Mueller Water Products
Fourth Quarter and Full Year 2006
Investor Presentation

Mueller Water Products, Inc.

Safe Harbor Statement

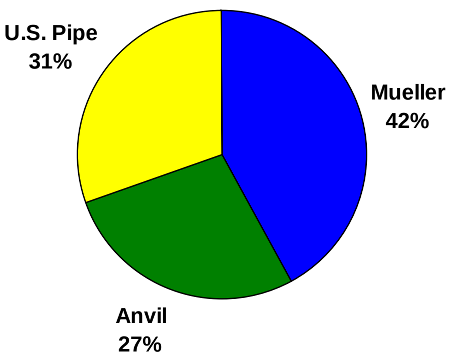
Except for historical information contained herein, information in this presentation is forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to differ materially from forecasted results. Those risks include, among others, changes in customers' demand for the Company's products, changes in raw material, labor, equipment and transportation costs and availability, changes in weather conditions, interest rate fluctuations, changes in customer orders, pricing actions by the Company's competitors and general changes in economic conditions. Those risks also include the timing of and ability to execute on any strategic action that may be pursued, including the anticipated spin-off from Walter Industries, Inc. Risks associated with forward-looking statements are more fully described in the Company's filings with the Securities and Exchange Commission. The Company assumes no duty to update its outlook statements as of any future date. Within this presentation, the Company makes reference to certain non-GAAP financial measures, which have directly comparable GAAP financial measures as identified in this presentation. These non-GAAP measures are provided so that investors have the same financial data that management uses with the belief that it will assist the investment community in properly assessing the underlying performance of the Company. A reconciliation between GAAP and non-GAAP performance measures is included in the Appendix and is presented in compliance with the provisions of the rules under Regulation G.

Company Overview

Comprehensive Water Products Solutions Provider

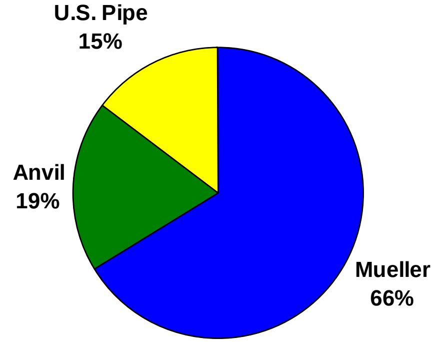
- Leading North American provider of water infrastructure and flow control products in attractive and growing water industry
- One of the largest installed bases in the U.S.
- Strong brands and leading specification positions in top 50 U.S. metropolitan areas
- Low cost manufacturing processes
- Track record of delivering industry leading margins

FY 2006 NET SALES BY DIVISION



FY 2006 NET SALES = $1,933MM

FY 2006 ADJUSTED EBITDA BY DIVISION(a)



FY 2006 Adjusted EBITDA(b) = $347MM
FY 2006 Adjusted EBITDA Margin = 17.9%

(a) Before corporate expenses.
(b) Adjusted EBITDA excludes U.S. Pipe Chattanooga plant closure costs of $49.9 million, inventory step-up expenses for Mueller and Anvil of $53.5 million and $17.3 million, respectively.

Broad and Profitable Product Portfolio

Mueller Water Products, Inc.

Total Net Sales: $1,933MM
Adjusted Operating Income[(a)]: $275MM
Depreciation and Amortization: $72MM

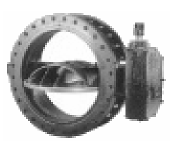
	Mueller Co.	US Pipe	Anvil International
SEGMENT NET SALES[(b)]	$821MM	$599MM	$535MM
ADJUSTED OPERATING INCOME [(a)(c)]	$221MM	$33MM	$51MM
DEPRECIATION AND AMORTIZATION	$27MM	$23MM	$22MM

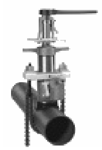
PRODUCT PORTFOLIO

Mueller Co.:


Hydrants


Iron Gate Valves

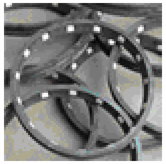

Butterfly, Ball and Plug Valves


Gas Products / Tapping Machines

US Pipe:


Restrained Joint Pipe


Ductile Iron Pipe


Joint Restraint


Joint Fitting

Anvil International (Building Connections That Last):


