products in the United States, including, as of September 30, 2005, approximately three million fire hydrants and approximately nine million iron gate valves. Our products are specified for use in all of the top fifty metropolitan areas in the United States.

Our large installed base, broad product range and well known brands have led to long-standing relationships with the key distributors in our industry. Our diverse end markets, extensive distributor and end-user relationships, acquisition strategy and leading market position have contributed to strong operating margins and sales growth. Our pro forma net sales and pro forma operating income for the twelve months ended September 30, 2005 were \$1,704.7 million and \$173.9 million, respectively. Our operations generate significant cash flow, which will provide us with flexibility in our operating and financial strategy.

We manage our business and report operations through three segments, based largely on the products they sell and the markets they serve: Mueller^[nc_cad,176], U.S. Pipe^[nc_cad,176] and Anvil^[nc_cad,176]. The table below illustrates each segment's pro forma operating results to external customers for the twelve months ended September 30, 2005, as well as each segment's major products, brand names, market positions and end use markets.

	Mueller	U.S. Pipe	Anvil
	(\$ in millions)		
Net Sales	\$664	\$556	\$485
Operating Income(a)	\$141	\$21	\$42
Selected Product Lines (Market Position in the U.S. and Canada)	Fire Hydrants (#1) Gate Valves (#2) Butterfly, Ball and Plug Valves (#1) Brass Water Products (#2)	Ductile Iron Pressure Pipe (#1)	Pipe Fittings and Couplings (#1) Grooved Products (#2) Pipe Hangers (#2)
Selected Brand Names	Mueller ^[nc_cad,176] Pratt ^[nc_cad,176] James Jones	U.S. Pipe ^[nc_cad,176] TYTON ^[nc_cad,176] FIELD LOCK ^[nc_cad,176] MJ FIELD LOCK ^[nc_cad,176]	Anvil ^[nc_cad,176] Beck Gruvlok ^[nc_cad,176]
Primary End Markets	Water and Wastewater Infrastructure	Water and Wastewater Infrastructure	Fire Protection Heating, Ventilation and Air Conditioning ("HVAC")

(a) Operating income excludes historical Predecessor Mueller corporate expenses that are not allocated to the individual segments.

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Our segments are named after our leading brands in each segment:

Mueller. Sales of our Mueller segment products are driven principally by spending on water and wastewater infrastructure upgrade, repair and replacement and new water and wastewater infrastructure. Mueller segment sales of hydrants and iron gate valves are estimated to be approximately 50% for new infrastructure, with the remainder for upgrade, repair and replacement. A significant portion of Mueller's sales are made through its broad distributor network. For most of our Mueller segment products, which are sold through independent distributors, end-users (principally municipalities) choose the brand or establish product specifications. We believe our reputation for quality, extensive distributor relationships, installed base and coordinated marketing approach have helped our Mueller segment products to be "specified" as an approved product for use in most major metropolitan areas throughout the United States. This specification and our relationships with end-users elevate the importance of our water and wastewater infrastructure products to our distributors.

U.S. Pipe. U.S. Pipe products are sold primarily to water works distributors, contractors, municipalities, private utilities and other governmental agencies. A substantial percentage of ductile iron pressure pipe orders result from contracts that are bid by contractors or directly issued by municipalities or private utilities. To support our customers' inventory and delivery requirements, U.S. Pipe utilizes numerous storage depots throughout the country.

Anvil. Anvil products are sold to a wide variety of end-users, which are primarily commercial construction contractors. These products are typically sold to our distributors through Anvil's four regional distribution centers located in Illinois, Nevada, Pennsylvania and Texas and through Anvil's Canadian distribution and sales division. A significant portion of Anvil products are used in the fire protection industry and in HVAC applications.

We believe that our current network of independent flow control distributors is the largest such distribution network in the United States and Canada. We also have approximately 500 inside and outside sales and sale support personnel who work directly with end-users, including municipalities. Our products are sold to a wide variety of end-users, including municipalities, publicly and privately-owned water and wastewater utilities, gas utilities and construction contractors. We believe that our sales are substantially driven by: (1) spending on water and wastewater infrastructure upgrade, repair and replacement due to aging and outdated water distribution systems in North America; (2) new water and wastewater infrastructure, driven primarily by new residential construction; and (3) non-residential construction.

Industry Overview

The North American water infrastructure and flow control industry consists of the manufacturers of valves, pipe, fittings, fixtures, pumps and seals. Growth in the sectors we serve is driven by the need to upgrade, repair and replace existing water and wastewater infrastructure, new residential construction activity and non-residential construction activity. Specifically, federal and state environmental regulations, such as the Clean Water Act and the Safe Drinking Water Act, are expected to drive growth in our industry over the next several years. We anticipate that sales related to water infrastructure upgrade, repairs and replacement may grow faster than the overall market for water infrastructure and flow control products as a result of the continued aging of municipal water systems in the United States and Canada, and the expanding base of water infrastructure and flow control installations.

Water and wastewater infrastructure upgrades, repairs and replacement. Much of the water distribution infrastructure in the United States is considered to be aging or in need of updating. In a November 2002 study, the Congressional Budget Office estimated that the average annual

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spending necessary to upgrade, repair and replace existing water and wastewater infrastructure will be between \$24.6 billion and \$41.0 billion a year over the ensuing 15 years.

New water and wastewater infrastructure. Growth in the new water and wastewater infrastructure sector is mainly driven by new housing starts. U.S. housing starts have remained relatively stable from 2000 to 2004, with a low of 1.57 million units in 2000 and a high of 1.96 million units in 2004. Housing starts in the first 11 months of 2005 were 6.2% higher than the comparable period in 2004. According to Freddie Mac, U.S. housing starts are projected to reach 1.9 million units by the end of 2006, which would represent the third best year for single-family housing construction ever.

Non-residential construction. Non-residential construction activity includes: (1) public works and utility construction; (2) institutional construction, including education, dormitory, health facility, public, religious and amusement construction; and (3) commercial and industrial construction. According to the U.S. Census Bureau, spending on U.S. private non-residential building construction increased from \$225.7 billion in 2003 to \$235.1 billion in 2004. Spending on U.S. private non-residential building construction also grew 4.8% in the first 11 months of 2005 relative to the same period in 2004. According to Moody's, spending on non-residential construction is expected to increase 6.1% in 2006.

Competitive Strengths

We believe that we enjoy a number of important competitive strengths that drive our success and differentiate us from our competitors and support our market leadership, including:

Broad Range of Products and Leading Brands. We believe that we have the most comprehensive water infrastructure and flow control product line in our industry and enjoy leading market positions based on the estimated market share of our key products, broad brand recognition and a strong reputation for quality and service within the markets we serve. For the fiscal year ended September 30, 2005, on a pro forma basis, approximately 75% of our total sales were from products in which we believe we have the #1 or #2 market share in the United States and Canada. We believe we are one of the largest manufacturers of flow control products, including fire hydrants and gate valves, in the United States and Canada in the markets we serve. As of December 31, 2005, we were also one of the nation's largest producers of ductile iron pressure pipe based on industry shipping information provided by the Ductile Iron Pipe Research Association. Our brand names are highly recognized for quality and reliability.

Complete Water Transmission Solutions. The combination of Predecessor Mueller and U.S. Pipe created an industry leading company with significant scale in water infrastructure and delivery systems. Our broad product portfolio of engineered valves, hydrants, ductile iron pipe and pipe fittings provides distributors and end users with a comprehensive source of supply and creates a significant competitive advantage for our company. In addition, the combination of Predecessor Mueller and U.S. Pipe positions us as one of the largest players in the water products sector with a strong platform to facilitate potential expansion into higher growth areas.

Large and Growing Installed Base. We maintain one of the largest installed bases of products in the United States, including, as of September 30, 2005, approximately three million fire hydrants and approximately nine million iron gate valves. We believe our large installed base enhances our competitive position and increases our importance to our distributors and end-users. Once our products are installed, it is difficult for an end-user to change to a competitive product due to the inventory of parts required to maintain multiple products and due to the life/safety nature of some of our products. Our installed base continues to grow each year as new infrastructure is put in place, facilitating future recurring repair and replacement revenues.

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Leading Specification Position. Due to our strong brand name and our large installed base, our products are "specified" as an approved product for use in all of the top fifty metropolitan areas in the United States. The product specification approval process for a municipality generally takes a minimum of one year and there are approximately 55,000 municipal water systems in the United States. This strong specification position has contributed to long-standing relationships with all of the top distributors and creates a strong demand base for our products.

Established and Extensive Distribution Channels. We maintain strong, long-standing relationships with the leading distributors in our major markets throughout the United States and Canada. We believe our network of over 5,000 independent distributors is one of the strongest and most extensive distribution networks in the industry. We believe our superior product quality and the technical support we provide our distributors have allowed us to enjoy long-term relationships averaging over 20 years with each of our top ten distributors, and maintain strong distribution channels with most of our distributors of water infrastructure products. In addition, we believe the breadth of our product offering and our ability to provide products throughout the United States and Canada have enabled us to strengthen our relationships with the leading independent distributors as they seek to simplify their procurement process and broaden their geographic reach.

Advanced, Low-Cost Manufacturing Capabilities. We believe our historical capital investment in manufacturing technologies helps us reduce the costs of producing our cast, malleable and ductile iron and brass water and gas flow control products. We believe that we are the only company in North America that uses the technologically-advanced lost foam casting process to manufacture fire hydrant and iron gate valve castings, which significantly reduces the manual labor and machining time otherwise needed to finish cast products.

Highly Experienced, Proven Management Team. We are led by an experienced management team with a long and successful track record, enabling us to recognize and capitalize upon attractive opportunities in our key markets. Our five most senior members of the management team have an average of over 20 years of experience in the flow control industry and have substantial experience in acquisition and integration of businesses, cost management rationalization and efficient manufacturing processes. The management team is led by Gregory E. Hyland, the Chairman, President and Chief Executive Officer, who has over 20 years of experience in the flow control industry.

Business Strategy

Our business strategy is focused on sustaining our market leadership and competitive differentiation, while growing revenues and enhancing profitability. Key elements of our strategy include:

Capitalizing on Large, Attractive and Growing Water Infrastructure Industry. We plan to capitalize on the expected water infrastructure market growth by leveraging our large and growing installed base, leading specification position and established and extensive distribution channels. We will continue to offer a broad range of leading water infrastructure and flow control products in order to enhance our strong end-user and distributor relationships.

Achieving Ongoing Operating Synergies. We continue to seek opportunities to rationalize our manufacturing facilities and use our significant manufacturing expertise to further reduce our cost structure. We have initiated a multi-pronged synergy plan designed to streamline our manufacturing operations, add incremental volume through combining sales efforts for complementary products and combine corporate-level functions to achieve operating efficiencies. In addition, we have initiated the implementation of plant and distribution combination and production efficiency strategies within our Mueller and Anvil segments, and these efforts will

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continue through the beginning of 2008. We also have begun to use our combined purchasing leverage to reduce raw material and overall product costs. We expect that the full implementation of our synergy and rationalization plan by early fiscal 2008 will produce approximately \$25-\$35 million of ongoing incremental annual operating income. These benefits could be substantially higher if additional production, purchasing and sales improvements are realized.

Strengthening Relationship with Key Distributors. We are focused on enhancing close relationships with the strongest and fastest growing distributors and on leveraging our extensive distributor network to increase sales of our existing products, introduce new products and rapidly expand sales of products of the businesses we acquire.

Continuing to Focus on Operational Excellence. We will continue to pursue superior product engineering, design and innovation through our technologically-advanced manufacturing processes. We will also continue to evaluate sourcing products and materials internationally to lower our costs. We employ highly efficient manufacturing methods, such as lost foam casting and automated Disa® molding machinery, which are designed to continue to solidify our position as a low cost domestic producer of water infrastructure and flow control products.

Focused Acquisition Strategy. Acquisitions are an important part of our growth strategy. Certain segments of the industry in which we compete are fragmented, providing for numerous acquisition opportunities. Our strategy is to selectively pursue attractive acquisitions that enhance our existing product offering, enable us to enter new markets, expand our technological capabilities and provide synergy opportunities. Over the past five years, we have acquired and successfully integrated eight businesses within the water infrastructure and flow control markets. We intend to continue to selectively pursue acquisitions that will enhance our position as a complete water flow control and transmission solutions provider.

Selectively Expanding Internationally. Our near-term and long-term focus will include expanding our current international presence in sourcing and manufacturing products as well as in the sale of our products. We believe we can further utilize our current manufacturing facility in China to produce additional products. We are leveraging our Anvil Star ("Star") operations, which we acquired in 2004 from Star Pipe, Inc., to establish a lead position in the United States for the import and sale of piping component products, including fittings and couplings manufactured in China, India and Malaysia. In addition, we expect to increase our international sales volumes, primarily in Europe, the Middle East and China by capitalizing on our existing brand recognition and customer relationships.

Mueller Water Products, Inc. is a Delaware corporation that was formed on September 22, 2005 under the name Mueller Holding Company, Inc. Our principal executive offices are located at 4211 W. Boy Scout Blvd., Tampa, FL 33607, and our main telephone number is (813) 871-4811.

