

GENERAL CABLE CORP /DE/
Form 10-Q
August 03, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 29, 2012

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: 1-12983

GENERAL CABLE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	06-1398235
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4 Tesseneer Drive	41076-9753
Highland Heights, KY	
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (859) 572-8000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

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Class	Outstanding at July 26, 2012
Common Stock, \$0.01 par value	49,770,652

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ON FORM 10-Q

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PART I. FINANCIAL STATEMENTS

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

GENERAL CABLE CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(in millions, except per share data)

(unaudited)

	Three Fiscal Months Ended		Six Fiscal Months Ended		
	June 29, 2012	July 1, 2011	June 29, 2012	July 1, 2011	
Net sales	\$1,478.1	\$1,532.2	\$2,910.6	\$2,979.8	
Cost of sales	1,301.1	1,357.6	2,586.4	2,638.2	
Gross profit	177.0	174.6	324.2	341.6	
Selling, general and administrative expenses	104.4	94.8	198.2	188.7	
Operating income	72.6	79.8	126.0	152.9	
Other income (expense)	(13.5	) (3.9	) (6.7	) 3.1	
Interest income (expense):					
Interest expense	(25.2	) (23.6	) (49.9	) (47.6)
Interest income	1.6	2.0	3.3	4.0	
	(23.6	) (21.6	) (46.6	) (43.6)
Income before income taxes	35.5	54.3	72.7	112.4	
Income tax (provision) benefit	(12.0	) (17.2	) (22.9	) (36.6)
Equity in earnings of affiliated companies	0.5	1.0	0.5	1.4	
Net income including non-controlling interest	24.0	38.1	50.3	77.2	
Less: preferred stock dividends	0.1	0.1	0.2	0.2	
Less: net income attributable to non-controlling interest	2.1	0.5	3.4	1.3	
Net income attributable to Company common shareholders	\$21.8	\$37.5	\$46.7	\$75.7	
Comprehensive income (loss)	\$(45.7	) \$57.5	\$30.7	\$125.2	
Earnings per share					
Earnings per common share-basic	\$0.44	\$0.72	\$0.94	\$1.45	
Weighted average common shares-basic	49.8	52.2	49.8	52.2	
Earnings per common share-assuming dilution	\$0.43	\$0.68	\$0.92	\$1.39	
Weighted average common shares-assuming dilution	51.1	54.9	51.1	54.7	

See accompanying Notes to Condensed Consolidated Financial Statements.

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GENERAL CABLE CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(in millions, except share data)

(unaudited)

	June 29, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$438.8	\$ 434.1
Receivables, net of allowances of \$21.3 million at June 29, 2012 and \$17.2 million at December 31, 2011	1,213.6	1,080.9
Inventories, net	1,259.6	1,228.7
Deferred income taxes	39.0	43.4
Prepaid expenses and other	105.2	100.0
Total current assets	3,056.2	2,887.1
Property, plant and equipment, net	1,012.2	1,028.6
Deferred income taxes	24.9	18.6
Goodwill	165.0	164.9
Intangible assets, net	179.5	181.6
Unconsolidated affiliated companies	19.0	18.6
Other non-current assets	55.7	71.0
Total assets	\$4,512.5	\$ 4,370.4
Liabilities and Total Equity		
Current liabilities:		
Accounts payable	\$969.6	\$ 946.5
Accrued liabilities	390.6	420.0
Current portion of long-term debt	228.7	156.3
Total current liabilities	1,588.9	1,522.8
Long-term debt	918.2	892.6
Deferred income taxes	210.7	200.0
Other liabilities	247.2	243.1
Total liabilities	2,965.0	2,858.5
Commitments and contingencies		
Total equity:		
Redeemable convertible preferred stock, at redemption value (liquidation preference of \$50.00 per share):		
June 29, 2012 – 76,002 shares outstanding		
December 31, 2011 – 76,002 shares outstanding	3.8	3.8
Common stock, \$0.01 par value, issued and outstanding shares:		
June 29, 2012– 49,770,887 (net of 8,689,031 treasury shares)		
December 31, 2011 – 49,697,763 (net of 8,758,267 treasury shares)	0.6	0.6
Additional paid-in capital	672.4	666.7
Treasury stock	(135.2)	(136.5)
Retained earnings	1,005.8	959.1
Accumulated other comprehensive income (loss)	(115.0)	(95.1)
Total Company shareholders' equity	1,432.4	1,398.6
Non-controlling interest	115.1	113.3
Total equity	1,547.5	1,511.9
Total liabilities and equity	\$4,512.5	\$ 4,370.4

See accompanying Notes to Condensed Consolidated Financial Statements.

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GENERAL CABLE CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(in millions)

(unaudited)

	Six Fiscal Months Ended	
	June 29, 2012	July 1, 2011
Cash flows of operating activities:		
Net income (loss) including non-controlling interest	\$50.3	\$77.2
Adjustments to reconcile net income (loss) to net cash flows of operating activities:		
Depreciation and amortization	53.7	55.8
Amortization on restricted stock awards	1.4	1.7
Foreign currency exchange (gain) loss	5.8	5.1
Deferred income taxes	8.0	(10.8)
Excess tax (benefits) deficiencies from stock-based compensation	(0.1)	(0.7)
Convertible debt instruments noncash interest charges	10.9	10.2
(Gain) loss on disposal of property	—	(1.9)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
(Increase) decrease in receivables	(146.9)	(164.3)
(Increase) decrease in inventories	(39.9)	(223.8)
(Increase) decrease in other assets	2.0	(14.4)
Increase (decrease) in accounts payable, accrued and other liabilities	37.7	183.4
Net cash flows of operating activities	(17.1)	(82.5)
Cash flows of investing activities:		
Capital expenditures	(63.9)	(55.5)
Proceeds from properties sold	4.2	2.8
Acquisitions, net of cash acquired	(7.3)	—
Other	(0.1)	0.8
Net cash flows of investing activities	(67.1)	(51.9)
Cash flows of financing activities:		
Preferred stock dividends paid	(0.2)	(0.2)
Excess tax benefits (deficiencies) from stock-based compensation	0.1	0.7
Proceeds from other debt	877.8	871.6
Repayments of other debt	(790.8)	(759.3)
Dividends paid to non-controlling interest	(1.9)	(2.8)
Proceeds from exercise of stock options	0.1	0.7
Net cash flows of financing activities	85.1	110.7
Effect of exchange rate changes on cash and cash equivalents	3.8	(13.0)
Increase (decrease) in cash and cash equivalents	4.7	(36.7)
Cash and cash equivalents – beginning of period	434.1	458.7
Cash and cash equivalents – end of period	\$438.8	\$422.0
Supplemental Information		
Cash paid during the period for:		
Income tax payments, net of refunds	\$15.2	\$18.2
Interest paid	\$33.2	\$31.3
Non-cash investing and financing activities:		
Capital expenditures included in accounts payable	\$20.2	\$27.1
See accompanying Notes to Condensed Consolidated Financial Statements.		

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GENERAL CABLE CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements of General Cable Corporation and Subsidiaries ("General Cable" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results of operations for the three and six fiscal months ended June 29, 2012 are not necessarily indicative of results that may be expected for the full year. The December 31, 2011 condensed consolidated balance sheet amounts are derived from the audited financial statements. These financial statements should be read in conjunction with the audited financial statements and notes thereto in General Cable's 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 23, 2012. The Company's fiscal quarters consist of 13-week periods ending on the Friday nearest to the end of the calendar months of March, June and September.

The condensed consolidated financial statements include the accounts of General Cable Corporation and its wholly-owned subsidiaries. Investments in 50% or less owned joint ventures in which the Company has the ability to exercise significant influence are accounted for under the equity method of accounting. All intercompany transactions and balances among the consolidated companies have been eliminated.