Cast Iron Fittings


Fittings & Couplings

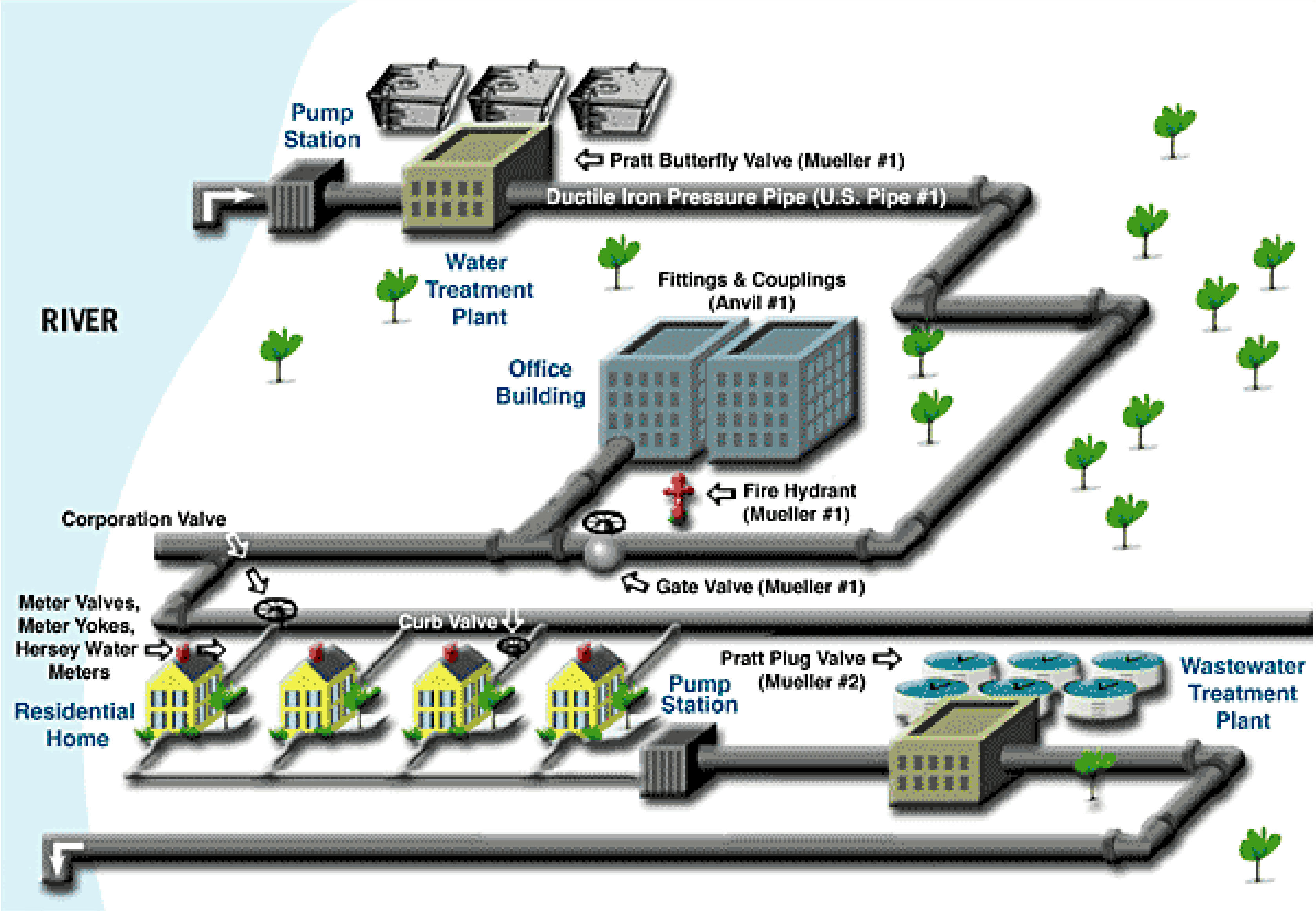

Pipe Nipples


Hangers & Supports

Note: All statistics pro forma as of latest twelve months ending June 30, 2006.
(a) Adjusted operating income excludes U.S. Pipe Chattanooga plant closure costs of $49.9 million and inventory step-up expenses for Mueller and Anvil of $53.5 million and $17.3 million, respectively and Acquisition related Intangible Amortization of $25.4 million.
(b) Segment net sales includes $21.5 million of intersegment sales.
(c) Segment operating income excludes corporate expenses of $30 million.

Mueller Water Products, Inc.

Complete Water Transmission Solutions



Note: Market position data based on management estimates.