THE OFFERING

Series A common stock offered	shares
Common stock to be outstanding after the offering	
Series A common stock	shares
Series B common stock	shares
Total common stock outstanding	shares
Option to purchase additional shares	Up to shares of Series A common stock.
Use of proceeds	We estimate that the net proceeds from the sale of shares of our Series A common stock in this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately \$ million (\$ million if the underwriters' option to purchase additional shares is exercised in full), assuming an offering price of \$ per share, which is the midpoint of the price range listed on the cover page of this prospectus. We intend to use the net proceeds from this offering, as well as any proceeds received from the exercise of the underwriters' option to purchase additional shares, to repay certain of our indebtedness, including a portion of the term loan under the 2005 Mueller Credit Agreement, and for general corporate purposes, as described under "Use of Proceeds." Because affiliates of some of the underwriters are lenders under that 2005 Mueller Credit Agreement, they will receive a portion of the proceeds from this offering. See "Underwriting."
Common stock	Shares of Series A common stock and shares of Series B common stock will generally have identical rights in all material respects, except for certain voting, conversion and other rights described in this prospectus. See "Description of Capital Stock" for more information.
Voting rights	Except in certain circumstances, holders of our Series A common stock are entitled to one vote per share and the holders of our Series B common stock are entitled to eight votes per share on all matters to be voted on by shareholders. The Series A common stock and the Series B common stock will generally vote as a single class. Under certain circumstances, shares of our Series B common stock can be converted into an equivalent number of shares of our Series A common stock. See "Description of Capital Stock Common Stock Voting Rights."
Controlling stockholder	As of the date of this prospectus, Walter Industries owns all outstanding shares of our common stock. Upon completion of this offering, Walter Industries will beneficially own all of our outstanding Series B common stock which will represent approximately % of the combined voting power of all of our outstanding common stock (or % if the underwriters' option to purchase additional shares is exercised in full). Walter Industries will continue to control us after this offering.

Summary Pro Forma and Historical Financial Data

On October 3, 2005, Walter Industries acquired all outstanding shares of capital stock of Predecessor Mueller and contributed U.S. Pipe (which Walter Industries owned since 1969) to Predecessor Mueller through a series of transactions (the "Acquisition"). For accounting and financial statement presentation purposes, in accordance with GAAP, U.S. Pipe is treated as the accounting acquiror of Predecessor Mueller. Accordingly, effective October 3, 2005, U.S. Pipe's historical financial information is used for the Company and all historical financial data of the Company included in this prospectus prior to October 3, 2005 is that of U.S. Pipe. Historical financial statements for Predecessor Mueller for the periods preceding the acquisition are also included in this prospectus.

Summary Pro Forma Financial Data

The following summary unaudited pro forma financial data is based on the historical financial statements of Predecessor Mueller and U.S. Pipe. The unaudited pro forma balance sheet data as of September 30, 2005 is presented as if the Transactions and the Offering occurred on September 30, 2005. The unaudited pro forma statement of operations data is presented as if the Transactions and the Offering had taken place on October 1, 2004 and were carried forward through September 30, 2005. The unaudited pro forma financial data is not intended to represent or be indicative of the consolidated results of operations or financial position that would have been reported had the Transactions and the Offering been completed as of the dates presented, and should not be taken as representative of our future consolidated results of operations or financial position. The unaudited pro forma financial data does not reflect (a) any operating efficiencies or cost savings that we may achieve with respect to the combined companies or (b) any additional costs that we may incur as a stand-alone company. In addition, the unaudited pro forma financial data does not include the effects of restructuring certain activities of pre-acquisition operations that have occurred subsequent to September 30, 2005. The following summary pro forma financial data should be read in conjunction with, and is qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Condensed Combined Financial Information" and the consolidated historical financial statements and notes thereto of Predecessor Mueller and U.S. Pipe included elsewhere in this prospectus.

	Pro Forma For the year ended September 30, 2005	
	(dollars in millions)	
Statement of Operations Data:		
Net sales	\$	1,704.7
Cost of sales		1,295.6
Gross profit		409.1
Selling, general and administrative expenses		233.5
Facility rationalization and related costs		1.7
Operating income		173.9
Interest expense and early repayment costs, net of interest income		
Income before income taxes		
Income tax expense		
Net income	\$	
Earnings per share:		
Basic		
Diluted		
Weighted average shares outstanding:		
Basic		
Diluted		

Pro Forma
as of September 30, 2005

(dollars in millions)

Balance Sheet Data:**Assets**

Current assets

Cash and cash equivalents	\$	35.6
Receivables, net		295.9
Inventories		520.4
Deferred income taxes		10.7
Prepaid expenses and other assets		32.6

Total current assets	895.2
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Property, plant and equipment, net	364.8
Deferred financing fees, net	
Other noncurrent assets	39.9
Identifiable intangibles, net	855.9
Goodwill	876.0

Total assets	\$
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Liabilities, Redeemable Common Stock and Stockholders' Equity

Current liabilities:

Accounts payable	\$	115.8
Current portion of long-term debt		
Accrued expenses and other liabilities		135.3

Total current liabilities	
---------------------------	--

Long-term debt, net of current portion		
Accrued pension liability		113.0
Deferred income taxes		290.2
Other long-term liabilities		65.2

Total liabilities	
-------------------	--

Redeemable common stock

Stockholders' equity

Series A	
Series B	
Additional paid-in capital	
Accumulated deficit	
Accumulated other comprehensive loss	
Total stockholders' equity	

Total liabilities and stockholders' equity	\$
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Summary Historical Financial Data United States Pipe and Foundry Company, LLC (U.S. Pipe)

The following summary statement of operations data for the nine months ended September 30, 2005 and for the years ended December 31, 2004 and 2003 and the summary balance sheet data as of September 30, 2005 and December 31, 2004 are derived from, and qualified by reference to, the audited financial statements of U.S. Pipe included elsewhere in this prospectus and should be read in conjunction with those financial statements and notes thereto. The summary statement of operations data for the nine months ended September 30, 2004 and the year ended December 31, 2002 and the summary balance sheet data as of September 30, 2004 and December 31, 2003 have been derived from unaudited financial statements of U.S. Pipe. The following summary financial and other data of U.S. Pipe should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Condensed Combined Financial Information" and the financial statements and notes thereto included elsewhere in this prospectus.

	For the nine months ended September 30,		For the years ended December 31,		
	2005	2004	2004	2003	2002

(dollars in millions)

Statement of Operations Data:

Net sales	\$ 425.5	\$ 406.9	\$ 537.2	\$ 431.9	\$ 457.2
Cost of sales(a)	370.8	372.6	490.2	393.9	395.2
Gross profit	54.7	34.3	47.0	38.0	62.0
Selling, general and administrative expenses(b)	25.9	25.0	38.2	43.5	36.1
Related party corporate charges(c)	5.4	5.7	7.7	4.8	6.4
Restructuring and impairment charges(d)		0.1	0.1	5.9	
Operating income (loss)	23.4	3.5	1.0	(16.2)	19.5
Interest expense other	(0.3)	(0.4)	(0.5)	(0.5)	(0.1)
Interest expense arising from payable to parent, Walter Industries(e)	(15.2)	(13.0)	(18.9)	(16.4)	(9.4)
Income (loss) before income tax expense (benefit)	7.9	(9.9)	(18.4)	(33.1)	10.0
Income tax expense (benefit)	2.8	(3.9)	(2.9)	(12.7)	4.1
Income (loss) before cumulative effect of change in accounting principle	5.1	(6.0)	(15.5)	(20.4)	5.9
Cumulative effect of change in accounting principle, net of tax				(0.5)	
Net income (loss)	\$ 5.1	\$ (6.0)	\$ (15.5)	\$ (20.9)	\$ 5.9
Basic income (loss) per share:					
Income (loss) before cumulative effect of change in accounting principle	\$ 5.1	\$ (6.0)	\$ (15.5)	\$ (20.4)	\$ 5.9
Cumulative effect of change in accounting principle, net of tax				(0.5)	
Earnings (loss) per share(f)	\$ 5.1	\$ (6.0)	\$ (15.5)	\$ (20.9)	\$ 5.9
Other Data:					
EBITDA(g)	\$ 42.8	\$ 23.5	\$ 27.5	\$ 9.0	\$ 43.5
Depreciation and amortization	19.4	20.0	26.5	25.2	24.0
Capital expenditures	16.5	12.4	20.4	15.7	26.2

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As of September 30,		As of December 31,	
2005	2004	2004	2003
(dollars in millions)			

Balance Sheet Data:

Cash and cash equivalents(h)	\$	\$	0.1	\$	\$	0.2
Working capital			188.7			176.6
Property, plant and equipment, net			149.2			152.9
Total assets			514.7			491.6
Intercompany indebtedness to Walter Industries			443.6			435.4
Total liabilities			669.9			626.7
Total stockholder's equity (net capital deficiency)			(155.2)			(135.1)

- (a) Cost of sales includes warranty cost of \$2.3 million related to a construction project in Kansas City, Missouri during the nine months ended September 30, 2005.
- (b) Selling, general and administrative expenses include:
- credits for environmental-related insurance settlement benefits of \$5.1 million and \$1.9 million for the nine months ended September 30, 2005 and the year ended December 31, 2004, respectively;
- accrual of \$4.0 million relating to environmental liabilities for the year ended December 31, 2004; and
- settlement expenses for a commercial dispute of \$1.7 million and settlement expenses for litigation matters of \$6.5 million for the year ended December 31, 2003.
- (c) Related party corporate charges represents costs incurred by Walter Industries that have been allocated to U.S. Pipe. Walter Industries allocates certain costs to all of its subsidiaries based on a systematic and rational method. In the event that U.S. Pipe separates, these charges will no longer be allocated to U.S. Pipe. However, U.S. Pipe may incur costs in an amount less than or greater than these costs for similar services performed by an unaffiliated third party.
- (d) Restructuring and impairment charges for the year ended December 31, 2003 include \$5.9 million to cease operations at the castings plant in Anniston, Alabama. These charges primarily included employee benefits costs and the write-off of fixed assets.
- (e) Consists of interest expense allocated by Walter Industries to U.S. Pipe. Following the Acquisition on October 3, 2005, this interest expense is no longer allocated to U.S. Pipe because the intercompany indebtedness to Walter Industries has been contributed to the capital of U.S. Pipe.
- (f) Earnings (loss) per share for all periods presented was determined using one share, which is the capital structure of the reporting entity subsequent to the October 3, 2005 Acquisition.
- (g) EBITDA represents net income adjusted for interest expense, income taxes, depreciation and amortization and cumulative effect of change in accounting principle. We present EBITDA because we consider it an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry, substantially all of which present EBITDA when reporting their results.

In addition, our credit agreement uses EBITDA (with additional adjustments) to measure our compliance with covenants, such as interest coverage and debt incurrence. EBITDA is also widely used by us and others in our industry to evaluate and price potential acquisition candidates.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

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EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;

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although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and

other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure.

EBITDA is a measure of our performance that is not required by, or presented in accordance with, GAAP however, we believe it is a useful indicator of our ability to meet debt service and capital expenditure requirements. EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

EBITDA reconciliation to Net income (loss):

	For the nine months ended September 30,		For the years ended December 31,		
	2005	2004	2004	2003	2002
	(dollars in millions)				
EBITDA	\$ 42.8	\$ 23.5	\$ 27.5	\$ 9.0	\$ 43.5
Adjustments:					
Depreciation and amortization	(19.4)	(20.0)	(26.5)	(25.2)	(24.0)
Interest expense-other	(0.3)	(0.4)	(0.5)	(0.5)	(0.1)
Interest expense arising from payable to parent, Walter Industries	(15.2)	(13.0)	(18.9)	(16.4)	(9.4)
Income tax (expense) benefit	(2.8)	3.9	2.9	12.7	(4.1)
Cumulative effect of change in accounting principle, net of tax				(0.5)	
Net income (loss)	\$ 5.1	\$ (6.0)	\$ (15.5)	\$ (20.9)	\$ 5.9

(h)

Cash and cash equivalents, prior to the acquisition of Predecessor Mueller on October 3, 2005, were transferred daily to the Walter Industries cash management system, effectively reducing U.S. Pipe cash to virtually zero on a daily basis. Subsequent to October 3, 2005, all cash generated by U.S. Pipe is maintained by U.S. Pipe and is not transferred to Walter Industries.

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Summary Historical and Financial Data Mueller Water Products, Inc. (Predecessor Mueller)

The following summary consolidated statement of operations data for the years ended September 30, 2005, 2004 and 2003 and the summary consolidated balance sheet data as of September 30, 2005, 2004 and 2003 are derived, and qualified by reference to, the audited consolidated financial statements of Mueller Water Products, Inc. and should be read in conjunction with those consolidated financial statements and notes thereto. The consolidated financial statements as of September 30, 2005 and 2004 and for each of the three years in the period ended September 30, 2005 are included elsewhere in this prospectus. The following summary consolidated financial and other data of Mueller Water Products, Inc. should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Condensed Combined Financial Information" and the consolidated financial statements and notes thereto included in this prospectus.