2. Accounting Standards

The Company's significant accounting policies are described in Footnote 2 "Accounting Standards" to the audited annual consolidated financial statements in the 2011 Form 10-K. In the six months ended June 29, 2012, there have been no significant changes to these policies. In the six months ended June 29, 2012, there have been no accounting pronouncements issued that are expected to have a significant effect on the condensed consolidated financial statements. The following accounting pronouncements were adopted and became effective with respect to the Company in 2012 and 2011:

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04 accounting guidance related to fair value measurements ASC 820 - Fair Value Measurement. The new guidance provides clarification to existing standards, and also provides new required disclosures, primarily related to Level 3 fair value measurements. This guidance became effective for the Company on January 1, 2012. The adoption of this guidance did not have a material impact on the condensed consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05 accounting guidance related to the presentation requirements for components of comprehensive income ASC 220 - Comprehensive Income. This update was amended in December 2011 by ASU No. 2011-12, Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU No. 2011-05. This update defers only those changes in update ASU No. 2011-05 that relate to the presentation of reclassification adjustments. All other requirements in update ASU No. 2011-05 are not affected by this update, including the requirement to report comprehensive income either in a single continuous financial statement or in two separate but consecutive financial statements. ASU No. 2011-05 and 2011-12 are effective for fiscal years (including interim periods) beginning after December 15, 2011. This guidance is effective for the Company and the Company has presented other comprehensive income in a single continuous financial statement, which was previously presented within the Consolidated Statements of Changes in Total Equity.

In September 2011, the FASB issued ASU No. 2011-08 accounting guidance related to the testing of goodwill for impairment

ASC 350 - Intangibles-Goodwill and Other. Under this guidance, entities will have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying value. This guidance will become effective for the Company on December 31, 2012. The adoption of this guidance is not expected to have a material impact on the consolidated financial statements.

3. Acquisitions and Divestitures

General Cable actively seeks to identify key global macroeconomic and geopolitical trends in order to capitalize on expanding markets and new niche markets or exit declining or non-strategic markets in order to achieve better returns. The Company also sets aggressive performance targets for its business and intends to refocus or divest those activities which fail to meet targets or do not fit the Company's long-term strategies. On May 18, 2012, General Cable entered into a purchase agreement to acquire

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Alcan Cable, the wire and cable business of Rio Tinto plc ("Rio Tinto"). The purchase price is \$185 million, subject to adjustments primarily related to working capital levels at closing as provided in the purchase agreement. The closing of the acquisition of the North America business is conditioned upon receipt of necessary regulatory approvals, which have been received. The Company has made the necessary regulatory filings in the People's Republic of China and that review process is ongoing. General Cable expects to use its recently amended revolving credit facility to principally fund the transaction (see Footnote 22 "Subsequent Events"). On July 4, 2012, the Company entered into a purchase agreement to acquire a majority interest (60%) in Procables S.A. for total consideration of \$45 million, subject to adjustments primarily related to working capital levels at closing as provided in the purchase agreement. The acquisition is subject to receipt of regulatory approval, which has been received.

4. Other Income (Expense)

Other income (expense) includes foreign currency transaction gains or losses, which result from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated as well as gains and losses on derivative instruments that are not designated as cash flow hedges and ineffectiveness on derivatives designated as cash flow hedges. During the three months ended June 29, 2012 and July 1, 2011, the Company recorded other expense of \$13.5 million and \$3.9 million, respectively. During the six months ended June 29, 2012 and July 1, 2011, the Company recorded other expense of \$6.7 million and other income of \$3.1 million, respectively. For the three months ended June 29, 2012, other expense was primarily the result of \$6.5 million related to losses on derivative instruments that were not designated as cash flow hedges and other expense of \$6.5 million related to foreign currency transaction losses. For the six months ended June 29, 2012, other expense was primarily the result of \$0.3 million related to losses on derivative instruments that were not designated as cash flow hedges and other expense of \$5.1 million related to foreign currency transaction losses. For the three months ended July 1, 2011, other expense of \$3.9 million was primarily attributable to foreign currency transaction losses which resulted from changes in exchange rates in the various countries in which the Company operates. For the six months ended July 1, 2011, other income of \$3.1 million was primarily the result of unrealized gains on derivative instruments which were not designated as cash flow hedges and foreign currency transaction gains.

The functional currency of the Company's subsidiary in Venezuela is the U.S. dollar. The Company remeasures the financial statements of the Venezuelan subsidiary at the rate the Company expects to remit dividends, which is 4.30 Venezuelan Bolivar ("BsF") per U.S. dollar.

Effective January 1, 2011, the Central Bank of Venezuela and the Ministry of Finance published an amendment to Convenio Cambiario No. 14 (the Exchange Law), whereby the official exchange rate was set at 4.30 BsF per U.S. dollar. See Item 2, "Venezuelan Operations" for additional details.

5. Inventories

Approximately 82% of the Company's inventories are valued using the average cost method and all remaining inventories are valued using the first-in, first-out (FIFO) method. All inventories are stated at the lower of cost or market value.

(in millions)	June 29, 2012	December 31, 2011
Raw materials	\$323.3	\$298.2
Work in process	211.8	199.3
Finished goods	724.5	731.2
Total	\$1,259.6	\$1,228.7

6. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Costs assigned to property, plant and equipment related to acquisitions are based on estimated fair values on the acquisition date. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets: buildings, from 15 to 50 years, and machinery, equipment and office furnishings, from 2 to 15 years. Leasehold improvements are depreciated over the shorter of the lease term or the useful life of the asset, unless acquired in a business combination, in which case the

leasehold improvements are amortized over the shorter of the useful life of the asset or a term that includes the reasonably assured life of the lease.

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Property, plant and equipment consisted of the following (in millions):

	June 29, 2012	December 31, 2011
Land	\$ 111.3	\$ 110.7
Buildings and leasehold improvements	303.9	303.4
Machinery, equipment and office furnishings	1,096.0	1,062.9
Construction in progress	83.0	95.3
Total – gross book value	1,594.2	1,572.3
Less accumulated depreciation	(582.0)	(543.7)
Total – net book value	\$ 1,012.2	\$ 1,028.6

Depreciation expense for the three and six fiscal months ended June 29, 2012 was \$23.9 million and \$47.7 million, respectively. Depreciation expense for the three and six fiscal months ended July 1, 2011 was \$24.6 million and \$48.6 million, respectively.

The Company periodically evaluates the recoverability of the carrying amount of long-lived assets (including property, plant and equipment and intangible assets with determinable lives) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. The Company evaluates events or changes in circumstances based mostly on actual historical operating results, but business plans, forecasts, general and industry trends, and anticipated cash flows are also considered. Impairment is assessed when the undiscounted expected future cash flows derived from an asset are less than its carrying amount. Impairment losses are measured as the amount by which the carrying value of an asset exceeds its fair value and are recognized in earnings. The Company also continually evaluates the estimated useful lives of all long-lived assets and, when warranted, revises such estimates based on current events. No material impairment charges occurred during the six fiscal months ended June 29, 2012 and July 1, 2011.

7. Goodwill and Other Intangible Assets

Goodwill and intangible assets with indefinite useful lives are not amortized, but are reviewed at least annually for impairment. If the carrying amount of goodwill or an intangible asset with an indefinite life exceeds its fair value, an impairment loss would be recognized in the amount equal to the excess. Intangible assets that are not deemed to have indefinite lives are amortized over their useful lives.

The amounts of goodwill and indefinite-lived intangible assets were as follows in millions of dollars:

	Goodwill				Indefinite-Lived Assets – Trade Names			
	North America	Europe and Mediterranean	ROW	Total	North America	Europe and Mediterranean	ROW	Total
Balance, December 31, 2011	\$2.3	\$ 2.3	\$ 160.3	\$ 164.9	\$2.4	\$ 0.5	\$ 132.3	\$ 135.2
Acquisitions	—	—	—	—	—	—	—	—
Currency translation and other adjustments	—	—	0.1	0.1	—	—	0.3	0.3
Balance, June 29, 2012	\$2.3	\$ 2.3	\$ 160.4	\$ 165.0	\$2.4	\$ 0.5	\$ 132.6	\$ 135.5

The amounts of other intangible assets for customer relationships were as follows in millions of dollars:

	June 29, 2012	December 31, 2011
Amortized intangible assets:		
Customer relationships	\$ 111.4	\$ 108.3
Accumulated amortization	(67.3)	(61.8)
Foreign currency translation adjustment	(0.1)	(0.1)
Amortized intangible assets, net	\$ 44.0	\$ 46.4

Amortized intangible assets are stated at cost less accumulated amortization as of June 29, 2012 and December 31, 2011. Customer relationships have been determined to have a useful life in the range of 3.5 to 10 years and the

Company has accelerated the amortization expense to align with the historical customer attrition rates. The amortization of intangible assets for the first six fiscal months of 2012 and 2011 was \$5.5 million and \$6.2 million, respectively. The estimated amortization expense during the

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twelve month periods beginning June 29, 2012 through June 30, 2017, based on exchange rates as of June 29, 2012, are \$10.1 million, \$9.2 million, \$8.3 million, \$7.4 million, \$6.1 million and \$2.9 million thereafter.