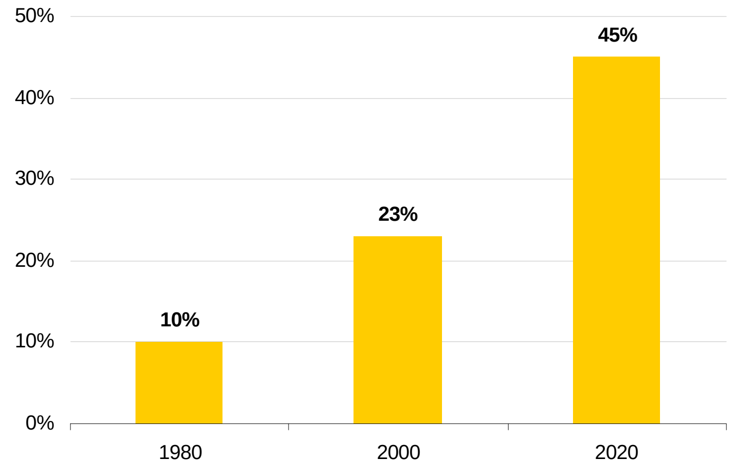
Investment Highlights

- Attractive water industry dynamics
  - Growth driven by new and upgraded infrastructure
  - Limited number of suppliers
- Strong competitive position
  - Leading market position
  - Large installed base
  - Leading municipal specification positions
  - Comprehensive distribution network
  - Low-cost manufacturing capabilities
- Synergy implementation ahead of schedule
- Growth opportunities through strategic acquisitions and international expansion
- Highly experienced, proven management team

A Growing Water Infrastructure Market

- Aging water systems a problem throughout the country
  - Water leakage rates as high as 20%
  - American Society of Civil Engineers gave U.S. drinking water and wastewater infrastructure a grade of "D-" in 2005 report
  - Legislation will lead to increased infrastructure investment
- American Water Works Association forecasts 11% increase in 2007 for repair and replacement spending
- Repair and replacement approximately one-half of Mueller's demand and one-third of U.S. Pipe's demand

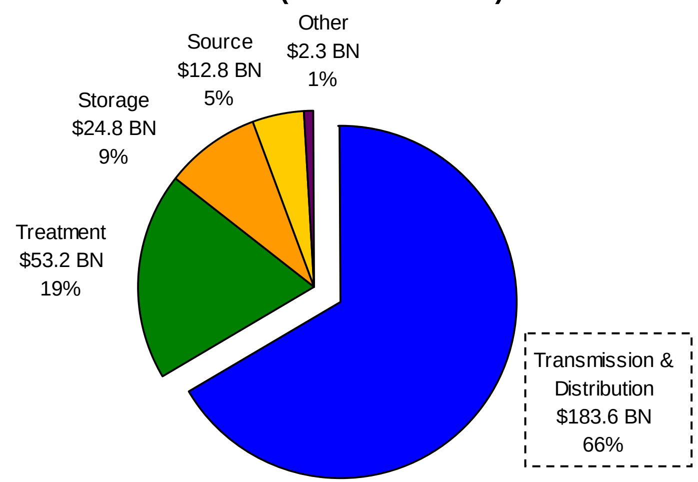
AGING PIPES AS % OF TOTAL PIPES



Source: EPA. Data includes pipes classified as poor, very poor or elapsed according to EPA classification system.

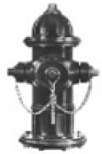
($ in billions)

FUTURE DRINKING WATER INFRASTRUCTURE EXPENDITURE NEEDS (NEXT 20 YEARS)



Source: EPA 2003 Drinking Water Needs Survey and Assessment.

Water Infrastructure Competitive Landscape





Company	Fire Hydrants	Gate Valves	Butterfly and Ball Valves	Brass Water Products	Ductile Iron Pressure Pipe
Mueller Water Products	#1	#1	#1	#2	#1
ACIPCO	✓	✓			✓
McWane	✓	✓	✓		✓
Griffin Pipe					✓
A.Y. McDonald				✓	
Ford Meter Box				✓	
DeZURIK			✓		

Note: Market position data based on management estimates.

Leading Market Positions and Preferred Brands

- 74% of sales from products with #1 or #2 market position
- Brand names highly recognized for quality and reliability

Products	Market Position
Water Infrastructure (Mueller)	
Fire Hydrants	#1
Gate Valves	#1
Butterfly and Ball Valves	#1
Brass Water Products	#2
Transmission Pipe (U.S. Pipe)	
Ductile Iron Pressure Pipe	#1
Piping Systems (Anvil)	
Pipe Fittings and Couplings	#1
Grooved Products	#2
Pipe Hangers	#2

Note: Market position data based on management estimates.