	For the years ended September 30,		
	2005	2004	2003
	(as restated)(e)		(as restated)(e)
	(dollars in millions except per share data)		
Statement of Operations Data:			
Net sales	\$ 1,148.9	\$ 1,049.2	\$ 922.9
Cost of sales	802.3	750.5	681.8
Gross profit	346.6	298.7	241.1
Selling, general and administrative expenses(a)	172.1	185.1	148.2
Facility rationalization, restructuring and related costs(b)	1.7	0.9	1.7
Operating income	172.8	112.7	91.2
Interest expense, net of interest income(c)	(89.5)	(63.5)	(35.5)
Income before income tax expense	83.3	49.2	55.7
Income tax expense	33.7	16.0	22.9
Net income	\$ 49.6	\$ 33.2	\$ 32.8
Earnings per share(f):			
Basic	\$ 0.22	\$ 0.11	\$ 0.09
Diluted	\$ 0.20	\$ 0.10	\$ 0.09
Weighted average shares outstanding (in millions):			
Basic	220.6	212.3	205.6
Diluted	244.9	223.6	208.9
Other Data:			
EBITDA(g)	\$ 221.2	\$ 177.0	\$ 157.5
Depreciation and amortization	48.4	64.3	66.3
Capital expenditures	27.2	22.5	20.0

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As of September 30,

2005	2004	2003
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(dollars in millions)

Balance Sheet Data:

Working capital(d)	\$ 481.6	\$ 390.8	\$ 369.1
Property, plant and equipment, net	168.0	186.8	208.0
Total assets	1,086.8	989.2	957.4
Total debt	1,055.7	1,039.4	575.7
Total stockholder's equity (net capital deficiency)	(176.4)	(232.4)	106.8

- (a) Selling, general and administrative expenses include stock compensation charges of \$21.2 million and \$0.7 million for the years ended September 30, 2004 and 2003, respectively.
- (b) Facility rationalization and restructuring includes severance and exit cost charges and non-cash impairment charges due to the idling and obsolescence of certain assets related to (A) the implementation of lost foam technology at our Albertville, Alabama and Chattanooga, Tennessee facilities, (B) the closure of our Statesboro, Georgia manufacturing facility, (C) the relocation of certain manufacturing lines to other facilities, and (D) the shutdown of a Mueller segment plant in Colorado that ceased manufacturing operations.
- (c) Interest expense, net of interest income, includes the write off of deferred financing fees of \$7.0 million for 2004. Interest expense and early debt repayments costs for 2004 also includes a \$7.0 million prepayment associated with the redemption in November 2003 of our senior subordinated notes due 2009. Interest expense, net of interest income, also includes interest rate swap (gains)/losses of \$(5.2) million, \$(12.5) million and \$(13.3) million for the years ended September 30, 2005, 2004 and 2003, respectively.
- (d) Working capital equals current assets less current liabilities.
- (e) See Note 2 to the Predecessor Mueller consolidated financial statements for discussion of the restatement of total assets for fiscal 2004 and the reclassification of depreciation expense from selling, general and administrative to cost of sales for fiscal years 2004 and 2003.
- (f) A reconciliation of the basic and diluted net income per share computations for the years ended September 30, 2005, 2004 and 2003 are as follows:

For the years ended September 30,

2005		2004		2003	
Basic	Diluted	Basic	Diluted	Basic	Diluted

(in millions, except per share data)

Numerator:

Net income	\$ 49.6	\$ 49.6	\$ 33.2	\$ 33.2	\$ 32.8	\$ 32.8
Effect of dilutive securities:						
Dividends related to redeemable preferred stock(1)			9.9	9.9	14.2	14.2
	\$ 49.6	\$ 49.6	\$ 23.3	\$ 23.3	\$ 18.6	\$ 18.6

Denominator:

Average number of common shares outstanding	220.6	220.6	212.3	212.3	205.6	205.6
Effect of dilutive securities:						
Stock options(2)				1.2		3.3

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	For the years ended September 30,					
	2004		2003		2002	
Warrants(3)		24.3		10.1		
	220.6	244.9	212.3	223.6	205.6	208.9
Net income per share	\$ 0.22	\$ 0.20	\$ 0.11	\$ 0.10	\$ 0.09	\$ 0.09

- (1) Represents dividends payable in cash related to the redeemable preferred stock which was redeemed on April 23, 2004.
- (2) Represents the number of shares of common stock issuable on the exercise of dilutive employee stock options less the number of shares of common stock which could have been purchased with the proceeds from the exercise of such options. These purchases were assumed to have been made at the average market price for the period. On April 23, 2004, all options were exercised.

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(3) Represents the number of warrants issued with the 14³/₄% senior discount notes that were convertible into Predecessor Mueller's Class A common stock upon exercise. In connection with the acquisition of Predecessor Mueller by Walter Industries on October 3, 2005, all warrants were converted into a right to receive cash and are no longer outstanding.

(g) EBITDA represents net income before adjusted for expense, net of interest income, income taxes, other income, cumulative effect of change in accounting principle, and depreciation and amortization. We present EBITDA because we consider it an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry, substantially all of which present EBITDA when reporting their results.

In addition, our credit agreement uses EBITDA (with additional adjustments) to measure our compliance with covenants, such as interest coverage and debt incurrence. EBITDA is also widely used by us and others in our industry to evaluate and price potential acquisition candidates.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and

other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure.

EBITDA is a measure of our performance that is not required by, or presented in accordance with, GAAP however, we believe it is a useful indicator of our ability to meet debt service and capital expenditure requirements. EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

EBITDA reconciliation to Net income:

	For the years ended September 30,		
	2005	2004	2003
	(dollars in millions)		
EBITDA	\$ 221.2	\$ 177.0	\$ 157.5
Adjustments:			
Depreciation and amortization	(48.4)	(64.3)	(66.3)
Interest expense, net of interest income	(89.5)	(63.5)	(35.5)
Income tax expense	(33.7)	(16.0)	(22.9)
Net income	\$ 49.6	\$ 33.2	\$ 32.8

RISK FACTORS

You should carefully consider each of the following risks and all of the information set forth in this prospectus before deciding to invest in our Series A common stock. If any of the following risks and uncertainties develop into actual events, our business, financial condition or results of operations could be materially adversely affected. In that case, the price of our Series A common stock could decline and you could lose all or part of your investment.

Risks Relating to Our Business

Our business would be adversely affected by a downturn in government spending related to infrastructure upgrades, repairs and replacements, or in the cyclical residential or non-residential building markets.

Our business is primarily dependent upon spending on water and wastewater infrastructure upgrades, repairs and replacement, new water and wastewater infrastructure spending (which is dependent upon residential construction) and spending on non-residential construction. We are also subject to general economic conditions, the need for construction projects, interest rates and government incentives provided for public work projects. In addition, a significant percentage of our products are ultimately used by municipalities or other governmental agencies in public water transmission and collection systems. As a result, our sales could be impacted adversely by declines in the number of projects planned by public water agencies, government spending cuts, general budgetary constraints, difficulty in obtaining necessary permits or the inability of government entities to issue debt. It is not unusual for water projects to be delayed and rescheduled for a number of reasons, including changes in project priorities and difficulties in complying with environmental and other government regulations. Spending growth in the infrastructure upgrades, repairs and replacement sector has slowed in recent years as state and local governments' budgets were negatively impacted by the downturn in the economy. We cannot assure you that economic conditions will continue to improve or that if they do, that state and local governments will address deferred infrastructure needs. Although the residential building market has experienced growth in recent years, we cannot assure that this growth will continue in the future. The residential and non-residential building markets are cyclical, and, historically, down cycles have typically lasted approximately four to six years. Any significant decline in the residential or non-residential building markets or governmental spending on infrastructure could have a material adverse effect on our financial condition and results of operations.

Our industry is very competitive and some of our products are commodities.

The domestic and international markets for flow control products are competitive. While there are only a few competitors for most of our product offerings, many of them are well-established companies with strong brand recognition. In particular, our malleable iron and cast iron pipe fitting products, which together comprised 5% of our pro forma sales for the 2005 fiscal year, face competition from less expensive imports and our pipe nipple and hanger products and our pipe fittings and couplings products, which together comprised 16% of our pro forma sales in 2005, compete on the basis of price and are sold in fragmented markets with low barriers to entry, allowing less expensive domestic and foreign producers to gain market share and reduce our margins. Also, competition for ductile iron pressure pipe sold by our U.S. Pipe segment comes not only from ductile pipe produced by a concentrated number of domestic manufacturers, but also from pipe composed of other materials, such as polyvinylchloride (PVC), high density polyethylene (HDPE), concrete, fiberglass, reinforced plastic and steel.

Foreign competition is intense and could have a material adverse effect on our financial condition and results of operations.

In addition to domestic competition, we face intense foreign competition. The intensity of foreign competition is affected significantly by fluctuations in the value of the U.S. dollar against foreign currencies and by the level of import duties imposed by the U.S. Department of Commerce on certain products. Foreign competition is likely to further increase and certain product prices will continue to face downward pressure as our domestic competitors shift their operations or outsource manufacturing requirements overseas or source supplies from foreign vendors in an effort to reduce expenses.

In 2003, the U.S. Department of Commerce imposed anti-dumping duties on imported malleable and non-malleable iron fittings from China. We cannot assure you that these government agencies will continue the current duties on imported malleable and non-malleable iron fittings. If the duties for respondent companies, which range from 7.4% to 14.3% (111.4% for other producers/exporters) for malleable iron fittings and 6.3% to 7.1% (75.5% for other producers/exporters) for non-malleable iron fittings, are reduced or completely eliminated, we may be forced to reduce the prices of some of our products. An increase in foreign competition, a decrease in these duties or a strengthening in the U.S. dollar could have a material adverse effect on our financial condition and results of operations.

We depend on a group of major distributors for a significant portion of our sales; any loss of these distributors could reduce our sales and continuing consolidation could cause price pressure.

In the fiscal year ended 2005, on a pro forma basis, approximately 37% of our pro forma sales were to our ten largest distributors, and approximately 30% of our pro forma sales were to our three largest distributors: Hughes Supply, Ferguson Enterprises and National Waterworks. Our business relationships with most of our major distributor branches may be terminated at the option of either party upon zero to 60 days' notice.

Our reliance on these major distributors exposes us to:

the risk of changes in the business condition of our major distributors; and

the risk that the loss of a major distributor could adversely affect our results of operations.

While our relationships with our ten largest distributors have been long-lasting, distributors in our industry have experienced significant consolidation in recent years, and we cannot assure you that our distributors will not be acquired by other distributors who buy products from our competitors. Our ability to retain these customers in the face of other competitors generally depends on a variety of factors, including the quality and price of our products and our ability to market these products effectively. We cannot assure you that, as consolidation among distributors continues, distributors will not be able to force us to lower our prices, which would have an adverse impact on our financial condition or results of operations. For example, Home Depot acquired National Waterworks in 2005 and announced in January 2006 that it intends to acquire Hughes Supply. As a result, two of our three largest distributors could be combined under common control. Moreover, the loss of any of National Waterworks, Hughes Supply or Ferguson Enterprises as a distributor could have a material adverse effect on our financial condition or results of operations.

Our brass valve products contain lead, which may be replaced in the future.

Our brass valve products, which constituted approximately 6% of our pro forma sales in the twelve months ended September 30, 2005 contain approximately 5.0% lead. Environmental advocacy groups, relying on standards established by California's Proposition 65, are seeking to eliminate or reduce the content of lead in some of these products, including water meters and valves, and to limit their sale in California. Some of our business units have entered into settlement agreements with these environmental advocacy groups that have required them to either modify some of these products or

offer substitutes for them with respect to products sold in California. Modifications of or substitutions for our products to meet or conform with regulatory requirements will require incremental capital spending of up to \$8.0 million in the next two years and will require us to purchase more expensive raw materials, and we may not be able to pass these costs on to our customers. Legislation to substantially restrict lead content in water products has been introduced in the United States Congress. If Congress adopts such legislation or if similar issues are raised in Congress in the future or in other jurisdictions or if these or other advocacy groups file suit against us under Proposition 65, our results of operations and financial condition could be adversely affected.

Our results have been, and may continue to be, adversely impacted by increases in raw material prices.

Our business is subject to the risk of price increases and fluctuations and periodic delays in the delivery of raw materials and purchased components that are beyond our control. Our operations require substantial amounts of raw materials or purchased components, such as steel pipe and scrap steel and iron, brass ingot, sand, resin, and natural gas. Management estimates that scrap metal and ferrous alloys used in the U.S. Pipe manufacturing process account for up to 40% of the U.S. Pipe cost to manufacture ductile iron pipe and raw materials and purchased components used in our manufacturing processes currently account for approximately 18% of the Mueller and Anvil cost of goods sold. Fluctuations in the price and delivery of these materials may be driven by the supply/demand relationship for a material, factors particular to that material or governmental regulation for raw materials such as natural gas. In addition, if any of our suppliers seeks bankruptcy relief or otherwise cannot continue its business as anticipated or we cannot renew our supply contracts on favorable terms, the availability or price of raw materials could be adversely affected.

The availability and price of certain raw materials or purchased components, such as steel scrap, brass ingot and natural gas are subject to market forces largely beyond our control, including North American and international demand freight costs, speculation and foreign exchange rates. We generally purchase raw materials at spot prices and generally do not have the ability to hedge our exposure to price changes. We are not always able, and may not be able in the future, to pass on increases in the price of these raw materials to our customers. In particular, when raw material prices increase rapidly or to significantly higher than normal levels, we may not be able to pass price increases through to our customers on a timely basis, if at all, which could adversely affect our operating margins and cash flow. Any fluctuations in the price or availability of raw materials or purchased components may have a material adverse effect on our business, results of operations or financial condition.

We are dependent upon the successful operation of our key manufacturing facilities.

Some of our key products, including hydrants, valves and ductile iron pipe, are manufactured at five of our largest manufacturing facilities. The operation of such facilities involves various operating risks, including, but not limited to:

catastrophic events such as fires, explosions, floods, earthquakes or other similar occurrences;

interruptions in raw materials and energy supply;

adverse government regulation;

breakdowns or equipment failures;

violations of our permit requirements or revocation of permits;

releases of pollutants and hazardous substances to air, soil, surface water or groundwater;

shortages of equipment or spare parts; and

labor disputes.

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A decrease in, or the elimination of, the revenues generated by our key facilities or a substantial increase in the costs of operating such facilities could materially impact our cash flows and results of operations.

We may be unsuccessful in identifying or integrating suitable acquisitions, which could adversely affect our growth.

Our growth strategy is built upon organic growth and on taking advantage of opportunities to acquire complementary businesses. This strategy depends on the availability of acquisition candidates with businesses that can be successfully integrated into our existing business and that will provide us with complementary manufacturing capabilities, products or services. However, we may be unable to identify targets that will be suitable for acquisition. In addition, if we identify a suitable acquisition candidate, our ability to successfully implement the acquisition will depend on a variety of factors, including our ability to finance the acquisition. Our ability to finance our acquisitions is subject to a number of factors, including the availability of adequate cash from operations or of acceptable financing terms and the terms of our debt instruments. In addition, there are many challenges to integrating acquired companies and businesses in our company, including eliminating redundant operations, facilities and systems, coordinating management and personnel, retaining key employees, managing different corporate cultures and achieving cost reductions and cross-selling opportunities. We cannot assure you that we will be able to meet these challenges in the future.