8. Accrued Liabilities

Included within accrued liabilities were accruals related to warranty expenses as of June 29, 2012 and December 31, 2011.

Warranty Accrual

The warranty accrual balance at June 29, 2012 and December 31, 2011 was \$10.7 million and \$11.5 million, respectively. The Company accrues liabilities under service and warranty policies based upon specific claims and a review of historical warranty and service claims experience. Adjustments are made to the accruals as claims data and historical experience change. In addition, the Company incurs discretionary costs to service its products in connection with product performance issues.

Changes in the carrying amount of the service and product warranty accrual are below (in millions):

Balance, December 31, 2011	\$11.5
Net provisions for warranties issued	2.3
Net benefits for warranties existing at the beginning of the year	—
Payments related to the warranty accrual	(2.9)
Foreign currency translation	(0.2)
Balance, June 29, 2012	\$10.7

9. Long-Term Debt

(in millions)	June 29, 2012	December 31, 2011
North America		
Subordinated Convertible Notes due 2029	\$429.5	\$429.5
Debt discount on Subordinated Convertible Notes due 2029	(263.7)	(264.4)
1.00% Senior Convertible Notes due 2012	10.6	10.6
Debt discount on 1.00% Senior Convertible Notes due 2012	(0.2)	(0.5)
0.875% Convertible Notes due 2013	355.0	355.0
Debt discount on 0.875% Convertible Notes due 2013	(30.7)	(40.6)
7.125% Senior Notes due 2017	200.0	200.0
Senior Floating Rate Notes	125.0	125.0
Revolving Credit Facility	61.3	34.9
Other	9.0	9.0
Europe and Mediterranean		
Spanish Term Loans	22.4	31.4
Credit facilities	30.3	27.4
Uncommitted accounts receivable facilities	—	2.1
Other	11.7	11.5
Rest of World (“ROW”)		
Credit facilities	186.7	118.0
Total debt	1,146.9	1,048.9
Less current maturities	228.7	156.3
Long-term debt	\$918.2	\$892.6

At June 29, 2012, maturities of long-term debt during the twelve month periods beginning June 29, 2012 through June 30, 2017 are \$228.7 million, \$345.5 million, \$5.5 million, \$189.2 million and \$201.2 million, respectively, and \$176.8 million thereafter. As of June 29, 2012 and December 31, 2011, the Company was in compliance with all debt covenants as discussed below.

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The Company's convertible debt instruments outstanding as of June 29, 2012 and December 31, 2011 are as follows:

	Subordinated Convertible Notes		1.00% Senior Convertible Notes		0.875% Convertible Notes	
(in millions)	June 29, 2012	December 31, 2011	June 29, 2012	December 31, 2011	June 29, 2012	December 31, 2011
Face value	\$429.5	\$429.5	\$10.6	\$10.6	\$355.0	\$355.0
Debt discount	(263.7)	(264.4)	(0.2)	(0.5)	(30.7)	(40.6)
Book value	165.8	165.1	10.4	10.1	324.3	314.4
Fair value	422.8	412.3	10.6	9.8	339.7	329.7
Maturity date	Nov 2029		Oct 2012		Nov 2013	
Stated annual interest rate	4.50% until Nov 2019 2.25% until Nov 2029		1.00% until Oct 2012		0.875% until Nov 2013	
Interest payments	Semi-annually: May 15 & Nov 15		Semi-annually: Apr 15 & Oct 15		Semi-annually: May 15 & Nov 15	

The 1.00% Senior Convertible Notes and the 0.875% Convertible Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by the Company's wholly-owned U.S. and Canadian subsidiaries. For additional information on the convertible notes, refer to the Company's 2011 Annual Report on Form 10-K.

Subordinated Convertible Notes

The Company's Subordinated Convertible Notes were issued on December 15, 2009 in the amount of \$429.5 million as part of an exchange offer. The notes and the common stock issuable upon conversion were registered on a Registration Statement on Form S-4, initially filed with the SEC on October 27, 2009, as amended and as declared effective by the SEC on December 15, 2009. At issuance, the Company separately accounted for the liability and equity components of the instrument, based on the Company's nonconvertible debt borrowing rate on the instrument's issuance date of 12.5%. At issuance, the liability and equity components were \$162.9 million and \$266.6 million, respectively. The equity component (debt discount) is being amortized to interest expense based on the effective interest method. There were no proceeds generated from the transaction and the Company incurred issuance fees and expenses of approximately \$14.5 million as a result of the exchange offer which have been proportionately allocated to the liability and equity components of the Subordinated Convertible Notes due in 2029.

1.00% Senior Convertible Notes

As a result of the aforementioned exchange offer of Subordinated Convertible Notes due in 2029, approximately 97.8% or \$464.4 million of the Company's 1.00% Senior Convertible Notes were validly tendered. As of December 15, 2009, there were \$10.6 million of the 1.00% Senior Convertible Notes outstanding. The Company's 1.00% Senior Convertible Notes were originally issued in September 2007 in the amount of \$475.0 million and sold to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). Subsequently, on April 16, 2008, the resale of the notes and the common stock issuable upon conversion of the notes was registered on a Registration Statement on Form S-3. The Company separately accounted for the liability and equity components of the instrument based on the Company's nonconvertible debt borrowing rate on the instrument's issuance date of 7.5%. At issuance, the liability and equity components were \$348.2 million and \$126.8 million, respectively. At the exchange date December 15, 2009, the liability and equity components were \$389.7 million and \$74.7 million, respectively. The equity component (debt discount) is being amortized to interest expense based on the effective interest method.

Proceeds from the 1.00% Senior Convertible Notes were used to partially fund the purchase price of \$707.6 million related to the Phelps Dodge International Corporation ("PDIC") acquisition and to pay transaction costs of approximately \$12.3 million directly related to the issuance which have been allocated to the liability and equity components in proportion to the allocation of proceeds.

0.875% Convertible Notes

The Company's 0.875% Convertible Notes were issued in November of 2006 in the amount of \$355.0 million. At the time of issuance, the notes and the common stock issuable upon conversion of the notes were registered on a

Registration Statement on Form S-3ASR, which was renewed on September 30, 2009 when the Company filed a Renewal Registration Statement for the underlying common stock on Form S-3ASR. The Company separately accounted for the liability and equity components of the instrument based on the Company's nonconvertible debt borrowing rate on the instrument's issuance date of 7.35%. At issuance, the liability and equity components were \$230.9 million and \$124.1 million, respectively. The equity component (debt discount) is being amortized to interest expense based on the effective interest method.

Concurrent with the sale of the 0.875% Convertible Notes, the Company purchased note hedges that are designed to mitigate

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potential dilution from the conversion of the 0.875% Convertible Notes in the event that the market value per share of the Company's common stock at the time of exercise is greater than approximately \$50.36. Under the note hedges that cover approximately 7,048,880 shares of the Company's common stock, the counterparties are required to deliver to the Company either shares of the Company's common stock or cash in the amount that the Company delivers to the holders of the 0.875% Convertible Notes with respect to a conversion, calculated exclusive of shares deliverable by the Company by reason of any additional make whole premium relating to the 0.875% Convertible Notes or the Company's election to unilaterally increase the conversion rate as permitted by the indenture governing the 0.875% Convertible Notes. The note hedges expire at the close of trading on November 15, 2013, which is also the maturity date of the 0.875% Convertible Notes, although the counterparties will have ongoing obligations with respect to 0.875% Convertible Notes properly converted on or prior to that date as to which the counterparties have been timely notified.

The Company issued warrants to counterparties that could require the Company to issue up to approximately 7,048,880 shares of the Company's common stock in equal installments on each of the fifteen consecutive business days beginning on and including February 13, 2014. The strike price is \$76.00 per share, which represents a 92.4% premium over the closing price of the Company's shares of common stock on November 9, 2006. The warrants are expected to provide the Company with some protection against increases in the common stock price over the conversion price per share.