Large and Growing Installed Base with Specification Positions

- One of the largest installed bases of products in the United States
  - Products "specified" for use in over 90% [(1)] of all U.S. municipalities, including the top 50 metropolitan areas in the country
- Complex specification process
  - Time consuming
  - 55,000 purchasing jurisdictions
  - Testing procedures
- Installed base drives future revenue
  - Avoids duplicative inventory
  - Life safety products – no incentive to change brands
  - Easy to maintain

(1) Based on management estimates

Comprehensive Distribution Network

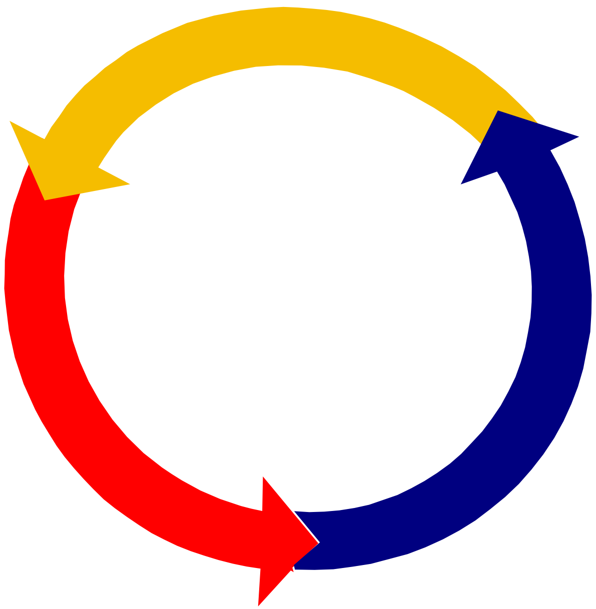
- Sales force drives our specifications and water systems solutions to end-users
- Powerful platform to drive new and acquired product sales

Installed Base and Specified Products Drive Demand

- Strong brands
- High quality products
- Leading market share

End-User Preference

- Proven reliability
- Specification positions
- Relationship with sales force
- Longer product life
- Avoids high switching costs