Businesses we have acquired or will acquire may not perform as expected.

We may be adversely affected if businesses we have recently acquired or acquire in the future do not perform as expected. Acquired businesses may perform below expectations after the acquisition for various reasons, including legislative or regulatory changes that affect the areas in which a business specializes, the loss of key customers after the acquisition has closed, general economic factors that affect a business in a direct way and the cultural incompatibility of an acquired management team with us. Any of these factors could adversely affect our results of operations.

We have recorded a significant amount of goodwill and other identifiable intangible assets, and we may never realize the full value of our intangible assets.

We have recorded a significant amount of goodwill and other identifiable intangible assets. As of September 30, 2005, on a pro forma basis, goodwill and other net identifiable intangible assets were approximately \$876.0 million and \$855.9 million (or, collectively, approximately 56% of our total assets). Goodwill and net identifiable intangible assets of Mueller Water are recorded at fair value on the date of acquisition and goodwill of U.S. Pipe remain at historical cost. In accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards ("SFAS") No. 142, Goodwill and Other Intangible Assets, are reviewed at least annually for impairment. Impairment may result from, among other things, deterioration in our performance, adverse market conditions, adverse changes in applicable laws or regulations, including changes that restrict the activities of or affect the products and services sold by our business, and a variety of other factors. The amount of any quantified impairment must be expensed immediately as a charge to results of operations. Depending on future circumstances, it is possible that we may never realize the full value of our intangible assets. Any future determination of impairment of a significant portion of goodwill or other identifiable intangible assets would result in a non-cash impairment charge and would have an adverse effect on our financial condition and results of operations.

We have a significant amount of debt that could adversely affect our financial health.

Following this offering, on a pro forma basis, as of September 30, 2005, our total debt would have been \$ _____ million. Any decrease in the aggregate net proceeds raised in this offering will

result in an increase of our pro forma total debt. See "Use of Proceeds" and "Capitalization" for additional information. We may incur significant additional indebtedness from time to time. The level of our indebtedness could have important consequences, including:

making it more difficult for us to satisfy our obligations under our debt instruments;

limiting cash flow available for general corporate purposes, including capital expenditures and acquisitions, because a substantial portion of our cash flow from operations must be dedicated to servicing our debt;

limiting our ability to obtain additional debt financing in the future for working capital, capital expenditures or acquisitions;

limiting our flexibility to react to competitive and other changes in our industry and economic conditions generally; and

exposing us to risks inherent in interest rate fluctuations because a substantial portion of our borrowings is at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates.

We will require a significant amount of cash to service our debt and our ability to generate cash depends on many factors beyond our control.

Our ability to pay or to refinance our indebtedness will depend upon our future operating performance, which will be affected by general economic, financial, competitive, legislative, regulatory, business and other factors beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations, that currently anticipated revenue growth and operating improvements will be realized or that future borrowings will be available to us in an amount sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. If we are unable to meet our debt service obligations or fund our other liquidity needs, we could attempt to restructure or refinance our indebtedness or seek additional equity capital. We cannot assure you that we will be able to accomplish those actions on satisfactory terms, if at all.

Restrictive covenants in our debt instruments may adversely affect us.

Our debt instruments contain various covenants that limit our ability to engage in certain transactions. Our senior credit facilities also require the maintenance of specified financial ratios and the satisfaction of other financial condition tests. In addition, our debt instruments require us to provide regular financial information to our lenders and bondholders. Such requirements generally may be satisfied by our timely filing with the SEC of annual and quarterly reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our ability to satisfy those financial ratios, tests or covenants can be affected by events beyond our control, and we cannot assure you that we will meet those tests. A breach of any of these covenants could result in a default under our debt instruments. If an event of default is not remedied after the delivery of notice of default and lapse of any relevant grace period, the holders of our debt would be able to declare it immediately due and payable. Upon the occurrence of an event of default under our senior credit facilities, the lenders could also terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders could proceed against the collateral granted to them to secure the indebtedness under our senior credit facilities. We have pledged substantially all of our assets (including our intellectual property), other than the assets of our foreign subsidiaries, as security under our senior credit facilities. If the lenders under our senior credit facilities or noteholders of the notes accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay our senior credit facilities and our other indebtedness.

Certain of our brass valve products may not be in compliance with NSF standards, which could limit the ability of municipalities to buy our products.

The National Sanitary Foundation ("NSF") is a non-profit entity that was contracted by the U.S. Environmental Protection Agency ("EPA") to promulgate standards for the water industry. NSF has issued NSF 61, which governs the leaching characteristics of valves and devices that are part of drinking water distribution networks, including certain of our products made from brass. In recent years, a growing majority of states have adopted, by statute or regulation, a requirement that water distribution systems utilize products that comply with NSF 61 and/or are certified as NSF 61 compliant. We, along with others in the industry, are engaged in the lengthy process of attempting to obtain certification of NSF 61 compliance for all of our relevant products. In fiscal 2005, our sales of brass valve products were approximately 6% of our total sales, on a pro forma basis. Approximately 35% of these products have not been certified and these represent approximately 20% of our brass valve product sales. In the event that some of our brass valve products are found not to be in compliance with NSF 61, those products may not be accepted by various municipalities or we may be forced to modify non-conforming products with substitute materials which may require increased cost, thereby adversely affecting profitability. In addition, if our competitors develop a complete line of NSF 61 compliant brass valve products before we do, we may be placed at a competitive disadvantage which may, in turn, adversely affect profitability.

Our business may be adversely impacted by work stoppages and other labor relations matters.

We are subject to a risk of work stoppages and other labor relations matters because our hourly workforce is highly unionized. As of December 31, 2005, on a pro forma basis, approximately 85% of our hourly workforce was represented by unions. These employees are represented by locals from approximately six different unions, including the Glass, Molders, Pottery, Plastics and Allied Workers International Union, which is our largest union. Our labor agreements will be negotiated as they expire at various times through March 2010. Work stoppages for an extended period of time could have a material adverse effect on our business. Labor costs are a significant element of the total expenditures involved in our manufacturing process, and an increase in the costs of labor could therefore have a material adverse effect on our business. In addition, the freight companies who deliver our products to our distributors generally use unionized truck drivers, and we could also be adversely affected if our contractors face work stoppages or increased labor costs. For more information about our labor relations, see "Business Employees."

Our revenues are influenced by weather conditions and the level of construction activity at different times of the year; we may not be able to generate revenues that are sufficient to cover our expenses during certain periods of the year.

Some of our products, including ductile iron pipe, are moderately seasonal, with lower production capacity and lower sales in the winter months. This seasonality in demand has resulted in fluctuations in our revenues and operating results. Because much of our overhead and expenses are fixed payments, seasonal trends can cause reductions in our profit margin and financial condition, especially during our slower periods.

We may be subject to product liability or warranty claims that could require us to make significant payments.

We would be exposed to product liability claims in the event that the use of our products results, or is alleged to result, in bodily injury and/or property damage. We cannot assure you that we will not experience any material product liability or warranty losses in the future or that we will not incur significant costs to defend such claims. While we currently have product liability insurance, we cannot assure you that our product liability insurance coverage will be adequate for any liabilities that may

ultimately be incurred or that it will continue to be available on terms acceptable to us. A successful claim brought against us in excess of our available insurance coverage or a requirement to participate in a product recall may have a materially adverse effect on our business.

Under the terms of the purchase agreement (the "Tyco Purchase Agreement") relating to the August 1999 sale by Tyco International Ltd. ("Tyco") of the Predecessor Mueller business to our prior owners, we are indemnified by Tyco for all liabilities arising in connection with the Mueller Water business with respect to products manufactured or sold prior to the closing of that transaction. See "Business Legal Proceedings." The indemnity survives forever and is not subject to any dollar limits. In the past, Tyco has made substantial payments and/or assumed defense of claims pursuant to this indemnification provision. However, we may be responsible for these liabilities in the event that Tyco ever becomes financially unable or fails to comply with, the terms of the indemnity. In addition, Tyco's indemnity does not cover product liabilities to the extent caused by our products manufactured after that transaction. On January 14, 2006, Tyco's board of directors announced that it approved a plan to separate Tyco into three separate, publicly traded companies. At this time, we do not know which of the new entities will assume the indemnity provided under the terms of the Tyco Purchase Agreement if this plan is implemented. Should the entity or entities that assume Tyco's obligations under the Tyco Purchase Agreement ever become financially unable or fail to comply with the terms of the indemnity, we may be responsible for such obligations or liabilities. For more information about our potential product liabilities, see "Business Legal Proceedings."

We warrant our products to be free of certain defects. Because of the long useful life of our products, it is possible that latent defects might not appear for several years. Any losses that result or are alleged to result from defects in our products, could subject us to claims for damages, including consequential damages. In addition, we could elect to replace our defective products and/or compensate our customers for damages caused by our defective products even in the absence of a formal claim for damages. The insurance that we maintain may not be available on terms acceptable to us in the future and such coverage may not be adequate for liabilities actually incurred. Any claims or expenses relating to defective products that result in liability exceeding our insurance coverage could raise costs and expenses or require us to accrue expenses or record accounting charges and reduce our net income. Further, claims of defects could result in adverse publicity against us, which could lower our sales and harm our business.

We may be adversely affected by environmental, health and safety laws and regulations or liabilities.

We are subject to various laws and regulations relating to the protection of the environment and human health and safety and must incur capital and other expenditures to comply with these requirements. Failure to comply with any environmental, health or safety requirements could result in the assessment of damages, or imposition of penalties, suspension of production, a required upgrade or change to equipment or processes or a cessation of operations at one or more of our facilities. Because these laws are complex, constantly changing and may be applied retroactively, we cannot assure you that these requirements, in particular as they change in the future, will not have a material adverse effect on our business, profitability and results of operations.

In addition, we will be required to incur costs to comply with the EPA's National Emissions Standards for Hazardous Air Pollutants ("NESHAP") for iron and steel foundries and for our foundries' painting operations. These costs may be substantial. See "Business Environmental Matters." We may be required to conduct investigations and perform remedial activities that could require us to incur material costs in the future. Our operations involve the use of hazardous substances and the disposal of hazardous wastes. We may incur costs to manage these substances and wastes and may be subject to claims for damage for personal injury, property damages or damage to natural resources.

Under the terms of the Tyco Purchase Agreement, we are indemnified by Tyco for all environmental liabilities arising in connection with the Predecessor Mueller business and relating to actions occurring or conditions existing prior to the closing of that transaction. See "Business Legal Proceedings." The indemnity survives forever and is not subject to any dollar limits. In the past, Tyco has made substantial payments and/or assumed defense of claims pursuant to this indemnification provision. Should Tyco (or any successor entity) ever become financially unable or fail to comply with the terms of the indemnity, we may be responsible for such obligations or liabilities. In addition, Tyco's indemnity does not cover environmental liabilities to the extent caused by us or Predecessor Mueller or the operation of our Mueller Water business after that transaction, nor does it cover environmental liabilities arising with respect to businesses, such as the U.S. Pipe operations, or sites, including U.S. Pipe facilities, acquired after August 1999.

Our U.S. Pipe segment has been identified as a potentially responsible party liable under federal environmental laws for a portion of the clean-up costs with regard to two sites, one in Alabama and one in California, and is currently subject to an administrative consent order requiring certain monitoring and clean-up with regard to its Burlington, New Jersey facility. Such clean-up costs could have a material adverse impact to our result of operations in any given reporting period. For more information about our environmental compliance and potential environmental liabilities, see "Business Environmental Matters" and "Business Legal Proceedings."

Our loss of the services of, or inability to obtain, key personnel could have a material adverse effect on our future success.

Our success depends to a significant degree upon the contributions of Gregory Hyland and Dale Smith, as well as other members of our senior management. Although Messrs. Hyland and Smith have entered into employment agreements with us or Walter Industries, these agreements may be terminated and such persons may not remain affiliated with us. If any of our key personnel were to cease their affiliation with us, we may be unable to find suitable replacement personnel, and our results of operations could suffer. We do not intend to maintain key person life insurance on any person.

We need to improve our internal controls to comply with SEC reporting requirements; public reporting obligations have put significant demands on our financial, operational and management resources.

Predecessor Mueller reported a material weakness in both fiscal 2004 and fiscal 2005 related to maintaining effective controls over the preparation, review and presentation and disclosure of its consolidated financial statements. There also exist significant deficiencies in our internal controls over financial reporting which, if unremediated, may result in more than a remote likelihood that a material misstatement of our annual or interim financial statements will not be prevented or detected.

The Public Company Accounting Oversight Board ("PCAOB") defines a significant deficiency as a control deficiency, or a combination of control deficiencies, that adversely affects the company's ability to initiate, authorize, record, process, or report external financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the company's annual or interim financial statements that is more than inconsequential will not be prevented or detected. The PCAOB defines a material weakness as a single deficiency, or a combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

The material weaknesses and significant deficiencies will need to be addressed as a part of the evaluation of our internal controls over financial reporting pursuant to the Sarbanes-Oxley Act of 2002 and may impair our ability to comply with Section 404 of the Act. We are currently taking additional steps to implement an internal control structure and procedures for financial reporting that would allow us to produce financial statements and related disclosure within the time periods and in the form

required under the Exchange Act. Failure to implement remediation plans in future periods could have an adverse effect on us.