The note hedges and warrants are separate and legally distinct instruments that bind the Company and the counterparties and have no binding effect on the holders of the 0.875% Convertible Notes. In addition, the note hedges and warrants were recorded as a charge and an increase, respectively, in additional paid-in capital in total equity as separate equity transactions.

Proceeds from the offering were used to decrease outstanding debt by \$87.8 million, including accrued interest, under the Company's Terminated Credit Facility, to pay \$124.5 million for the cost of the note hedges, and to pay transaction costs of approximately \$9.4 million directly related to the issuance which have been allocated to the liability and equity components in proportion to the allocation of proceeds. Additionally, the Company received \$80.4 million in proceeds from the issuance of the warrants. At the conclusion of these transactions, the net effect of the receipt of the funds from the 0.875% Convertible Notes and the payments and proceeds mentioned above was an increase in cash of approximately \$213.7 million, which was used by the Company for general corporate purposes including acquisitions.

7.125% Senior Notes and Senior Floating Rate Notes

The Company's \$325.0 million in aggregate principal amount of senior unsecured notes, comprised of \$125.0 million of Senior Floating Rate Notes due 2015 (the "Senior Floating Rate Notes") and \$200.0 million of 7.125% Senior Fixed Rate Notes due 2017 (the "7.125% Senior Notes" and together, the "Notes") were offered and sold in private transactions in accordance with Rule 144A and Regulation S under the Securities Act on March 21, 2007. An exchange offer commenced on June 11, 2007 and was completed on July 26, 2007 to replace the unregistered Notes with registered Notes with like terms pursuant to an effective Registration Statement on Form S-4.

	7.125% Senior Notes		Senior Floating Rate Notes	
(in millions)	June 29, 2012	December 31, 2011	June 29, 2012	December 31, 2011
Face value	\$200.0	\$200.0	\$125.0	\$125.0
Fair value	204.5	198.5	117.2	117.5
Interest rate	7.125%	7.125%	2.8%	3.0%
Interest payment	Semi-annually: Apr 1 & Oct 1		3-month LIBOR rate plus 2.375% Quarterly: Jan 1, Apr 1, Jul 1 & Oct 1	
Maturity date	Apr 2017		Jul 2015	
Guarantee				

Jointly and severally guaranteed by the Company's wholly-owned U.S. and Canadian subsidiaries

	Beginning Date	Percentage		Beginning Date	Percentage	
Call Option ⁽¹⁾	April 1, 2012	103.563	%	April 1, 2009	102.0	%
	April 1, 2013	102.375	%	April 1, 2010	101.0	%
	April 1, 2014	101.188	%	April 1, 2011	100.0	%
	April 1, 2015	100.000	%			

(1) The Company may, at its option, redeem the Notes on or after the stated beginning dates at percentages noted above (plus interest due)

The Notes' indenture contains covenants that limit the ability of the Company and certain of its subsidiaries to (i) pay dividends on, redeem or repurchase the Company's capital stock; (ii) incur additional indebtedness; (iii) make investments; (iv) create liens; (v) sell assets; (vi) engage in certain transactions with affiliates; (vii) create or designate unrestricted subsidiaries; and

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(viii) consolidate, merge or transfer all or substantially all assets. However, these covenants are subject to important exceptions and qualifications, one of which permits the Company to declare and pay dividends or distributions on the Series A preferred stock provided there are no default on the Notes and certain financial conditions are met.

Proceeds from the Notes of \$325.0 million, less approximately \$7.9 million of cash payments for fees and expenses that are being amortized over the life of the Notes, were used to pay approximately \$285.0 million for 9.5% Senior Notes, \$9.3 million for accrued interest on the 9.5% Senior Notes and \$20.5 million for tender fees and the inducement premium on the 9.5% Senior Notes, leaving net cash proceeds of approximately \$2.3 million which were used for general corporate purposes.

Asset-Based Revolving Credit Facility (“Revolving Credit Facility”)

On July 22, 2011, the Company entered into a new \$400 million asset-based revolving credit facility. The Revolving Credit Facility replaced the Company’s prior \$400 million Senior Secured Revolving Credit Facility (“Terminated Credit Facility”), which was set to mature in July 2012. The Revolving Credit Facility contains restrictions in areas consistent with the Terminated Credit Facility, including limitations on, among other things, distributions and dividends, acquisitions and investments, indebtedness, liens and affiliate transactions. In the aggregate, however, the restrictions in the Revolving Credit Facility provide the Company greater flexibility than those under the Terminated Credit Facility, and generally only apply in the event that the Company’s availability under the Revolving Credit Facility falls below certain specific thresholds.

The Revolving Credit Facility has a term of five years and provides for a committed revolving credit line of up to \$400 million, of which \$40 million is available in a Canadian multi-currency tranche. The Revolving Credit Facility includes a springing maturity concept which is generally applicable only if the Company’s 0.875% Convertible Notes due 2013 or its \$125 million Senior Floating Rate Notes due 2015 are not repaid or refinanced within 90 days of their maturity. The commitment amount under the Revolving Credit Facility may be increased by an additional \$100 million, subject to certain conditions and approvals as set forth in the credit agreement. The Company capitalized \$4.8 million in deferred financing costs in connection with the Revolving Credit Facility in the third quarter of 2011. Also in the third quarter of 2011, the Company expensed \$1.3 million in unamortized fees and expenses related to the Terminated Credit Facility. The Revolving Credit Facility requires maintenance of a minimum fixed charge coverage ratio of one to one if availability under the Revolving Credit Facility is less than \$40 million or 10% of the then existing aggregate lender commitment under the facility. At June 29, 2012 and December 31, 2011, the Company was in compliance with all covenants under these facilities.

The Revolving Credit Facility may be used for refinancing certain existing indebtedness and will continue to be used for working capital and general corporate purposes and is guaranteed by substantially all of the U.S. and Canadian assets (excluding certain intellectual property and Canadian real estate) of the Company and certain of its U.S. and Canadian subsidiaries and by a pledge of 65% of the equity interests of certain of the Company’s foreign subsidiaries.

Borrowings under the Revolving Credit Facility bear interest based on the daily balance outstanding at an applicable rate per annum calculated quarterly and varied based on the Company’s average availability as set forth in the credit agreement. The Revolving Credit Facility also carries a commitment fee equal to the available but unused borrowings multiplied by an applicable margin (varying from 0.375% to 0.50%).

The Company’s Revolving Credit Facility is summarized in the table below:

(in millions)	Revolving Credit Facility	
	June 29, 2012	December 31, 2011
Outstanding borrowings	\$61.3	\$34.9
Undrawn availability	301.3	336.0

Interest rate	1.8	%	2.9	%
Outstanding letters of credit	\$18.9		\$20.2	
Original issuance	Jul 2011			
Maturity date	Jul 2016			
Spanish Term Loans				

The table below provides a summary of the Company's term loans and corresponding fixed interest rate swaps. The proceeds from the Spanish Term Loans were used to partially fund the acquisition of Enica Biskra and for general working capital purposes. There is no remaining availability under these Spanish Term Loans.

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		Spanish Term Loans ⁽¹⁾			
(in millions)		June 29, 2012		December 31, 2011	
Outstanding borrowings		\$22.4		\$31.4	
Fair value		22.6		32.0	
Interest rate – weighted average ⁽²⁾		3.7	%	3.7	%

(1) The terms of the Spanish Term Loans are as follows:

(in millions)	Original Amount	Issuance Date	Maturity Date	Interest Rate	Loan and Interest Payable	Interest Rate Swap ⁽²⁾
Term Loan 1	€20.0	Feb 2008	Feb 2013	Euribor +0.5%	Semi-annual: Aug & Feb	4.2 %
Term Loan 2	€10.0	Apr 2008	Apr 2013	Euribor +0.75%	Semi-annual: Apr & Oct	4.58 %
Term Loan 3	€21.0	Jun 2008	Jun 2013	Euribor +0.75%	Quarterly: Mar, Jun, Sept & Dec	4.48 %
Term Loan 4	€15.0	Sep 2009	Aug 2014	Euribor +2.0%	Quarterly: Mar, Jun, Sept & Dec Principal payments: Feb & Aug	1.54 %

(2) The Company entered into fixed interest rate swaps to coincide with the terms and conditions of the term loans that will effectively hedge the variable interest rate with a fixed interest rate.