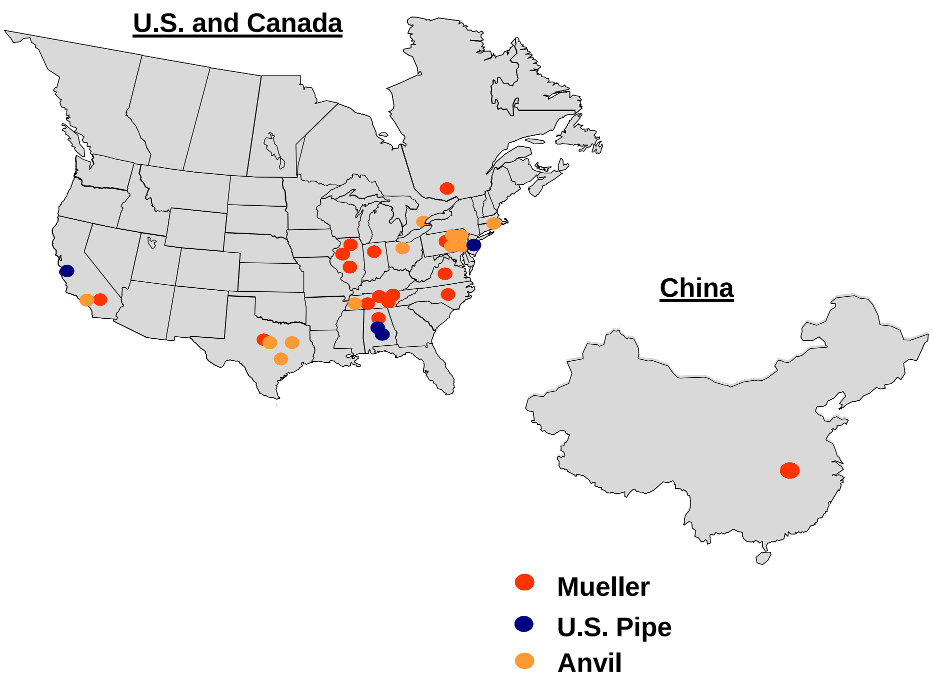
Distributor Preference

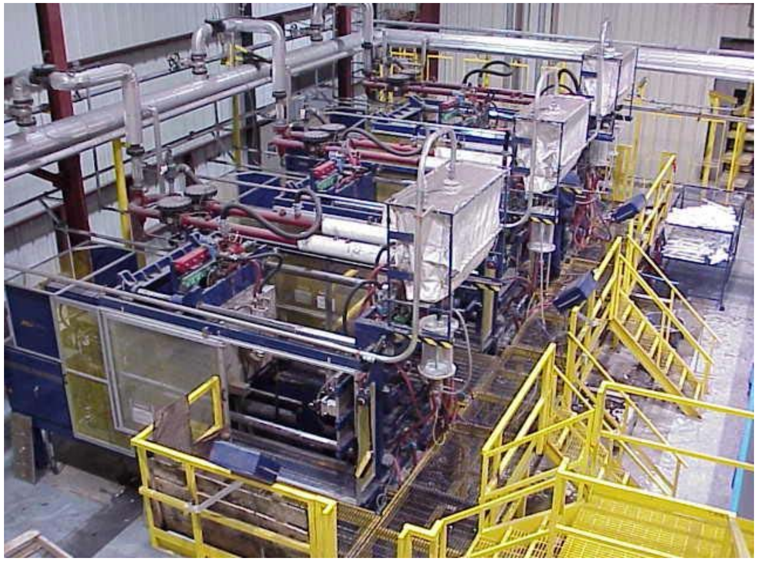
- Supports end-user demand
- Comprehensive product offering
- Broad geographic presence
- Long-term relationships (Top ten >20 years)

Advanced Low-Cost Manufacturing Capabilities

- Leading cost position, utilizing advanced lost foam casting process
  - Substantial investment has already been made
  - Production costs reduced by ~15% (1)
  - Difficult and costly to replicate by competitors

MANUFACTURING OPERATIONS



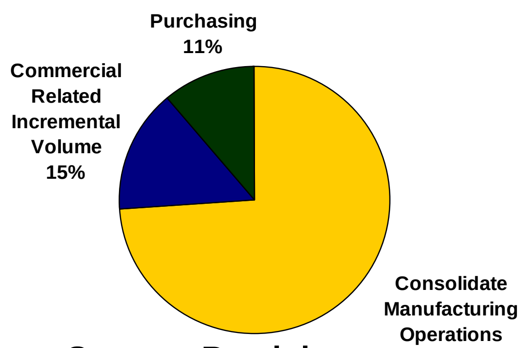


Lost Foam Casting

(1) Based on management estimates

Operating Synergies

- Expected annual pre-tax operating synergies of $40 million – $50 million
  - Progress through 9/30/06 reflects annual run rate of approximately $35 million
  - Expect to achieve annual run rate at top end of range by early fiscal 2008
- Plant rationalization programs in process:
  - Closure of U.S. Pipe Chattanooga, TN valve & hydrant facility and transfer of products to Mueller facilities
  - Closure of valve & hydrant production and assembly plant in Milton, Ontario and relocation to existing U.S. facilities
  - Closure of valve production facility in Dixon, IL and relocation to other existing Pratt facilities
  - Announced closure of brass hydrant manufacturing facility, James Jones, in Southern California
  - Streamline and consolidate Columbia, PA foundry operations
  - Close and relocate Anvil's Bristol, PA distribution center



Synergy Breakdown

Growth Opportunities

- Acquisitions will be opportunistic
  - Complementary products
  - Synergistic potential
  - Enhance relationship with end-user and increase leverage with distributors
  - Management has successful track record of integrating acquisitions
- Opportunities exist for global expansion

PRATT
Henry Pratt Company

MILLIKEN
VALVE COMPANY

MERIT

Hydro Gate

BECK

ANVILStar™
Fire Products Division of Anvil International

Mueller Water Products, Inc.