Compliance with internal control reporting requirements and securities laws and regulations is likely to increase our costs.

The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and the Public Company Accounting Oversight Board, have required changes in the corporate governance and securities disclosure or compliance practices of public companies over the last few years. We expect these new rules and regulations to continue to increase our legal and financial compliance costs, as well as our ongoing audit costs, and to make legal, accounting and administrative activities more time-consuming and costly. In 2006, we will need to comply with the internal control reporting requirements of the Sarbanes-Oxley Act, which will have a significant impact on our compliance cost in 2006.

We also expect these rules and regulations to make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These new rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee, and executive officers.

We may not be able to achieve the anticipated synergies in connection with our integration and rationalization plans.

We are pursuing several initiatives designed to rationalize our manufacturing facilities and to use our manufacturing expertise to reduce our costs. In fiscal 2006, we expect to achieve integration synergies between our Mueller and U.S. Pipe segments by closing the U.S. Pipe Chattanooga, Tennessee production facility and integrating it into the Mueller Chattanooga and Albertville, Alabama production facilities. We have initiated the implementation of plant and distribution combination and production efficiency strategies within our Mueller and Anvil segments, which efforts will continue through fiscal years 2006, 2007 and the beginning of 2008. Our Mueller segment sales force has begun to integrate U.S. Pipe products as complementary product offerings as part of their sales efforts. We also have begun to use our combined purchasing leverage to reduce raw material and overall product costs. If we fail to implement our integration and rationalization plans, at the economic levels or within the time periods expected, we may not be able to achieve the projected levels of synergies and cost savings. In addition, we expect to incur substantial severance, environmental and impairment costs in connection with our integration and rationalization plans.

We are a holding company and may not have access to the cash flow and other assets of our subsidiaries.

We are a holding company that has no operations of our own and derives all of our revenues and cash flow from our subsidiaries. The terms of the indentures governing our senior discount notes and senior subordinated notes and our senior credit facilities significantly restrict our subsidiaries from paying dividends and otherwise transferring assets to us. Furthermore, our subsidiaries are permitted under the terms of our senior credit facilities and other indebtedness to incur additional indebtedness that may severely restrict or prohibit the making of distributions, the payment of dividends or the making of loans by such subsidiaries to us. A breach of any of those covenants would be a default under the applicable debt instrument that would permit the holders thereof to declare all amounts due thereunder immediately payable. As a result, we may not have access to our subsidiaries' cash flow to finance our cash needs.

If we fail to protect our intellectual property, our business and ability to compete could suffer.

Our business depends upon our technology and know-how, which is largely developed internally. While we believe that none of our operating units is substantially dependent on any single patent, trademark, copyright, or other form of intellectual property, we rely on a combination of patent protection, copyright and trademark laws, trade secrets protection, employee and third party confidentiality and nondisclosure agreements and technical measures to protect our intellectual property rights. There can be no assurance that the measures that we take to protect our intellectual property rights will be adequate to deter infringement or misappropriation or independent third-party development of our technology or to prevent an unauthorized third party from obtaining or using information or intellectual property that we regard as proprietary or to keep others from using brand names similar to our own. The disclosure, misappropriation or infringement of our intellectual property could harm our ability to protect our rights and our competitive position. In addition, our actions to enforce our rights may result in substantial costs and diversion of management and other resources. We may also be subject to intellectual property infringement claims from time to time, which may result in our incurring additional expenses and diverting company resources to respond to these claims.

If transportation for our ductile iron pipe products becomes unavailable or uneconomic for our customers, our ability to sell ductile iron pipe products would suffer.

Transportation costs are a critical factor in a customer's purchasing decision. Increases in transportation costs could make our ductile iron pipe products less competitive with the same or alternative products from competitors with lower transportation costs.

We typically depend upon rail, barge and trucking systems to deliver our products to customers. While our customers typically arrange and pay for transportation from our factory to the point of use, disruption of these transportation services because of weather-related problems, strikes, lock-outs or other events could temporarily impair our ability to supply our products to our customers thereby resulting in lost sales and reduced profitability.

Risks Relating to our Relationship with Walter Industries

Walter Industries controls us and may have conflicts of interest with us or you in the future.

Immediately prior to this offering, Walter Industries will be our only stockholder. Upon completion of this offering, Walter Industries will beneficially own all of our outstanding Series B common stock (which Series B common stock is entitled to eight votes per share on any matter submitted to a vote of our stockholders). The common stock beneficially owned by Walter Industries upon completion of this offering will represent in the aggregate % of the combined voting power of all of our outstanding common stock (or % if the underwriters' option to purchase additional shares is exercised in full). For as long as Walter Industries continues to beneficially own shares of common stock representing more than 50% of the combined voting power of our common stock, Walter Industries will be able to direct the election of all of the members of our board of directors and exercise a controlling influence over our business and affairs, including any determinations with respect to mergers or other business combinations, the acquisition or disposition of assets, the incurrence of indebtedness, the issuance of any additional common stock or other equity securities, the repurchase or redemption of common stock or preferred stock and the payment of dividends. Similarly, Walter Industries will have the power to determine or significantly influence the outcome of matters submitted to a vote of our stockholders, including the power to prevent an acquisition or any other change in control of us and could take other actions that might be favorable to Walter Industries. See "Description of Capital Stock" and "Certain Relationships and Related Party Transactions Relationship with Walter Industries."

In addition, so long as we are entitled to do so (which, under current rules, means that so long as Walter Industries continues to own in the aggregate more than 50% of the combined voting power of

all of our outstanding common stock), we intend to rely on the "controlled company" exception under the New York Stock Exchange rules. This exception eliminates the requirements that such a controlled company has a majority of independent directors on its board of directors and that it has compensation and nominating and corporate governance committees composed entirely of independent directors. As a result, you will not have the same protections that stockholders of non-controlled companies that are subject to all of the corporate governance requirements of the New York Stock Exchange.

Walter Industries will also have an option available to it to purchase additional shares of Series B common stock and/or any nonvoting capital stock to maintain its then-existing percentage of the total voting power and value of us. Additionally, with respect to shares of any nonvoting capital stock that may be issued in the future, Walter Industries will have an option to purchase such additional shares so as to maintain ownership of 80% of each outstanding class of such stock.

Beneficial ownership of at least 80% of the total voting power and 80% of each class of any nonvoting capital stock is required in order to effect a tax-free spin-off of us (as discussed under "Description of Capital Stock Common stock Conversion Rights") or certain other tax-free transactions.

Each member of a consolidated group for federal income tax purposes is severally liable for the federal income tax liability of each other member of the consolidated group for any year in which it is a member of the group at any time during such year. Each member of the Walter Industries controlled group, which currently includes Walter Industries, us and Walter Industries' other subsidiaries, is also jointly and severally liable for pension and benefit funding and termination liabilities of other group members, as well as certain benefit plan taxes. Accordingly, we could be liable under such provisions in the event any such liability is incurred, and not discharged, by any other member of the Walter Industries consolidated or controlled group for any period during which we were included in the Walter Industries consolidated or controlled group. If Walter Industries retains less than 80% of the value of the Company after this offering, we will no longer be included in the Walter Industries' consolidated federal income tax group, and there is no assurance that our tax position will be as favorable as if we continued to be included in the Walter Industries' consolidated federal income tax group. See "Certain Relationship and Related Party Transactions Relationship with Walter Industries."

A controversy exists with regard to federal income taxes allegedly owed by the Walter consolidated group, which includes the Company, for fiscal years 1980 through 1994. It is estimated that the amount of tax presently claimed by the IRS is approximately \$34.0 million for issues currently in dispute in bankruptcy court for matters unrelated to the Company. This amount is subject to interest and penalties. However, Walter Industries believes that their tax filing positions have substantial merit and intend to defend vigorously any claims asserted. Walter Industries believes that it has an accrual sufficient to cover the estimated probable loss, including interest and penalties.

By virtue of its controlling beneficial ownership and the terms of a tax allocation agreement between us and Walter Industries, Walter Industries effectively controls all of our tax decisions for periods during which we are a member of the Walter Industries consolidated federal income tax group and certain combined, consolidated or unitary state and local income tax groups. Under the terms of a tax allocation agreement between Walter Industries and us, which will be entered into in connection with this offering, Walter Industries has sole authority to respond to and conduct all tax proceedings (including tax audits) relating to our federal income and combined state returns, to file all such returns on behalf of us and to determine the amount of our liability to (or entitlement to payment from) Walter Industries for such periods. This arrangement may result in conflicts of interests between us and Walter Industries. See "Certain Relationships and Related Party Transactions Relationship with Walter Industries Tax Allocation Agreement." In addition, the tax allocation agreement will provide that in the event that Walter Industries effectuates a spin-off of our common stock that it owns and such spin-off is not tax-free pursuant to Section 355 of the Internal Revenue Code of 1986, as amended, or

the "Code," we will generally be responsible for any taxes incurred by Walter Industries or its stockholders if such taxes result from certain of our actions or omissions. If the taxes incurred by Walter Industries or its stockholders do not result from certain of our actions or omissions and do not result from certain of Walter Industries' actions or omissions, then we generally will be responsible for a percentage of such taxes based upon our market value relative to Walter Industries' market value.

For a description of certain provisions of the restated certificate of incorporation concerning the allocation of business opportunities that may be suitable for both us and Walter Industries, see "Description of Capital Stock Competition and Corporate Opportunities."

Because we have limited experience operating as a stand-alone entity, we may be materially and adversely affected by the separation of our business from Walter Industries.

Our company is a combination of the Predecessor Mueller business acquired by Walter Industries on October 3, 2005 and the U.S. Pipe business. As of the date of this prospectus, Walter Industries owns all outstanding shares of our common stock. Our operations as a stand-alone company may place significant demands on our management, operational, and technical resources. Our future performance will depend on our ability to function as a stand-alone company and on our ability to finance and manage expanding operations and to adapt our information systems to changes in its business. We rely on contractual arrangements that require Walter Industries and its affiliates to provide or procure certain critical transitional services and shared arrangements to us such as:

certain tax and accounting services;

certain human resources services, including benefit plan administration;

communications systems;

insurance; and

supply arrangements.

After the termination of these arrangements, we may not be able to replace these services and arrangements in a timely manner or on terms and conditions, including service levels and cost, as favorable as those we have received from Walter Industries and its affiliates. We cannot assure you that our separation from Walter Industries will be successful, which could materially and adversely impact our business, our results and our financial reporting ability.

Furthermore, the financial information included in this prospectus may not necessarily reflect what the operating results and financial condition would have been had we been a separate, stand-alone entity during the periods presented or be indicative of our future operating results and financial condition.

Our governing documents and applicable laws include provisions that may discourage a takeover attempt.

Provisions contained in our restated certificate of incorporation and by-laws and Delaware law could make it difficult for a third party to acquire us, even if doing so might be beneficial to our stockholders. For example, stockholders who wish to nominate a director or present a matter for consideration at an annual meeting are required to give us notice of such proposal, which gives us time to respond. These provisions could limit the price that certain investors might be willing to pay in the future for shares of our Series A common stock and may have the effect of delaying or preventing a change in control.

Risks Relating to this Offering

Our Series A common stock has no prior public market and no assurances can be made that an active trading market will develop.

Prior to this offering, there has not been a market for our Series A common stock. Although we intend to apply to list our Series A common stock on the New York Stock Exchange, an active trading market in our Series A common stock might not develop or be sustained after this offering. An investor purchasing shares of Series A common stock in this offering will pay a price that was not established in a competitive market, but instead was determined by negotiations with the representatives of the underwriters based upon an assessment of the valuation of our Series A common stock. The public market may not agree with or accept this valuation, in which case an investor may not be able to sell shares of our stock at or above the initial offering price.

The price of our Series A common stock may be volatile and may be affected by market conditions beyond our control.

Our share price is likely to fluctuate in the future because of the volatility of the stock market in general and a variety of factors, many of which are beyond our control, including:

general economic conditions that impact construction and infrastructure activity, including interest rate movements;

quarterly variations in actual or anticipated results of our operations;

speculation in the press or investment community;

changes in financial estimates by securities analysts;

actions or announcements by our competitors;

actions by our principal stockholders;

regulatory actions;

litigation;

U.S. and international economic, legal and regulatory factors unrelated to our performance;

loss or gain of a major customer;

additions or departures of key personnel; and

future sales of our Series A common stock.

Market fluctuations could result in extreme volatility in the price of shares of our Series A common stock, which could cause a decline in the value of your investment. You should also be aware that price volatility may be greater if the public float and trading volume of shares of our Series A common stock is low. In addition, if our operating results and net income fail to meet the expectations of stock analysts and investors, we may experience an immediate and significant decline in the trading price of our stock.

Sales of common stock may depress the stock price after the offering.

After the completion of this offering, we will have outstanding shares of Series A common stock (shares of Series A common stock if the underwriters exercise in full their option to purchase additional shares). This number is comprised of all the shares of our Series A common stock that we are selling in this offering, which may be resold immediately in the public market.

In addition, Walter Industries owns shares of our Series B common stock, which constitute all of our outstanding shares of Series B common stock. Our directors, executive officers and Walter Industries have agreed, with limited exceptions, that we and they will not directly or indirectly, without the prior written consent of the underwriters, offer to sell, sell or otherwise dispose of any of our common stock for a period of days after the date of this prospectus. Subject to the selling restrictions described under "Shares Eligible for Future Sale" and "Underwriting," Walter Industries could, from time to time, convert its Series B common stock into Series A common stock on a one-for-one basis and sell any or all of those shares of Series A common stock. In addition, Walter Industries currently intends to undertake a spin-off of our capital stock to Walter Industries' shareholders.