At June 29, 2012 and December 31, 2011, the Company was in compliance with all covenants under these facilities.

Europe and Mediterranean Credit Facilities

The Company's Europe and Mediterranean credit facilities are summarized in the table below:

		Europe and Mediterranean Credit Facilities			
(in millions)		June 29, 2012		December 31, 2011	
Outstanding borrowings		\$30.3		\$27.4	
Undrawn availability		95.7		108.8	
Interest rate – weighted average		5.3	%	5.2	%
Maturity date		Various			

Europe and Mediterranean Uncommitted Accounts Receivable Facilities

The Company's Europe and Mediterranean uncommitted accounts receivable facilities are summarized in the table below:

		Uncommitted Accounts Receivable Facilities		
(in millions)		June 29, 2012	December 31, 2011	
Outstanding borrowings		\$—	\$2.1	
Undrawn availability		76.6	69.2	
Interest rate – weighted average		—	2.0	%
Maturity date		Various		

The Spanish Term Loans and certain credit facilities held by one of the Company's Spanish subsidiaries are subject to certain financial ratios, which include minimum net equity and net debt to EBITDA (earnings before interest, taxes, depreciation and amortization) ratios. At June 29, 2012 and December 31, 2011, the Company was in compliance with all covenants under these facilities.

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ROW Credit Facilities

The Company's ROW credit facilities are summarized in the table below:

(in millions)	ROW Credit Facilities			
	June 29, 2012	December 31, 2011		
Outstanding borrowings	\$186.7	\$118.0		
Undrawn availability	270.5	270.1		
Interest rate – weighted average	4.1	%	3.8	%
Maturity date	Various			

The Company's ROW credit facilities are short term loans utilized for working capital purposes. Certain credit facilities are subject to financial covenants. The Company was in compliance with all covenants under these facilities as of June 29, 2012 and December 31, 2011.

10. Financial Instruments

The Company is exposed to various market risks, including changes in interest rates, foreign currency and raw material (commodity) prices. To manage risks associated with the volatility of these natural business exposures, the Company enters into interest rate, commodity and foreign currency derivative agreements, as well as copper and aluminum forward pricing agreements. The Company does not purchase or sell derivative instruments for trading purposes. The Company does not engage in trading activities involving derivative contracts for which a lack of marketplace quotations would necessitate the use of fair value estimation techniques.

General Cable utilizes interest rate swaps to manage its interest expense exposure by fixing its interest rate on a portion of the Company's floating rate debt. The Company does not provide or receive any collateral specifically for these contracts. The fair value of interest rate derivatives, which are designated as and qualify as cash flow hedges, are based on quoted market prices, which reflect the present values of the difference between estimated future variable-rate receipts and future fixed-rate payments.

The Company enters into commodity instruments to hedge the purchase of copper, aluminum and lead in future periods and foreign currency exchange contracts principally to hedge the currency fluctuations in certain transactions denominated in foreign currencies, thereby limiting the Company's risk that would otherwise result from changes in exchange rates. Principal transactions hedged during the year were firm sales and purchase commitments. The fair value of foreign currency contracts represents the amount required to enter into offsetting contracts with similar remaining maturities based on quoted market prices.

We account for these commodity instruments and foreign currency exchange contracts as cash flow or economic hedges. Changes in the fair value of derivatives that are designated as cash flow hedges are recorded in other comprehensive income and reclassified to the income statement when the effects of the items being hedged are realized. Changes in the fair value of economic hedges are recognized in current period earnings.

Fair Value of Derivatives Instruments

The notional amounts and fair values of derivatives designated as cash flow hedges and derivatives not designated as cash flow hedges at June 29, 2012 and December 31, 2011 are shown below (in millions).

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	June 29, 2012			December 31, 2011		
	Notional Amount	Fair Value Asset ⁽¹⁾	Liability ⁽²⁾	Notional Amount	Fair Value Asset ⁽¹⁾	Liability ⁽²⁾
Derivatives designated as cash flow hedges:						
Interest rate swaps	\$23.0	\$0.1	\$0.3	\$32.1	\$—	\$0.6
Commodity futures	126.2	1.4	9.1	216.1	3.8	14.0
Foreign currency exchange	48.4	0.3	0.3	55.4	0.4	1.1
		\$1.8	\$9.7		\$4.2	\$15.7
Derivatives not designated as cash flow hedges:						
Commodity futures	\$152.0	\$3.2	\$4.1	\$133.0	\$2.4	\$12.6
Foreign currency exchange	266.3	2.5	8.9	321.7	4.1	7.9
		\$5.7	\$13.0		\$6.5	\$20.5

(1) Balance recorded in “Prepaid expenses and other” and “Other non-current assets”

(2) Balance recorded in “Accrued liabilities” and “Other liabilities”

Depending on the extent of an unrealized loss position on a derivative contract held by the Company, certain counterparties may require collateral to secure the Company’s derivative contract position. As of June 29, 2012, there were no contracts held by the Company that required collateral to secure the Company’s derivative liability positions. At December 31, 2011, there were contracts held by the Company that required \$0.7 million in collateral to secure the Company’s derivative liability positions.

For the above derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the unrealized gain and loss on the derivative is reported as a component of accumulated other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings, which generally occurs over periods of less than one year. Gain and loss on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

Three Fiscal Months Ended June 29, 2012				
(in millions)	Effective Portion Recognized in Accumulated OCI	Reclassified from Accumulated OCI	Ineffective Portion and Amount Excluded from Effectiveness Testing	Location
	Gain / (Loss)	Gain / (Loss)	Gain / (Loss) ⁽¹⁾	
Derivatives designated as cash flow hedges:				
Interest rate swaps	\$0.1	\$ —	\$ —	Interest expense
Commodity futures	(8.5	) (0.6	) (0.2	) Cost of sales
Foreign currency exchange	—	(0.3	) —	) Other income (expense)
Total	\$(8.4	) \$(0.9	) \$(0.2)
Six Fiscal Months Ended June 29, 2012				
(in millions)	Effective Portion Recognized in Accumulated OCI	Reclassified from Accumulated OCI	Ineffective Portion and Amount Excluded from Effectiveness Testing	Location
	Gain / (Loss)	Gain / (Loss)	Gain / (Loss)	

Gain / (Loss) ⁽¹⁾

Derivatives designated as cash
flow hedges:

Interest rate swaps	\$0.3	\$ —	\$ —	Interest expense
Commodity futures	(0.1) 0.1	(0.4) Cost of sales
Foreign currency exchange	(0.1) (0.9) —	Other income (expense)
Total	\$0.1	\$ (0.8) \$ (0.4)

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Three Fiscal Months Ended July 1, 2011				
(in millions)	Effective Portion Recognized in Accumulated OCI	Reclassified from Accumulated OCI	Ineffective Portion and Amount Excluded from Effectiveness Testing Gain / (Loss) ⁽¹⁾	Location
Derivatives designated as cash flow hedges:				
Interest rate swaps	\$0.1	\$ —	\$ (0.1)	Interest expense
Commodity futures	(4.4)	) 3.6	(0.1)	Cost of sales
Foreign currency exchange	(1.1)	) 0.7	0.2	Other income (expense)
Total	\$(5.4)	) \$ 4.3	\$ —	
Six Fiscal Months Ended July 1, 2011				
(in millions)	Effective Portion Recognized in Accumulated OCI	Reclassified from Accumulated OCI	Ineffective Portion and Amount Excluded from Effectiveness Testing Gain / (Loss) ⁽¹⁾	Location
Derivatives designated as cash flow hedges:				
Interest rate swaps	\$(0.3)	) \$ —	\$ (0.2)	Interest expense
Commodity futures	(4.1)	) 20.9	—	Cost of sales
Foreign currency exchange	1.5	) 0.3	0.1	Other income (expense)
Total	\$(2.9)	) \$ 21.2	\$ (0.1)	

(1) The ineffective portion and the amount excluded from effectiveness testing for all derivatives designated as cash flow hedges is recognized in other income and expense.

For derivative instruments that are not designated as cash flow hedges, the unrealized gain or loss on the derivatives is reported in current earnings. For the three fiscal months ended June 29, 2012 and July 1, 2011, the Company recorded a loss of \$6.5 million and a gain of \$0.4 million and for the six fiscal months ended June 29, 2012 and July 1, 2011, the Company recorded a loss of \$0.3 million and a gain of \$6.4 million, respectively, for derivative instruments not designated as cash flow hedges in other income and expense on the condensed consolidated statements of operations and comprehensive income (loss).