Fourth Quarter 2006 Overview

- Adjusted EBITDA:
  - Up 15.5 percent for the quarter
  - Up 30 percent for the full year
- Current synergy benefits annual run-rate is $35 million
  - Announced fourth plant closure: James Jones El Monte, Calif.
- Full-year impact of synergies totaled $28 million, excluding U.S. Pipe restructuring charges

Fiscal Year-End 2006 Highlights

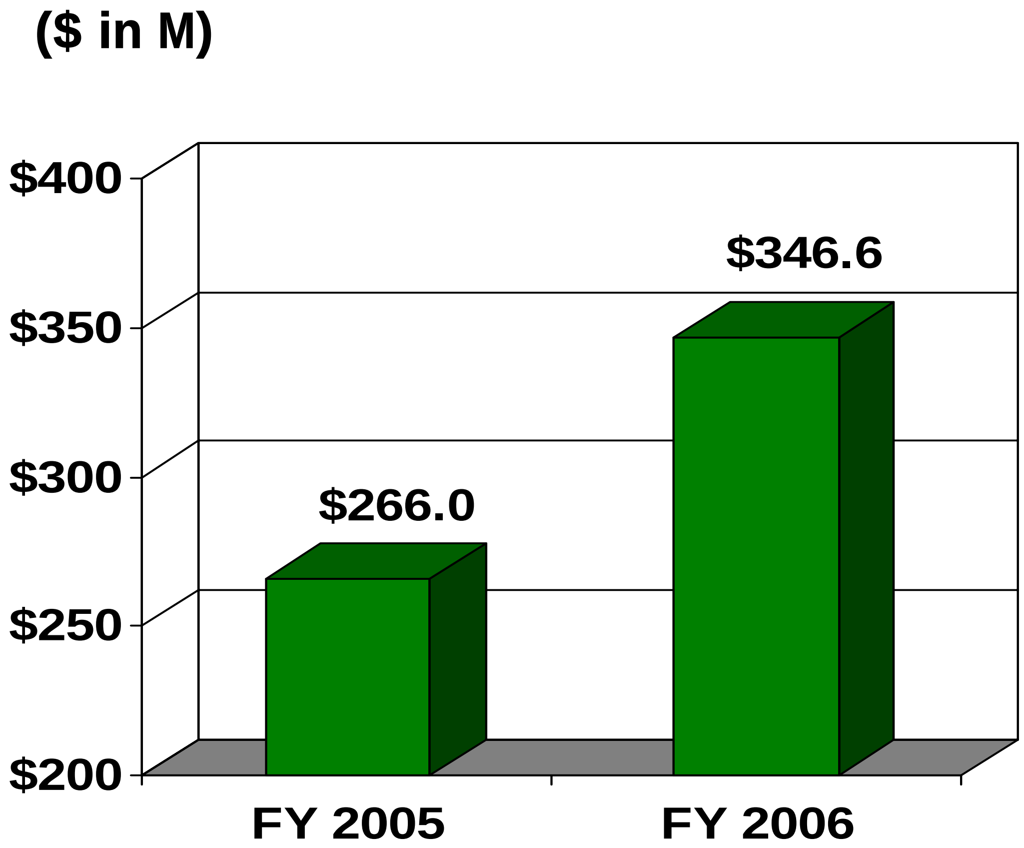
$ in Millions	Fiscal Year Ending Sept 30		
	2006	2005	% Change
Consolidated			
Revenue	$1,933.4	$1,747.0	10.7%
Operating Income	275.1	193.7	42.0%
Adjusted EBITDA	346.6	266.0	30.3%

- Higher revenues on increases in hydrant and iron gate volumes, overall pricing, and demand in commercial construction and oilfield products
- Margin expansion despite higher raw material costs

Note: Results for 2005 include Mueller Co. and Anvil segments.

2006 Operating Income excludes US Pipe Chattanooga Closing Costs of $49.9 million; Inventory Step-Up costs of $70.8 million; and incremental Acquisition related amortization expense of $25.4 million.

Full Year 2006 Adjusted EBITDA



Adjusted EBITDA grew 30 percent on strong revenue growth, manufacturing performance and execution of synergy programs