Further, following the consummation of this offering, pursuant to the terms of the agreement ("Corporate Agreement") that we expect to enter into with Walter Industries, Walter Industries and its permitted transferees will have the right to require us to register their common stock under the Securities Act of 1933 ("the Securities Act"), for sale into the public markets. Upon the effectiveness of any such registration statement, all shares covered by the registration statement will be freely transferable. On or shortly following the date of this prospectus, we also intend to file a registration statement on Form S-8 under the Securities Act to register an aggregate of shares of Series A common stock reserved for issuance under our long-term incentive plan. Subject to the exercise of issued and outstanding options, shares registered under the registration statement on Form S-8 will be available for sale into the public markets after the expiration of the 180-day lock-up agreements.

We cannot predict what effect, if any, future sales of our common stock, or the availability of common stock for future sale, will have on the market price of our Series A common stock. Sales of substantial amounts of our common stock in the public market following our initial public offering, or the perception that such sales could occur, could adversely affect the market price of our Series A common stock and may make it more difficult for you to sell your Series A common stock at a time and price which you deem appropriate. The sale by Walter Industries of additional shares of Series A common stock in the public market, or the perception that such sales might occur, could reduce the price that our Series A common stock might otherwise obtain or could impair our ability to obtain capital through the sale of equity securities.

The book value of shares of common stock purchased in the offering will be immediately diluted.

Investors who purchase common stock in the offering will suffer immediate dilution of \$ per share in the pro forma net tangible book value per share. See "Dilution."

Our ability to pay regular dividends to our stockholders is subject to the discretion of our board of directors and may be limited by our holding company structure, the covenants in our debt instruments and applicable provisions of Delaware law.

After consummation of this offering, we intend to pay cash dividends on a quarterly basis. Our board of directors may, in its discretion, decrease the level of dividends or discontinue the payment of dividends entirely. In addition, as a holding company, we will be dependent upon the ability of our subsidiaries to generate earnings and cash flows and distribute them to us so that we may pay our obligations and expenses and pay dividends to our stockholders. Our ability to pay future dividends and the ability of our subsidiaries to make distributions to us will be subject to our and their respective operating results, cash requirements and financial condition, the applicable laws of the State of Delaware (which may limit the amount of funds available for distribution), compliance with covenants and financial ratios related to existing or future indebtedness and other agreements with third parties. If, as a consequence of these various limitations and restrictions, we are unable to generate sufficient distributions from our business, we may not be able to make, or may have to reduce or eliminate, the payment of dividends on our shares.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information contained in this prospectus includes some forward-looking statements that involve a number of risks and uncertainties. A forward-looking statement is usually identified by our use of certain terminology including "believes," "expects," "may," "will," "should," "seeks," "anticipates" or "intends" or by discussions of strategy or intentions. A number of factors could cause our actual results, performance, achievements or industry results to be very different from the results, performance or achievements expressed or implied by those forward-looking statements. These factors include, but are not limited to:

the competitive environment in our industry in general and in the sectors of the flow control product industry in which we compete;

economic conditions in general and in the sectors of the flow control product industry in which we compete;

changes in, or our failure to comply with, federal, state, local or foreign laws and government regulations;

liability and other claims asserted against our company;

changes in operating strategy or development plans;

the ability to attract and retain qualified personnel;

our significant indebtedness;

changes in our acquisition and capital expenditure plans;

our ability to achieve anticipated synergies;

our ability to timely implement improvements to our internal controls;

unforeseen interruptions with our largest customers; and

other factors we refer to in this prospectus, including factors described in the "Risk Factors" section.

In addition, forward-looking statements depend upon assumptions, estimates and dates that may not be correct or precise and involve known and unknown risks, uncertainties and other factors. Accordingly, a forward-looking statement in this prospectus is not a prediction of future events or circumstances and those future events or circumstances may not occur. Given these uncertainties, you are warned not to rely on the forward-looking statements. We are not undertaking any obligation to update these factors or to publicly announce the results of any changes to our forward-looking statements due to future events or developments.

USE OF PROCEEDS

We estimate that the net proceeds from the offering of our Series A common stock, after deducting approximately \$ million of estimated underwriting discounts and offering expenses, will be approximately \$ million. We intend to: (1) use approximately \$ million to redeem a portion of our 14³/₄% senior discount notes due 2014; (2) contribute approximately \$ million to our subsidiary, Mueller Group, LLC ("Mueller Group"), which will use such proceeds to redeem a portion of its 10% senior subordinated notes due 2012 and pay accrued interest; (3) contribute approximately \$ million to Mueller Group, which will use such proceeds to optionally prepay a portion of the term loan outstanding under the 2005 Mueller Credit Agreement; and (4) use the remaining proceeds for general corporate and other purposes.

Affiliates of Banc of America Securities LLC and Morgan Stanley & Co. Incorporated, two of the underwriters in this offering, are lenders under the 2005 Mueller Credit Agreement. Accordingly, they will receive a portion of the proceeds from this offering through the partial repayment of the term loan outstanding under the 2005 Mueller Credit Agreement. See "Underwriting."

The expected sources and uses of funds in connection with the offering (assuming a , 2006 completion of this offering unless otherwise specified) are set forth in the table below. The actual amounts may vary depending on the time of the completion of this offering.

Sources	Uses	
(dollars in millions)		
Series A common stock	\$	Partial redemption of senior discount notes(1) \$ Partial redemption of senior subordinated notes(2) Partial repayment of the term loan(3) General corporate and other purposes Estimated fees and expenses(4)
Total sources	\$	Total uses \$

- (1) Represents redemption of approximately \$ million in accreted value of our 14³/₄% senior discount notes due 2014 and a payment of approximately \$ million of premium based on the amount required at the assumed redemption date.
- (2) Represents redemption of approximately \$ million of Mueller Group's 10% senior subordinated notes due 2012 and a payment of approximately \$ million of premium and accrued interest based on the amount required at the assumed redemption date.
- (3) Represents the optional prepayment of a portion of the \$1,050.0 million term loan outstanding under the 2005 Mueller Credit Agreement. The senior credit facilities under the 2005 Mueller Credit Agreement consist of: (1) an amortizing senior secured term loan facility in an initial aggregate principal amount of \$1,050.0 million (\$1,047.4 million of which is currently outstanding) and (2) a \$145.0 million senior secured revolving credit facility, which provides for loans and under which letters of credit may be issued. The revolving credit facility will terminate on October 4, 2010, and the term loans will mature on November 1, 2011 (or October 3, 2012, if the 10% senior subordinated notes due 2012 are paid in full or refinanced prior to such date). Loans under the senior credit facilities currently bear interest, at our option, at: (x) initially, the reserve adjusted LIBOR rate plus 250 basis points or the alternate base rate plus 150 basis points for borrowings under the revolving credit facility; and (y) the reserve adjusted LIBOR rate plus 225 basis points or the alternate base rate plus 125 basis points for term loans. The proceeds of the 2005 Mueller

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Credit Agreement were used to retire certain old debt of Predecessor Mueller and to finance the Acquisition.

(4)

Represents estimated underwriting discounts and fees and legal, accounting and other fees and expenses.

We intend to contribute the net proceeds from any shares of our Series A common stock sold pursuant to the underwriters' option to purchase additional shares to Mueller Group, which intends to use such proceeds to optionally prepay an additional portion of the term loan outstanding under the 2005 Mueller Credit Agreement.

Any decrease in the aggregate amount of net proceeds raised in this offering (assuming net proceeds of at least \$ million are raised) will decrease the amount of debt under the 2005 Mueller Credit Agreement to be prepaid, but will not affect the amount of senior discount notes or senior subordinated notes to be redeemed. Any increase in the aggregate amount of net proceeds raised in this offering will be used to optionally prepay additional debt under the 2005 Mueller Credit Agreement or for general corporate purposes.

DIVIDEND POLICY

We expect our board to declare an initial quarterly dividend of \$ _____ per share for the first full fiscal quarter following the completion of this offering. We expect our board to continue to declare quarterly dividends in the future. The board will determine the amount of any future dividends from time to time based on

our results of operations and the amount of our surplus available to be distributed;

dividend availability and restrictions under our credit agreement and indentures and the applicable laws of the State of Delaware;

the dividend rate being paid by comparable companies in our industry;

our liquidity needs and financial condition; and

other factors that our board of directors may deem relevant.

The board of directors may modify or revoke our dividend policy at any time. The amounts available to us to pay cash dividends will be restricted by our debt agreements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" and "Description of Certain Indebtedness."

CAPITALIZATION

The following table presents our cash and cash equivalents and consolidated capitalization as of September 30, 2005: (1) on a historical basis; (2) as adjusted to reflect the Transactions; and (3) as further adjusted to reflect the sale by us of shares of Series A common stock in this offering and the application of the proceeds as described in "Use of Proceeds." This table should be read in conjunction with our consolidated financial statements and the notes to those statements included elsewhere in this prospectus, "Selected Historical Consolidated Financial Data," "Unaudited Pro Forma Condensed Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Use of Proceeds."

	As of September 30, 2005		
	Historical	Pro Forma	
		As Adjusted for Transactions	As Further Adjusted for Offering
	(dollars in millions)		
Cash and cash equivalents	\$	\$ 35.6	\$
Long-term debt, including current portion:			
Senior credit facilities(1)			
Revolver loans		25.0	
Term loans		1,050.0	
Senior discount notes(2)		161.7	
Senior subordinated notes(3)		333.9	
Capital lease obligation		2.2	
Payable to parent, Walter Industries	443.6		
Total debt	443.6	1,572.8	
Stockholders' equity:			
Common stock, par value \$0.01 per share, shares authorized, actual and as adjusted, shares authorized as further adjusted; shares issued and outstanding, actual and as adjusted, shares of Series A common stock and shares of Series B common stock issued and outstanding as further adjusted			
Preferred stock, par value \$0.01 per share, shares authorized, actual and as adjusted, shares authorized as further adjusted; no shares issued and outstanding, actual, as adjusted and as further adjusted			
Additional paid-in capital	68.3	998.6	
Accumulated deficit	(178.1)	(178.1)	
Accumulated other comprehensive loss	(45.4)	(45.4)	
Total stockholders' equity (deficit)	(155.2)	775.1	
Total capitalization	\$ 288.4	\$ 2,347.9	\$

(1)

The senior credit facilities under the 2005 Mueller Credit Agreement consist of: (1) an amortizing senior secured term loan facility in an initial aggregate principal amount of \$1,050.0 million (\$1,047.4 million of which is currently outstanding) and (2) a \$145.0 million senior secured revolving credit facility, which provides for loans and under which letters of credit may be issued. The revolving credit facility will terminate on October 4, 2010, and the term loans will mature on the earlier of October 3, 2012 or November 1, 2011, unless the 10% senior subordinated notes due

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2012 are paid in full prior to such date. Loans under the senior credit facilities currently bear interest, at our option, at: (x) initially, the reserve adjusted LIBOR rate plus 250 basis points or the alternate base rate plus 150 basis points for borrowings under the revolving credit facility; and (y) the reserve adjusted LIBOR rate plus 225 basis points or the alternate base rate plus 125 basis points for term loans.

- (2) The senior discount notes were adjusted to fair market value at the date of acquisition. The fair market value was in excess of the book value of \$36.0 million.
- (3) The senior subordinated notes were adjusted to fair market value at the date of acquisition. The fair market value was in excess of the book value of \$18.9 million.

DILUTION

Our net tangible book value as of _____ was approximately \$ _____ million or \$ _____ per share. Net tangible book value per share as of _____ is equal to our total assets (excluding intangible assets) minus our total liabilities divided by the aggregate number of shares of common stock outstanding prior to this offering. After giving effect to this offering of Series A common stock at an assumed offering price of \$ _____ per share (the midpoint of the range set forth on the cover page of the registration statement of which this prospectus is a part), and after deducting applicable underwriting discounts and estimated offering expenses, our pro forma net tangible book value at _____ would have been approximately \$ _____ million or \$ _____ per share. This represents an immediate increase in net tangible book value of \$ _____ per share to our existing stockholder and an immediate dilution of \$ _____ per share to new investors purchasing shares in this offering. Dilution is determined by subtracting net tangible book value per share after the offering from the amount of cash paid by a new investor for a share of Series A common stock. The following table illustrates the pro forma dilution to new investors:

Assumed initial public offering price per share	\$	\$
Net tangible book value per share as of _____		
Increase in net tangible book value per share attributable to new investors		
Pro forma net tangible book value per share after this offering		
Pro forma dilution per share to new investors	\$	\$

Assuming this offering had occurred on _____, the following table summarizes, on a pro forma basis, the differences between the number of shares of Series A common stock purchased from us, the total consideration paid and the average price per share paid by existing stockholder and by the new investors purchasing shares in this offering.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholder			% \$		% \$
New investors					
Total			% \$		% \$

If the underwriters exercise in full their option to purchase additional shares:

the net tangible book value per share of common stock as of _____ would have been \$ _____ per share, which would result in dilution to the new investors of \$ _____ per share;

the number of shares of common stock held by existing stockholder will decrease to approximately _____ % of the total number of shares of our common stock outstanding after completion of this offering; and

the number of shares of Series A common stock held by new investors will be approximately _____ % of the total number of shares of our common stock outstanding after completion of this offering.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements are based on the historical financial statements of Mueller Water Products, Inc. ("Predecessor Mueller") and United States Pipe and Foundry Company, LLC ("U.S. Pipe") after giving effect to: (1) the Acquisition and related transactions, including borrowings under our \$1,195.0 million credit agreement ("2005 Mueller Credit Agreement") and the use of proceeds therefrom to repay our old credit facility and to redeem the second priority senior secured floating rate notes of Predecessor Mueller (collectively with the Acquisition, the "Transactions"); (2) the sale by us of shares of Series A common stock in this offering and the application of the proceeds therefrom as described in "Use of Proceeds" (the "Offering"); and (3) the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial statements. For accounting and financial statement presentation purposes, U.S. Pipe is considered the accounting acquiror of Predecessor Mueller.