Other Forward Pricing Agreements

In the normal course of business, General Cable enters into forward pricing agreements for the purchase of copper and aluminum for delivery in a future month to match certain sales transactions. The Company accounts for these forward pricing arrangements under the “normal purchases and normal sales” scope exception because these arrangements are for purchases of copper and aluminum that will be delivered in quantities expected to be used by the Company over a reasonable period of time in the normal course of business. For these arrangements, it is probable at the inception and throughout the life of the arrangements that the arrangements will not settle net and will result in physical delivery of the inventory. At June 29, 2012 and December 31, 2011, the Company had \$35.8 million and \$36.3 million, respectively, of future copper and aluminum purchases that were under forward pricing agreements. At June 29, 2012 and December 31, 2011, the fair value of these arrangements was \$35.4 million and \$35.3 million, respectively, and the Company had unrealized losses of \$0.4 million and \$1.0 million, respectively, related to these transactions. The Company believes the unrealized gains (losses) under these agreements will be largely offset as a result of firm sales price commitments with customers. Depending on the extent of the unrealized loss position on certain forward pricing agreements, certain counterparties may require collateral to secure the Company’s forward purchase agreements. There were no funds posted as collateral as of June 29, 2012 or December 31, 2011.

11. Income Taxes

During the second quarter of 2012, the Company accrued approximately \$3.0 million of income tax expense for uncertain tax positions likely to be taken in the current year and for interest and penalties on tax positions taken in prior periods, all of which would have a favorable impact on the effective tax rate, if recognized. The Company recognized a tax benefit of \$2.2 million (including penalties and interest) in the second quarter of 2012 due primarily to the expiration of statute of limitations for certain tax exposures.

The Company files income tax returns in numerous tax jurisdictions around the world. Due to uncertainties regarding the timing and outcome of various tax audits, appeals and settlements, it is difficult to reliably estimate the amount of unrecognized tax

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benefits that could change within the next twelve months. The Company believes it is reasonably possible that approximately \$10 million of unrecognized tax benefits could change within the next twelve months due to the resolution of tax audits and statute of limitations expiration.

Tax years that are open for examination and assessment by the Internal Revenue Service ("IRS") are 2007 through 2011. The IRS is currently in the process of examining the Company's 2007 through 2010 consolidated income tax returns. With limited exceptions, tax years prior to 2007 are no longer open in major foreign, state, or local tax jurisdictions.

12. Employee Benefit Plans

General Cable provides retirement benefits through contributory and noncontributory qualified and non-qualified defined benefit pension plans covering eligible domestic and international employees as well as through defined contribution plans and other postretirement benefits.

Defined Benefit Pension Plans

Benefits under General Cable's qualified U.S. defined benefit pension plan generally are based on years of service multiplied by a specific fixed dollar amount, and benefits under the Company's qualified non-U.S. defined benefit pension plans generally are based on years of service and a variety of other factors that can include a specific fixed dollar amount or a percentage of either current salary or average salary over a specific period of time. The amounts funded for any plan year for the qualified U.S. defined benefit pension plan are neither less than the minimum required under federal law nor more than the maximum amount deductible for federal income tax purposes. The Company's non-qualified unfunded U.S. defined benefit pension plans include a plan that provides defined benefits to select senior management employees beyond those benefits provided by other programs. The Company's non-qualified unfunded non-U.S. defined benefit pension plans include plans that provide retirement indemnities to employees within the Company's European and ROW segments. Pension obligations for the majority of non-qualified unfunded defined benefit pension plans are provided for by book reserves and are based on local practices and regulations of the respective countries. The Company makes cash contributions for the costs of the non-qualified unfunded defined benefit pension plans as the benefits are paid.

The components of net periodic benefit cost for pension benefits were as follows (in millions):

	Three Fiscal Months Ended			
	June 29, 2012		July 1, 2011	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Service cost	\$0.4	\$0.8	\$0.4	\$0.8
Interest cost	1.9	1.3	2.1	1.5
Expected return on plan assets	(2.3)	(0.4)	(2.4)	(0.6)
Amortization of prior service cost	—	0.2	—	0.1
Amortization of net loss	2.1	0.3	1.1	0.3
Amortization of translation obligation	—	—	—	0.1
Settlement (gain) loss	—	6.1	—	—
Net pension expense	\$2.1	\$8.3	\$1.2	\$2.2
	Six Fiscal Months Ended			
	June 29, 2012		July 1, 2011	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Service cost	\$0.8	\$1.6	\$0.8	\$1.6
Interest cost	3.8	2.8	4.2	3.0
Expected return on plan assets	(4.6)	(1.0)	(4.8)	(1.2)
Amortization of prior service cost	—	0.4	0.1	0.2
Amortization of net loss	4.2	0.6	2.2	0.6

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Amortization of translation obligation	—	—	—	0.2
Settlement (gain) loss	—	6.1	—	—
Net pension expense	\$4.2	\$10.5	\$2.5	\$4.4

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Defined benefit pension plan cash contributions for the three and six fiscal months ended June 29, 2012 were \$1.7 million and \$3.5 million, respectively. Defined benefit pension plan cash contributions for the three and six fiscal months ended July 1, 2011 were \$3.0 million and \$6.0 million, respectively.

In the second quarter of 2012, the Company recorded a pre-tax non-cash settlement loss of \$6.1 million for the termination of a legacy pension plan in the United Kingdom stemming from the 1999 acquisition of BICC.

Postretirement Benefits Other Than Pensions

General Cable has postretirement benefit plans that provide medical and life insurance for certain retirees and eligible dependents. The Company funds the plans as claims or insurance premiums are incurred.

Net postretirement benefit expense included the following components (in millions):

	Three Fiscal Months Ended		Six Fiscal Months Ended	
	June 29, 2012	July 1, 2011	June 29, 2012	July 1, 2011
Service cost	\$—	\$—	\$—	\$0.1
Interest cost	0.1	0.1	0.2	0.2
Net amortization and deferral	—	—	—	—
Net postretirement benefit expense	\$0.1	\$0.1	\$0.2	\$0.3

Defined Contribution Plans

Expense under both U.S. and non-U.S. defined contribution plans generally equals up to six percent of each eligible employee's covered compensation based on the location and status of the employee. The net defined contribution plan expense recognized for the three and six fiscal months ended June 29, 2012 was \$2.4 million and \$5.1 million, respectively. The net defined contribution plan expense recognized for the three and six fiscal months ended July 1, 2011 was \$2.2 million and \$4.8 million, respectively.

13. Total Equity

General Cable is authorized to issue 200 million shares of common stock and 25 million shares of preferred stock. Condensed consolidated statements of changes in total equity are presented below for the six months ended June 29, 2012 and July 1, 2011 (in millions):

	General Cable Total Equity							
	Total Equity	Preferred Stock Amount	Common Stock Amount	Add'l Paid in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Non-Controlling Interest
Balance, December 31, 2011	\$1,511.9	\$3.8	\$0.6	\$666.7	\$(136.5)	\$959.1	\$ (95.1)	\$ 113.3
Comprehensive income (loss):								
Net income (loss) including non-controlling interest	50.3					46.9		3.4
Foreign currency translation adj.	(20.1)						(20.3)	0.2
Gain (loss) defined benefit plan	(2.1)						(2.1)	
Unrealized gain (loss) on financial instruments	2.6						2.5	0.1
Comprehensive income (loss)	30.7							
Preferred stock dividend	(0.2)					(0.2)		
Excess tax benefit from stock compensation	0.1			0.1				

Dividends paid to non-controlling interest	(1.9	)						(1.9)
Other – issuance pursuant to restricted stock, stock options and other	6.9			5.6	1.3				
Balance, June 29, 2012	\$1,547.5	\$3.8	\$0.6	\$672.4	\$(135.2)	\$1,005.8	\$ (115.0)	\$ 115.1