Investment Highlights

- Attractive water industry dynamics
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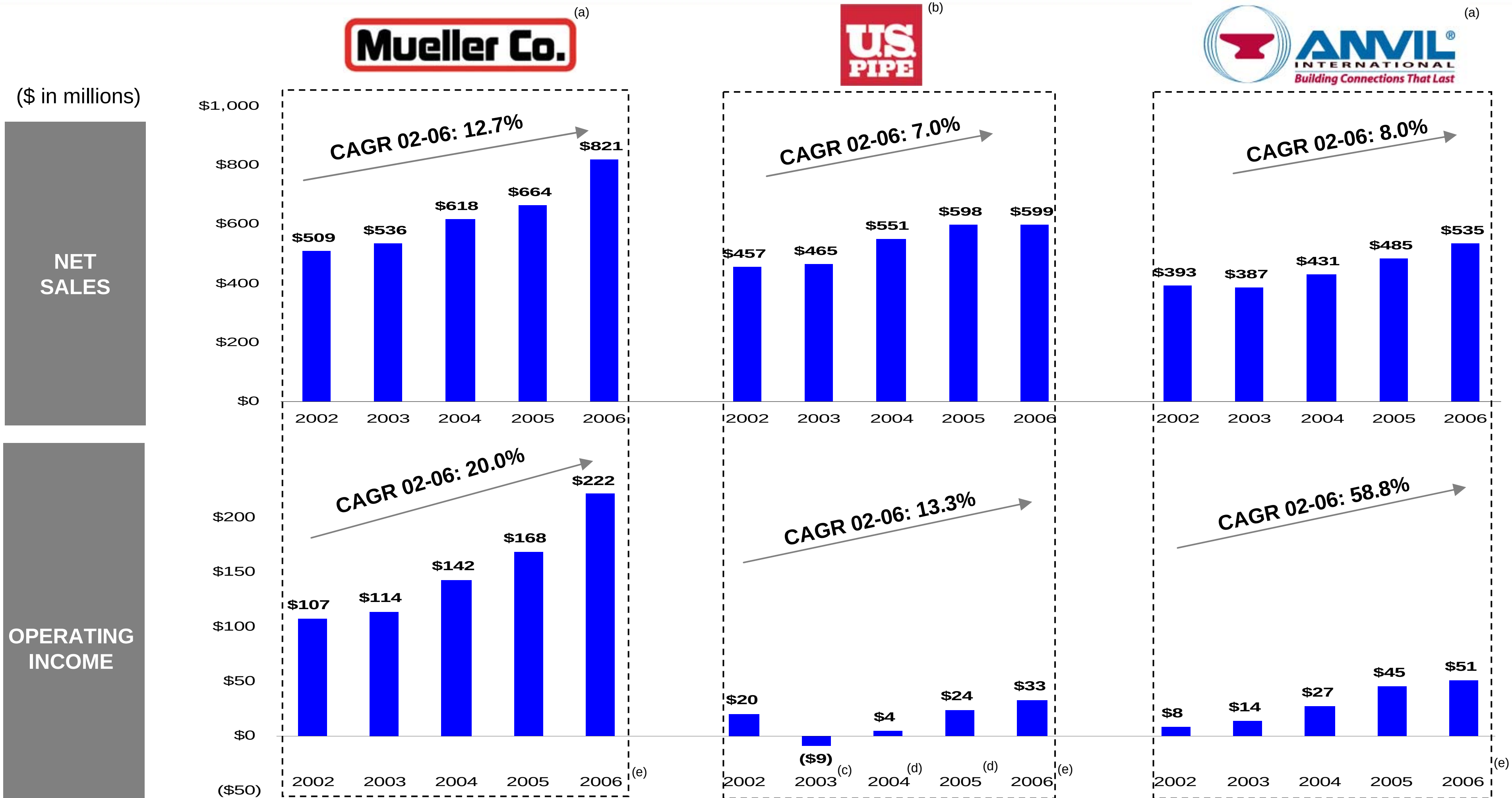
Supplemental Information

Historical Performance



	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Operating Margin	21.0%	21.2%	23.0%	25.3%	27.0%	4.4%	NM	0.7%	4.0%	5.5%	2.0%	3.5%	6.2%	9.3%	9.5%

(a) Fiscal year end as of September 30.
(b) Financials for 2002 and 2003 is Calendar Year while 2004 – 2006 is Fiscal Year ending September 30th.
(c) Excludes $6.5 million of litigation settlement expenses in 2003.
(d) Excludes environmental-related insurance settlement benefits of $1.9 million and $5.1 million in 2004 and 2005, respectively.
(e) Excludes US Pipe Chattanooga Closing Costs of $49.9 million; Mueller Inventory Step-Up costs of $53.5 million and Anvil Inventory Step-up costs of $17.3 million; Incremental Amortization expense of $23.6 million for Mueller and $1.8 million for Anvil.