Effective December 30, 2005, U.S. Pipe changed its fiscal year to September 30, which coincides with Predecessor Mueller's fiscal year end. For purposes of preparing the pro forma statement of operations, the U.S. Pipe operating information for the three months ended December 31, 2004 has been added to the operating financial results for the nine months ended September 30, 2005 in arriving at the twelve months ended September 30, 2005 operating financial information in the pro forma data presented hereinafter.

The unaudited pro forma combined balance sheet as of September 30, 2005 is presented as if the Transactions and the Offering occurred on September 30, 2005. The unaudited pro forma condensed combined statement of operations for the year ended September 30, 2005 is presented as if the Transactions and the Offering had taken place on October 1, 2004 and were carried forward through September 30, 2005.

The unaudited pro forma condensed combined financial statements are not intended to represent or be indicative of the consolidated results of operations or financial position that would have been reported had the Transactions and the Offering been completed as of the dates presented, and should not be taken as representative of our future consolidated results of operations or financial position. The unaudited pro forma condensed combined financial statements do not reflect (a) any operating efficiencies or cost savings that we may achieve with respect to the combined companies or (b) any additional costs that we may incur as a stand-alone company. The unaudited pro forma condensed combined financial statements also do not include the effects of restructuring certain activities of pre-acquisition operations, which occurred subsequent to September 30, 2005. The unaudited pro forma condensed combined financial statements should be read in conjunction with the historical consolidated financial statements and accompanying notes of Predecessor Mueller and U.S. Pipe included elsewhere in this prospectus.

MUELLER WATER PRODUCTS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of September 30, 2005

	Historical U.S. Pipe	Predecessor Mueller	Pro Forma Adjustments for Transactions	Pro Forma Combined for Transactions	Pro Forma Adjustments for Offering	Pro Forma As Adjusted for Transactions and Offering
(\$ in millions)						
Assets						
Current assets						
Cash and cash equivalents	\$	\$ 112.8	\$ (77.2)(a)	\$ 35.6		(m\$)
Receivables, net	118.5	177.4		295.9		
Inventories	147.2	303.0	70.2 (b)	520.4		
Deferred income taxes	11.1	27.7	(28.1)(c)	10.7		
Prepaid expenses and other assets	1.5	31.1		32.6		
Total current assets	278.3	652.0	(35.1)	895.2		
Property, plant and equipment, net	149.2	168.0	47.6 (d)	364.8		
Deferred financing fees, net		32.2	3.4 (e)	35.6		(m)
Deferred income taxes	9.5	17.5	(27.0)(c)			
Other noncurrent assets	19.3	1.5	19.1 (f)	39.9		
Identifiable intangibles, net		52.4	803.5 (g)	855.9		
Goodwill	58.4	163.2	654.4 (h)	876.0		
Total assets	\$ 514.7	\$ 1,086.8	\$ 1,465.9	\$ 3,067.4	\$	\$
Liabilities, Redeemable Common Stock and Unit/Stockholders' Equity (Deficit)						
Current liabilities:						
Accounts payable	\$ 52.5	\$ 63.3	\$	\$ 115.8	\$	\$
Current portion of long-term debt		3.8	7.6 (i)	11.4		(m)
Accrued expenses and other current liabilities	37.2	103.3	(5.2)(j)	135.3		
Total current liabilities	89.7	170.4	2.4	262.5		
Long-term debt, net of current portion	443.6	1,051.9	65.9 (i)	1,561.4		(m)
Accrued pension liability	72.9	37.7	2.4 (k)	113.0		
Deferred income taxes			290.2 (c)	290.2		
Other long-term liabilities	63.7	1.5		65.2		

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	Historical U.S. Pipe	Predecessor Mueller	Pro Forma Adjustments for Transactions	Pro Forma Combined for Transactions	Pro Forma Adjustments for Offering	Pro Forma As Adjusted for Transactions and Offering
Total liabilities	669.9	1,261.5	360.9	2,292.3		
Redeemable common stock		1.7	(1.7)(l)			
Stockholders' equity (deficit)						
Series A		1.3	(1.3)(l)			(m)
Series B		0.9	(0.9)(l)			
Additional paid-in capital	68.3		930.3 (l)	998.6		(m)
Accumulated deficit	(178.1)	(169.0)	169.0 (l)	(178.1)		
Accumulated other comprehensive loss	(45.4)	(9.6)	9.6 (l)	(45.4)		
Total stockholders' equity (deficit)	(155.2)	(176.4)	1,106.7	775.1		
Total liabilities and stockholders' equity (deficit)	\$ 514.7	\$ 1,086.8	\$ 1,465.9	\$ 3,067.4	\$	\$

See notes to unaudited pro forma condensed combined Balance Sheet.

MUELLER WATER PRODUCTS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the year ended September 30, 2005

	Historical U.S. Pipe for the year ended September 30, 2005	Predecessor Mueller for the year ended September 30, 2005	Pro Forma Adjustments for Transactions	Pro Forma Combined for Transactions	Pro Forma Adjustments for Offering	Pro Forma as Adjusted for Transactions and Offering
(\$ in millions except per share data)						
Statement of Operations Data:						
Net sales	\$ 555.8	\$ 1,148.9	\$	\$ 1,704.7	\$	\$ 1,704.7
Cost of sales	488.5	802.3	4.8(n)	1,295.6		1,295.6
Gross profit	67.3	346.6	(4.8)	409.1		409.1
Selling, general and administrative expenses	46.4	172.1	15.0 (o)	233.5		233.5
Facility rationalization and related costs		1.7		1.7		1.7
Operating income (loss)	20.9	172.8	(19.8)	173.9		173.9
Interest expense and early repayment costs net of interest income	(21.4)	(89.5)	(22.0)(p)	(132.9)	(r)	
Income (loss) before income taxes	(0.5)	83.3	(41.8)	41.0		
Income tax expense	3.9	33.7	(16.7)(q)	20.9		
Net income (loss)	\$ (4.4)	\$ 49.6	\$ (25.1)	\$ 20.1	\$	\$
Earnings (loss) per Share:						
Earnings (loss) per share:						
Basic	\$ (4,441,000)	\$ 0.22				
Diluted	\$ (4,441,000)	\$ 0.20				
Weighted average units/shares outstanding:						
Basic	1	220,552,697				
Diluted	1	244,907,546				

See notes to unaudited pro forma condensed combined statement of operations.

1. ACQUISITION

On October 3, 2005, pursuant to the agreement dated June 17, 2005, Walter Industries acquired all of the outstanding common stock of Predecessor Mueller for approximately \$928.6 million. Transaction costs related to the acquisition were \$14.8 million. In conjunction with the acquisition, U.S. Pipe, a wholly-owned subsidiary of Walter Industries, was contributed in a series of transactions to Predecessor Mueller's wholly-owned subsidiary, Mueller Group, LLC.

Walter Industries' acquisition of Predecessor Mueller has been accounted for as a business combination. Assets acquired and liabilities assumed were recorded at their fair values as of October 3, 2005. The total purchase price is \$943.4 million, including acquisition-related transaction costs, and is comprised of (dollars in millions):

Acquisition of the outstanding common stock of Predecessor Mueller	\$ 928.6
Acquisition-related transaction costs	14.8
	<hr/>
Total purchase price	\$ 943.4
	<hr/>

Acquisition-related transaction costs include investment banking, legal and accounting fees and other external costs directly related to the Acquisition.

Under business combination accounting, the purchase price was allocated to Predecessor Mueller's net tangible and identifiable intangible assets based on their fair values as of October 3, 2005. The excess of the purchase price over the net tangible and identifiable intangible assets was recorded as goodwill. Based on current fair values, the purchase price was allocated as follows (dollars in millions):

Receivables, net	\$ 177.4
Inventory	373.2
Property, plant and equipment	215.5
Identifiable intangible assets	855.9
Goodwill	817.6
Net other assets	376.5
Net deferred tax liabilities	(300.0)
Debt	(1,572.7)
	<hr/>
Total purchase price allocation	\$ 943.4
	<hr/>

Receivables are short-term trade receivables and their net book value approximates current fair value.

Finished goods inventory is valued at estimated selling price less cost of disposal and a reasonable profit allowance for the selling effort. Work in process inventory is valued at estimated selling price of finished goods less costs to complete, cost of disposal and a reasonable profit allowance for the completing and selling effort. Raw materials are valued at book value, which approximates current replacement cost. The fair value adjustment to inventory of approximately \$70.2 million is not reflected as a pro forma adjustment in the pro forma condensed combined statement of operations.

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Property, plant and equipment is valued at the current replacement cost as follows (dollars in millions):

		<u>Depreciation Period</u>
Land	\$ 14.1	Indefinite
Buildings	51.8	5 to 14 years
Machinery and equipment	136.4	3 to 5 years
Other	13.2	3 years
Total property, plant and equipment	\$ 215.5	

Depreciation related to the property, plant and equipment adjustment is reflected in the pro forma condensed combined statement of operations.

Identifiable intangible assets were as follows (dollars in millions):

		<u>Amortization Period</u>
Trade name and trademark	\$ 403.0	Indefinite
Technology	56.3	10 years
Customer relationships	396.6	19 years
Total identifiable intangible assets	\$ 855.9	

Identifiable intangible assets acquired consist of trade name, trademark, technology and customer relationships and were valued at their current fair value. Trade name and trademark relate to Mueller®, Anvil®, Hersey®, Henry Pratt and James Jones and Jones®. Technology represents processes related to the design and development of products. Customer relationships represents the recurring nature of sales to current distributors, municipalities, contractors and other end customers regardless of their contractual nature. The amortization related to the fair value adjustments of these definite-lived intangible assets is reflected in the pro forma condensed combined statements of operations.

Goodwill represents the excess of the purchase price over the fair value of tangible and identifiable intangible assets acquired. Goodwill is not amortized, but rather is tested for impairment at least annually. In the event that we determine the book value of goodwill has become impaired, we will incur an accounting charge for the amount of impairment during the fiscal quarter in which such determination is made.

Net other assets include cash, prepaid expenses, deferred financing fees, accounts payable, accrued expenses and accrued pension liability and were valued at their approximate current fair value. After the purchase price allocation and the contribution of U.S. Pipe, Predecessor Mueller paid a \$444.5 million dividend to Mueller Holding Company, Inc., a subsidiary of Walter Industries, to fund the acquisition, \$20.0 million for transaction expenses and \$10.0 million in employee-related costs and such payments are reflected in the pro forma condensed combined financial statements. Transaction expenses were capitalized and employee-related costs were expensed.

Net deferred tax liabilities include the tax effects of fair value adjustments related to identifiable intangible assets and net tangible assets.

Debt is valued at fair market value as of October 3, 2005. The amortization of the premium on debt related to fair value adjustments is reflected in the pro forma condensed combined statement of operations as a credit to interest expense.

2. CREDIT AGREEMENT

On October 3, 2005, Mueller Group entered into the 2005 Mueller Credit Agreement consisting of a \$145.0 million senior secured revolving credit facility terminating on October 4, 2010 and a \$1,050.0 million senior secured term loan maturing in October 3, 2012 or November 1, 2011, unless the 10% senior subordinated notes due 2012 are paid in full prior to such date. Loans under the senior credit facilities currently bear interest, at our option, at: (x) initially, the reserve adjusted LIBOR rate plus 250 basis points or the alternate base rate plus 150 basis points for borrowings under the revolving credit facility; and (y) the reserve adjusted LIBOR rate plus 225 basis points or the alternate base rate plus 125 basis points for term loans. The 2005 Mueller Credit Agreement is a secured obligation of Mueller Group and substantially all of the wholly-owned domestic subsidiaries of Mueller Group, including U.S. Pipe. Proceeds from the 2005 Mueller Credit Agreement were approximately \$1,053.4 million, net of approximately \$21.6 million of underwriting fees and expenses, which will be amortized over the life of the loans. The proceeds were used to retire the previous Mueller Group senior credit facility of \$512.8 million, the second priority senior secured floating rate notes of \$100.0 million, and to finance the acquisition of Predecessor Mueller by Walter Industries. The term loan requires quarterly principal payments of \$2.6 million through October 3, 2012, at which point in time the remaining principal outstanding is due. Presently, the commitment fee on the unused portion of the revolving credit facility is 0.50% and the interest rate is a floating rate of 250 basis points over LIBOR. The term loan presently carries a floating interest rate of 225 basis points over LIBOR.

3. PRO FORMA ADJUSTMENTS

The following pro forma adjustments are included in the unaudited pro forma condensed combined balance sheet:

- (a) Adjustments to reflect net cash outflows associated with obtaining our new debt facilities \$1,075.0 million, net of debt issuance costs of (\$24.2 million), extinguishment of certain old debt and payment of accrued interest (\$618.0 million), payment of dividend to Walter Industries (\$444.5 million), payment of (\$20.0 million) to Walter Industries for subordinated notes and payment of transaction related costs (\$12.0 million) and expenses (\$33.5 million).
- (b) Adjustment to reflect fair values assigned to inventory.
- (c) Net adjustment to reflect the reversal of Predecessor Mueller deferred tax asset, reclassification of a portion of U.S. Pipe's deferred tax asset to deferred tax liabilities, offset by the establishment of a new net deferred tax liability.
- (d) Adjustment to reflect net increase in property, plant and equipment based on estimated fair values.
- (e) Net adjustment reflects the capitalization of \$24.2 million in debt issuance costs associated with the 2005 Mueller Credit Agreement and write-off of \$20.8 million of debt issuance costs associated with certain old debt facilities that were extinguished in connection with the transactions as shown in (i) below.
- (f) Adjustment to reflect the receipt of a subordinated note from Walter Industries of \$20.0 million and removal of previously recognized pension intangible asset of \$0.9 million.
- (g) Adjustment to reflect fair values assigned to identifiable intangible assets.
- (h) Adjustment reflects goodwill after allocating the purchase price to the fair value of identifiable net assets and liabilities acquired.