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	General Cable Total Equity							
	Total Equity	Preferred Stock Amount	Common Stock Amount	Add'l Paid in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Non-Controlling Interest
Balance, December 31, 2010	\$1,605.3	\$3.8	\$0.6	\$652.8	\$(74.0)	\$875.3	\$ 23.5	\$ 123.3
Comprehensive income (loss):								
Net income including noncontrolling interest	77.2					75.9		1.3
Foreign currency translation adj.	68.0						66.7	1.3
Gain (loss) defined benefit plan	—						0.7	(0.7)
Unrealized gain (loss) on financial instruments	(20.0)						(20.0)	—
Comprehensive income (loss)	125.2							
Preferred stock dividend	(0.2)					(0.2)		
Excess tax benefit from stock compensation	0.7			0.7				
Dividends paid to non-controlling interest	(2.8)							(2.8)
Other – issuance pursuant to restricted stock, stock options and other	4.0			6.0	(0.7)			(1.3)
Balance, July 1, 2011	\$1,732.2	\$3.8	\$0.6	\$659.5	\$(74.7)	\$951.0	\$ 70.9	\$ 121.1
The components of accumulated other comprehensive income (loss) as of June 29, 2012 and December 31, 2011, respectively, consisted of the following (in millions):								

	June 29, 2012		December 31, 2011	
	Company Common Shareholders	Non-Controlling Interest	Company Common Shareholders	Non-Controlling Interest
Foreign currency translation adjustment	\$(32.3)	\$ (18.1)	\$(12.0)	\$ (18.3)
Change in fair value of pension benefit obligation, net of tax	(65.1)	(3.2)	(63.0)	(3.2)
Change in fair value of derivatives, net of tax	(25.2)	(0.5)	(27.7)	(0.6)
Company deferred stock held in rabbi trust, net of tax	7.3	—	7.3	—
Other	0.3	—	0.3	—
Accumulated other comprehensive income (loss)	\$(115.0)	\$ (21.8)	\$(95.1)	\$ (22.1)
Comprehensive income consists of the following (in millions):				

	Three Fiscal Months Ended June 29, 2012		July 1, 2011	
	Company Common Shareholders	Non-Controlling Interest	Company Common Shareholders	Non-Controlling Interest
Net income ⁽¹⁾	\$21.9	\$ 2.1	\$37.6	\$ 0.5
Currency translation gain (loss)	(61.3)	(2.9)	23.4	1.5
Change in fair value of pension benefit obligation, net of tax	(2.2)	0.1	0.3	(0.3)

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Change in fair value of derivatives, net of tax	(3.4) —	(5.5) —
Comprehensive income (loss)	\$(45.0) \$ (0.7) \$55.8	\$ 1.7

(1) Net income before preferred stock dividend payments.

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	Six Fiscal Months Ended				
	June 29, 2012		July 1, 2011		
	Company Common Shareholders	Non-Controlling Interest	Company Common Shareholders	Non-Controlling Interest	
Net income ⁽¹⁾	\$46.9	\$ 3.4	\$75.9	\$ 1.3	
Currency translation gain (loss)	(20.3	) 0.2	66.7	1.3
Change in fair value of pension benefit obligation, net of tax	(2.1) —	0.7	(0.7)
Change in fair value of derivatives, net of tax	2.5	0.1	(20.0) —	
Comprehensive income (loss)	\$27.0	\$ 3.7	\$123.3	\$ 1.9	

(1) Net income before preferred stock dividend payments.

The Company maintains a deferred compensation plan (“Deferred Compensation Plan”) under the terms and conditions disclosed in the Company’s 2011 Annual Report on Form 10-K. The Company accounts for the Deferred Compensation Plan in accordance with ASC 710 - Compensation—General as it relates to arrangements where amounts earned are held in a rabbi trust. The market value of mutual fund investments, nonvested and subsequently vested stock and restricted stock in the rabbi trust was \$33.8 million and \$31.9 million as of June 29, 2012 and December 31, 2011, respectively. The market value of the assets held by the rabbi trust, exclusive of the market value of the shares of the Company’s nonvested and subsequently vested restricted stock, restricted stock units held in the deferred compensation plan and Company stock investments by participants’ elections, at June 29, 2012 and December 31, 2011 was \$16.5 million and \$15.2 million, respectively, and is classified as “other non-current assets” in the condensed consolidated balance sheets. Amounts payable to the plan participants at June 29, 2012 and December 31, 2011, excluding the market value of the shares of the Company’s nonvested and subsequently vested restricted stock and restricted stock units held, were \$18.3 million and \$16.9 million, respectively, and are classified as “other liabilities” in the condensed consolidated balance sheets.

14. Share-Based Compensation

General Cable has various plans that provide for granting options, restricted stock units and restricted stock to certain employees and independent directors of the Company and its subsidiaries. The Company recognizes compensation expense for share-based payments based on the fair value of the awards at the grant date. The table below summarizes compensation expense for the Company’s non-qualified stock options based on the fair value method estimated using the Black-Scholes valuation model, and non-vested stock awards, including restricted stock units, and performance-based non-vested stock awards based on the fair value method for the three and six fiscal months ended June 29, 2012 and July 1, 2011 (in millions).

	Three Fiscal Months Ended	
	June 29, 2012	July 1, 2011
Non-qualified stock option expense	\$1.5	\$1.2
Non-vested stock awards expense	2.2	1.8
Total pre-tax share-based compensation expense	\$3.7	\$3.0
Excess tax benefit on share-based compensation ⁽¹⁾	\$—	\$—
	Six Fiscal Months Ended	
	June 29, 2012	July 1, 2011
Non-qualified stock option expense	\$2.9	\$2.3
Non-vested stock awards expense	4.3	3.4
Total pre-tax share-based compensation expense	\$7.2	\$5.7
Excess tax benefit on share-based compensation ⁽¹⁾	\$0.1	\$0.7

(1) Cash inflows (outflows) recognized as financing activities in the condensed consolidated statements of cash flows. The Company records compensation expense related to non-vested stock awards as a component of selling, general and administrative expense. There have been no material changes in financial condition or operations that would

affect the method or the nature of the share-based compensation recorded in the current period or the prior comparative periods.

15. Shipping and Handling Costs

All shipping and handling amounts billed to a customer in a sales transaction are classified as revenue. Shipping and handling

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costs associated with storage and handling of finished goods and shipments to customers are included in cost of sales and totaled \$35.5 million and \$35.7 million, respectively, for the three fiscal months ended June 29, 2012 and July 1, 2011 and \$68.8 million and \$69.7 million, respectively, for the six fiscal months ended June 29, 2012 and July 1, 2011.

16. Earnings (Loss) Per Common Share

The Company applied the two-class method of computing basic and diluted earnings (loss) per share for the three and six fiscal months ended June 29, 2012 and July 1, 2011. Historically and for the three and six fiscal months ended June 29, 2012 and July 1, 2011, the Company did not declare, pay or otherwise accrue a dividend payable to the holders of the Company's common stock or holders of unvested share-based payment awards (restricted stock). A reconciliation of the numerator and denominator of earnings (loss) per common share – basic to earnings (loss) per common share – assuming dilution is as follows (in millions, except per share data):

(in millions, except per share data)	Three Fiscal Months Ended		Six Fiscal Months Ended	
	June 29, 2012	July 1, 2011	June 29, 2012	July 1, 2011
Earnings per common share – basic:				
Net income for basic EPS computation ⁽¹⁾	\$21.8	\$37.5	\$46.7	\$75.7
Weighted average shares outstanding for basic EPS computation ⁽²⁾	49.8	52.2	49.8	52.2
Earnings per common share – basic ⁽³⁾	\$0.44	\$0.72	\$0.94	\$1.45
Earnings per common share – assuming dilution:				
Net income attributable to Company common shareholders	\$21.8	\$37.5	\$46.7	\$75.7
Add: preferred stock dividends, if applicable	0.1	0.1	0.2	0.2
Net income for diluted EPS computation ⁽¹⁾	\$21.9	\$37.6	\$46.9	\$75.9
Weighted average shares outstanding including nonvested shares	49.8	52.2	49.8	52.2
Dilutive effect of convertible notes	—	1.4	—	1.2
Dilutive effect of stock options and restricted stock units	0.9	0.9	0.9	0.9
Dilutive effect of assumed conversion of preferred stock	0.4	0.4	0.4	0.4
Weighted average shares outstanding for diluted EPS computation ⁽²⁾	51.1	54.9	51.1	54.7
Earnings per common share – assuming dilution	\$0.43	\$0.68	\$0.92	\$1.39

(1) Numerator

(2) Denominator

(3) Under the two-class method, earnings per share – basic reflects undistributed earnings per share for both common stock and unvested share-based payment awards (restricted stock).