EBITDA Reconciliation

($ In Millions)	Q1 '06	Q2 '06	Q3 '06	Q4 '06	Fiscal 06	Fiscal 05
	2006 Actual					
Revenues						
Mueller	180.2	193.3	225.5	222.2	821.2	663.9
U.S. Pipe	163.4	127.4	143.8	163.9	598.5	598.1
Anvil	140.5	119.7	136.5	138.5	535.2	485.0
Consolidating Eliminations	(3.7)	(5.5)	(5.8)	(6.5)	(21.5)	0.0
	480.4	434.9	500.0	518.1	1,933.4	1,747.0
Reported GAAP Operating Income (Expense)						
Mueller	(3.8)	39.2	56.8	52.6	144.8	168.0
U.S. Pipe	(27.8)	(7.2)	7.6	10.4	(17.0)	20.9
Anvil	(1.5)	5.0	12.2	16.1	31.8	45.0
Corporate	(6.4)	(8.9)	(7.4)	(7.5)	(30.2)	(40.2)
	(39.5)	27.5	69.4	71.6	129.0	193.7
Depreciation						
Mueller	6.1	6.6	6.8	6.3	25.8	20.8
U.S. Pipe	6.3	5.3	5.4	5.7	22.7	25.9
Anvil	4.7	5.2	5.0	5.1	20.0	15.6
Corporate	0.1	0.1	0.0	0.1	0.3	9.3
	17.2	17.2	17.2	17.2	68.8	71.6
Intangible Amortization						
Mueller	5.9	6.3	6.2	6.2	24.6	1.0
Anvil	0.7	0.7	1.2	0.9	3.5	1.7
	6.6	7.0	7.4	7.1	28.1	2.7
Unusual Adjustments						
US Pipe Chatt Plant Closure Costs	40.0	6.7	3.2	0.0	49.9	0.0
US Pipe Environmental Insurance Proceeds	0.0	0.0	0.0	0.0	0.0	(5.1)
Corporate - Sale of Mueller Transaction Expenses	0.0	0.0	0.0	0.0	0.0	3.1
Mueller Inventory Step-Up	46.2	6.9	0.2	0.2	53.5	0.0
Anvil Inventory Step-Up	12.2	5.1	0.0	0.0	17.3	0.0
	98.4	18.7	3.4	0.2	120.7	(2.0)
Adjusted EBITDA						
Mueller	54.4	59.0	70.0	65.3	248.7	189.8
U.S. Pipe	18.5	4.8	16.2	16.1	55.6	41.7
Anvil	16.1	16.0	18.4	22.1	72.6	61.9
Corporate	(6.3)	(8.8)	(7.4)	(7.4)	(29.9)	(27.4)
	82.7	70.4	97.4	96.1	**346.6**	**266.0**
Reported GAAP Operating Income	(39.5)	27.5	69.4	71.6	129.0	193.7
Interest expense, net of interest income	(32.2)	(30.1)	(31.9)	(21.7)	(115.9)	(110.9)
Income tax (expense) benefit	22.9	0.8	1.3	(33.0)	(8.0)	(37.6)
Net Income	(48.8)	(1.8)	38.8	16.9	**5.1**	**45.2**

Note: EBITDA is measure of our performance that is not required by, or presented in accordance with GAAP. EBITDA is not a measurement of our financial performance under GAAP and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with GAAP.

Mueller Water Products, Inc.

Fourth Quarter 2006 Highlights

$ in Millions	Quarter Ended Sept 30 2006	2005	% Change
Consolidated			
Revenue	$518.1	$481.0	7.7%
Operating Income	78.2	62.3	25.5%
Adjusted EBITDA	96.1	83.2	15.5%

- Higher revenues on increases in iron gate volumes, pricing, ductile iron pipe margins and demand in commercial construction and oilfield products
- Margin growth despite higher raw material costs, primarily $4.5 million of higher brass ingot costs

Note: Results for 2005 presented as if Mueller Co. and Anvil segments had been included.

Operating Income excludes Acquisition related Amortization expense of $6.6 million for Mueller and Anvil.

Mueller Water 2007 Outlook

- Housing starts down 25 percent from 2006 peak
- Repair and replacement market to grow 11 percent
- Commercial construction and oilfield markets to grow 6-7%
- Scrap iron: Average costs per ton
  - FY 2006: $233/gross ton
  - Oct. 2006: $229/gross ton
- Brass ingot: Average cost per pound
  - FY 2006: $2.28
  - Oct. 2006: $2.65
- Pricing stable
- Corporate spending – Approximately $44 million
  - Net increase of $4 million
- Capital spending
  - $75 - $80 million
- Tax rate of 40 – 42% versus 61% in 2006

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