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- (i) Net adjustment to current and long-term debt is as follows (dollars in millions):

	Current Debt	Long-term Debt
New term loan	\$ 10.5	\$ 1,039.5
New revolving credit facility		25.0
Payoff of old term loan	(2.9)	(509.9)
Payoff of second priority senior secured floating rate notes		(100.0)
Fair value adjustment to existing public debt		54.9
Forgiveness of U.S. Pipe payable to Walter Industries		(443.6)
	\$ 7.6	\$ 65.9

The fair value adjustment to existing public debt represents the excess of Predecessor Mueller's public debt fair market value as compared to book value at the acquisition date. The excess value or premium for Predecessor Mueller's senior discount notes and senior subordinated notes was \$36.0 million and \$18.9 million, respectively.

- (j) Adjustment to reflect the payment of accrued interest of \$2.1 million associated with the extinguishment of old debt and seller transaction fees payable of \$3.1 million.
- (k) Adjustment to reflect the fair value of acquired pension liability.
- (l) Net adjustment to reflect the investment in Predecessor Mueller by Walter Industries of \$943.4 million, eliminate Predecessor Mueller's prior equity of \$176.4 million and redeemable common stock of \$(1.7 million), reflect the payment of a dividend to Walter Industries of \$(444.5 million), payment of transaction related fees of \$(12.0 million) and forgiveness of U.S. Pipe debt to Walter Industries of \$443.6 million.
- (m) Adjustments to reflect net proceeds from the offering of \$ _____ million, a write-off of unamortized debt issuance costs of \$ _____ million resulting from extinguishment of debt with the proceeds from the offering and payment of debt of \$ _____ million.

The following pro forma adjustments are included in the unaudited pro forma condensed combined statement of operations:

- (n) Adjustment of \$5.6 million to increase amortization expense for technology intangible assets associated with the Acquisition, net of a \$0.8 million decrease in depreciation expense associated with acquired fixed assets depreciated over their remaining useful lives. The decrease in depreciation expense in relation to the increase in basis for property, plant and equipment represents adjustments to the remaining lives of the assets to reflect their expected economic life.
- (o) Adjustment of \$18.1 million (\$20.9 million net of (\$2.8 million) of recorded amortization) to increase amortization expense for customer relationship intangible assets associated with the Acquisition, net of a \$3.1 million removal of seller transaction expenses incurred prior to September 30, 2005.
- (p) Net adjustment consists of a \$27.5 million increase in interest expense for interest on the 2005 Mueller Credit Agreement along with a \$2.1 million increase in amortization expense for new deferred financing fees, net of a decrease of \$7.6 million in interest expense resulting from the amortization of premium created by the fair value adjustment of Predecessor Mueller's existing public debt. A change in interest rates of $\frac{1}{8}\%$ would result in a change in interest expense of approximately \$1.3 million.

(q)

Adjustment to reflect the tax effect of pro forma adjustments at a 40% statutory rate. As more fully described in Note 9 to the financial statements of U.S. Pipe, income tax expense is calculated as if U.S. Pipe filed a tax return on a stand alone basis, with the exception that the tax sharing agreement in place with Walter Industries provides that U.S. Pipe receives an

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immediate benefit when its tax losses for Federal purposes are utilizable by the consolidated group. On a pro forma basis, U.S. Pipe's historical tax expense of \$3.9 million would have been \$12.0 million on a stand alone basis assuming U.S. Pipe's deferred tax assets were consistently evaluated for realization without regard to the utilization by Walter Industries of its tax losses.

(r)

Adjustment of a \$
offering, along with \$
repayment of debt.

million decrease in interest expense resulting from payment of debt using proceeds from this
million decrease in amortization of deferred financing fees associated with the early

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

United States Pipe and Foundry Company, LLC.

The selected statement of operations data for the nine months ended September 30, 2005 and for the years ended December 31, 2004 and 2003 and the selected balance sheet data as of September 30, 2005 and December 31, 2004 are derived, and qualified by reference to, the audited financial statements of U.S. Pipe included elsewhere in this prospectus and should be read in conjunction with those financial statements and notes thereto. The selected statement of operations data for the nine months ended September 30, 2004 and the years ended December 31, 2002 and 2001 and the selected balance sheet data as of September 30, 2004 and December 31, 2003, 2002 and 2001 have been derived from unaudited financial statements of U.S. Pipe not included in this prospectus. The following selected financial and other data should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Condensed Combined Financial Information" and the financial statements and notes thereto included elsewhere in this prospectus.

	For the nine months ended September 30,		For the years ended December 31,			
	2005	2004	2004	2003	2002	2001
	(dollars in millions)					
Statement of Operations Data:						
Net sales	\$ 425.5	\$ 406.9	\$ 537.2	\$ 431.9	\$ 457.2	\$ 492.9
Cost of sales(a)	370.8	372.6	490.2	393.9	395.2	396.5
Gross profit	54.7	34.3	47.0	38.0	62.0	96.4
Selling, general and administrative expenses(b)	25.9	25.0	38.2	43.5	36.1	37.0
Related party corporate charges(c)	5.4	5.7	7.7	4.8	6.4	3.1
Restructuring and impairment charges(d)		0.1	0.1	5.9		
Operating income (loss)	23.4	3.5	1.0	(16.2)	19.5	56.3
Interest expense-other	(0.3)	(0.4)	(0.5)	(0.5)	(0.1)	(0.1)
Interest expense arising from payable to parent, Walter Industries(e)	(15.2)	(13.0)	(18.9)	(16.4)	(9.4)	(18.2)
Income (loss) before income tax expense (benefit)	7.9	(9.9)	(18.4)	(33.1)	10.0	38.0
Income tax expense (benefit)	2.8	(3.9)	(2.9)	(12.7)	4.1	15.1
Income (loss) before cumulative effect of change in accounting principle	5.1	(6.0)	(15.5)	(20.4)	5.9	22.9
Cumulative effect of change in accounting principle, net of tax				(0.5)		
Net income (loss)	\$ 5.1	\$ (6.0)	\$ (15.5)	\$ (20.9)	\$ 5.9	\$ 22.9
Basic income (loss) per share:						
Income (loss) before cumulative effect of change in accounting principle	\$ 5.1	\$ (6.0)	\$ (15.5)	\$ (20.4)	\$ 5.9	\$ 22.9
Cumulative effect of change in accounting principle, net of tax				(0.5)		
Earnings (loss) per share(f)	\$ 5.1	\$ (6.0)	\$ (15.5)	\$ (20.9)	\$ 5.9	\$ 22.9

Other Data:

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	For the nine months ended September 30,				For the years ended December 31,							
EBITDA(g)	\$	42.8	\$	23.5	\$	27.5	\$	9.0	\$	43.5	\$	77.9
Depreciation and amortization		19.4		20.0		26.5		25.2		24.0		21.6
Capital expenditures		16.5		12.4		20.4		15.7		26.2		37.1

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As of September 30,		As of December 31,			
2005	2004	2004	2003	2002	2001

(dollars in millions)

Balance Sheet Data:

Cash and cash equivalents(h)	\$	\$	0.1	\$	0.2	\$	0.1	\$	0.1
Working capital		188.6	176.6	163.5	157.0	139.0	138.3		
Property, plant and equipment, net		149.2	152.2	152.9	160.1	172.1	170.6		
Total assets		514.7	491.6	473.5	452.9	448.6	444.0		
Intercompany indebtedness to Walter Industries		443.6	435.4	422.8	409.2	385.2	400.8		
Total liabilities		669.9	626.7	618.6	581.9	555.3	528.4		
Total unit/stockholder's equity (net capital deficiency)		(155.2)	(135.1)	(145.1)	(129.0)	106.7	84.4		

- (a) Cost of sales includes warranty cost of \$2.3 million related to a construction project in Kansas City, Missouri during the nine months ended September 30, 2005.
- (b) Selling, general and administrative expenses include:
- Credits for environmental-related insurance settlement benefits of \$5.1 million and \$1.9 million for the nine months ended September 30, 2005 and the year ended December 31, 2004, respectively;
- Accrual of \$4.0 million relating to environmental liabilities for the year ended December 31, 2004; and
- Settlement expenses for a commercial dispute of \$1.7 million and settlement expenses for litigation matters of \$6.5 million for the year ended December 31, 2003.
- (c) Related party corporate charges represents costs incurred by Walter Industries that have been allocated to U.S. Pipe. Walter Industries allocates certain costs to all of its subsidiaries based on a systematic and rational method. In the event that U.S. Pipe separates, these charges will no longer be allocated to U.S. Pipe. However, U.S. Pipe may incur costs in an amount less than or greater than these costs for similar services performed by an unaffiliated third party.
- (d) Restructuring and impairment charges for the year ended December 31, 2003 include \$5.9 million to cease operations at the castings plant in Anniston, Alabama. These charges primarily included employee benefits costs and the write-off of fixed assets.
- (e) Consists of interest expense allocated by Walter Industries to U.S. Pipe. Following the Acquisition on October 3, 2005, this interest expense is no longer allocated to U.S. Pipe because the intercompany indebtedness to Walter Industries has been contributed to the capital of U.S. Pipe.
- (f) Earnings (loss) per share for all periods presented was determined using one share, which is the capital structure of the reporting entity subsequent to the October 3, 2005 Acquisition.
- (g) EBITDA represents net income adjusted for interest expense, income taxes, depreciation and amortization and cumulative effect of change in accounting principle. We present EBITDA because we consider it an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry, substantially all of which present EBITDA when reporting their results.

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In addition, our credit agreement uses EBITDA (with additional adjustments) to measure our compliance with covenants, such as interest coverage and debt incurrence. EBITDA is also widely used by us and others in our industry to evaluate and price potential acquisition candidates.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;

Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and

Other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as comparative measures.

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EBITDA is a measure of our performance that is not required by, or presented in accordance with, GAAP however, we believe it is a useful indicator of our ability to meet debt service and capital expenditure requirements. EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

EBITDA reconciliation to Net income (loss):

	For the nine months ended September 30,		For the years ended December 31,			
	2005	2004	2004	2003	2002	2001
	(dollars in millions)					
EBITDA	\$ 42.8	\$ 23.5	\$ 27.5	\$ 8.5	\$ 43.5	\$ 77.9
Adjustments:						
Depreciation and amortization	(19.4)	(20.0)	(26.5)	(25.2)	(24.0)	(21.6)
Interest expense other	(0.3)	(0.4)	(0.5)	(0.5)	(0.1)	(0.1)
Interest expense arising from payable to parent, Walter Industries	(15.2)	(13.0)	(18.9)	(16.4)	(9.4)	(18.2)
Income tax (expense) benefit	(2.8)	3.9	2.9	12.7	(4.1)	(15.1)
Cumulative effect of change in accounting principle, net of tax				(0.5)		
Net income (loss)	\$ 5.1	\$ (6.0)	\$ (15.5)	\$ (20.9)	\$ 5.9	\$ 22.9

(h)

Cash and cash equivalents, prior to the acquisition of Predecessor Mueller on October 3, 2005, were transferred daily to the Walter Industries cash management system, effectively reducing U.S. Pipe cash to virtually zero on a daily basis. Subsequent to October 3, 2005, all cash generated by U.S. Pipe is maintained by U.S. Pipe and is not transferred to Walter Industries.

MUELLER WATER PRODUCTS, INC. (PREDECESSOR MUELLER)

The selected consolidated statement of operations data for the years ended September 30, 2005, 2004, 2003, 2002 and 2001 and the selected consolidated balance sheet data as of September 30, 2005, 2004, 2003, 2002 and 2001 are derived, and qualified by reference to, the audited consolidated financial statements of Predecessor Mueller and should be read in conjunction with those consolidated financial statements and notes thereto. The consolidated financial statements as of September 30, 2005 and 2004 and for each of the three years in the period ended September 30, 2005 are included elsewhere in this prospectus. The following selected consolidated financial and other data of Predecessor Mueller should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Condensed Consolidated Financial Information" and the consolidated financial statements and notes thereto not included in this prospectus.

For the years ended September 30,

	2005	2004	2003	2002	2001
		(as restated)(i)	(as restated)(i)	(as restated)(i)	(as restated)(i)
	(dollars in millions except per share data)				
Statement of Operations Data:					
Net sales	\$ 1,148.9	\$ 1,049.2	\$ 922.9	\$ 901.9	\$ 864.7
Cost of sales	802.3	750.5	681.8	666.0	639.9
Royalty expense(a)				13.5	29.1
Gross profit	346.6	298.7	241.1	222.4	195.7
Selling, general and administrative expenses(b)	172.1	185.1	148.2	139.4	138.4
Facility rationalization, restructuring and related costs(c)	1.7	0.9	1.7	2.7	27.6
Operating income	172.8	112.7	91.2	80.3	29.7
Interest expense, net of interest income(d)	(89.5)	(63.5)	(35.5)	(57.9)	(86.7)
Other income					1.7
Income (loss) before income tax expense (benefit)	83.3	49.2	55.7	22.4	(55.3)
Income tax expense (benefit)	33.7	16.0	22.9	10.1	(20.6)
Income (loss) before cumulative effect of change in accounting principle	49.6	33.2	32.8	12.3	(34.7)
Cumulative effect of change in accounting principle, net of tax(e)					(9.1)
Net income (loss)	\$ 49.6	\$ 33.2	\$ 32.8	\$ 12.3	\$ (43.8)

Earnings (loss) per Share:

Earnings (loss) per share(f):