Under ASC 260 - Earnings per Share and ASC 470 - Debt and because of the Company's obligation to settle the par value of the 0.875% Convertible Notes, 1.00% Senior Convertible Notes, and the Subordinated Convertible Notes in cash, the Company is not required to include any shares underlying the 0.875% Convertible Notes, 1.00% Senior Convertible Notes and Subordinated Convertible Notes in its weighted average shares outstanding – assuming dilution until the average stock price per share for the quarter exceeds the \$50.36, \$83.93, and \$36.75 conversion price of the 0.875% Convertible Notes, 1.00% Senior Convertible Notes and the Subordinated Convertible Notes, respectively, and only to the extent of the additional shares that the Company may be required to issue in the event that the Company's conversion obligation exceeds the principal amount of the 0.875% Convertible Notes, the 1.00% Senior Convertible Notes and the Subordinated Convertible Notes.

Regarding the 0.875% Convertible Notes, the average stock price threshold conditions had not been met as of June 29, 2012. At any such time in the future that threshold conditions are met, only the number of shares issuable under the

“treasury” method of accounting for the share dilution would be included in the Company’s earnings per share – assuming dilution calculation, which is based upon the amount by which the average stock price exceeds the conversion price. In addition, shares underlying the warrants will be included in the weighted average shares outstanding – assuming dilution when the average stock price per share for a quarter exceeds the \$76.00 strike price of the warrants, and shares underlying the note hedges, will not be included in the weighted average shares outstanding – assuming dilution because the impact of the shares will always be anti-dilutive.

The following table provides examples of how changes in the Company’s stock price would require the inclusion of additional shares in the denominator of the weighted average shares outstanding – assuming dilution calculation for the 0.875% Convertible Notes. The table also reflects the impact on the number of shares that the Company would expect to issue upon concurrent settlement of the 0.875% Convertible Notes and the note hedges and warrants.

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Share Price	Shares Underlying 0.875% Convertible Notes	Warrant Shares	Total Treasury Method Incremental Shares ⁽¹⁾	Shares Due to the Company under Note Hedges	Incremental Shares Issued by the Company upon Conversion ⁽²⁾
\$50.36	—	—	—	—	—
\$60.36	1,167,502	—	1,167,502	(1,167,502)	—
\$70.36	2,003,400	—	2,003,400	(2,003,400)	—
\$80.36	2,631,259	382,618	3,013,877	(2,631,259)	382,618
\$90.36	3,120,150	1,120,363	4,240,513	(3,120,150)	1,120,363
\$100.36	3,511,614	1,711,088	5,222,702	(3,511,614)	1,711,088

(1) Represents the number of incremental shares that must be included in the calculation of fully diluted shares under GAAP.

(2) Represents the number of incremental shares to be issued by the Company upon conversion of the 0.875% Convertible Notes, assuming concurrent settlement of the note hedges and warrants.

Regarding the 1.00% Senior Convertible Notes, the average stock price threshold conditions had not been met as of June 29, 2012. At any such time in the future that threshold conditions are met, only the number of shares issuable under the “treasury” method of accounting for the share dilution would be included in the Company’s earnings per share – assuming dilution calculation, which is based upon the amount by which the average stock price exceeds the conversion price.

The following table provides examples of how changes in the Company’s stock price would require the inclusion of additional shares in the denominator of the weighted average shares outstanding – assuming dilution calculation for the 1.00% Senior Convertible Notes.

Share Price	Shares Underlying 1.00% Senior Convertible Notes	Total Treasury Method Incremental Shares ⁽¹⁾
\$83.93	—	—
\$93.93	13,425	13,425
\$103.93	24,271	24,271
\$113.93	33,213	33,213
\$123.93	40,712	40,712
\$133.93	47,091	47,091

(1) Represents the number of incremental shares that must be included in the calculation of fully diluted shares under GAAP.

Regarding the Subordinated Convertible Notes, the average stock price threshold conditions had not been met as of June 29, 2012. The average stock price threshold conditions had been met for the three and six months ended July 1, 2011 and 1.4 million shares and 1.2 million shares, respectively, that were considered issuable under the “treasury” method of accounting for the share dilution have been included in the Company’s earnings per share calculation based upon the amount by which the three and six months ended July 1, 2011 average stock price of \$42.02 and \$41.22, respectively, exceeded the conversion price. At any such time in the future that threshold conditions are met, only the number of shares issuable under the “treasury” method of accounting for the share dilution would be included in the Company’s earnings per share – assuming dilution calculation, which is based upon the amount by which the average stock price exceeds the conversion price.

The following table provides examples of how changes in the Company's stock price would require the inclusion of additional shares in the denominator of the weighted average shares outstanding – assuming dilution calculation for the Subordinated Convertible Notes.

Share Price	Shares Underlying Subordinated Convertible Notes	Total Treasury Method Incremental Shares ⁽¹⁾
\$36.75	—	—
\$38.75	603,152	603,152
\$40.75	1,147,099	1,147,099
\$42.75	1,640,151	1,640,151
\$44.75	2,089,131	2,089,131

⁽¹⁾ Represents the number of incremental shares that must be included in the calculation of fully diluted shares under GAAP.

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17. Segment Information

The Company conducts its operations through three geographic operating segments – North America, Europe and Mediterranean, and ROW, which consists of operations in Latin America, Sub-Saharan Africa, Middle East and Asia Pacific. The Company's operating segments align with the structure of the Company's internal management organization. All three segments engage in the development, design, manufacturing, marketing and distribution of copper, aluminum, and fiber optic communication, electric utility and electrical infrastructure wire and cable products. In addition to the above products, the Europe and Mediterranean and ROW segments develop, design, manufacture, market and distribute construction products and the ROW segment manufactures and distributes rod mill wire and cable products.

Net revenues as shown below represent sales to external customers for each segment. Intersegment sales have been eliminated. For the three and six months ended June 29, 2012 and July 1, 2011, intersegment sales in North America were immaterial. In Europe and Mediterranean, intersegment sales were \$5.9 million and \$12.1 million and in ROW, intersegment sales were \$9.5 million and \$18.3 million for the three and six months ended June 29, 2012, respectively. In Europe and Mediterranean, intersegment sales were \$5.3 million and \$10.7 million, and in ROW, intersegment sales were \$9.3 million and \$18.7 million for the three and six months ended July 1, 2011, respectively. The chief operating decision maker evaluates segment performance and allocates resources based on segment operating income. Segment operating income represents income from continuing operations before interest income, interest expense, other income (expense), other financial costs and income tax. Summarized financial information for the Company's reportable segments for the three and six fiscal months ended June 29, 2012 and July 1, 2011 is as follows:

(in millions)	Three Fiscal Months Ended		Six Fiscal Months Ended	
	June 29, 2012	July 1, 2011	June 29, 2012	July 1, 2011
Net Sales:				
North America	\$548.0	\$566.4	\$1,089.2	\$1,108.2
Europe and Mediterranean	444.8	469.2	859.9	892.3
ROW	485.3	496.6	961.5	979.3
Total	\$1,478.1	\$1,532.2	\$2,910.6	\$2,979.8
Segment Operating Income:				
North America	\$36.6	\$41.3	\$67.0	\$76.8
Europe and Mediterranean	8.7	12.4	13.2	25.9
ROW	27.3	26.1	45.8	50.2
Total	\$72.6	\$79.8	\$126.0	\$152.9
(in millions)			June 29, 2012	December 31, 2011
Total Assets:				
North America			\$1,087.5	\$1,026.8
Europe and Mediterranean			1,447.8	1,435.2
ROW			1,977.2	1,908.4
Total			\$4,512.5	\$4,370.4

18. Commitments and Contingencies

Certain present and former operating sites, or portions thereof, currently or previously owned or leased by current or former operating units are the subject of investigations, monitoring or remediation under the United States Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund), the Federal Resource Conservation and Recovery Act or comparable state statutes or agreements with third parties. These proceedings are in various stages ranging from initial investigations to active settlement negotiations to implementation of the cleanup or remediation of sites.

Certain present and former operating units in the United States have been named as potentially responsible parties (PRPs) at several off-site disposal sites under CERCLA or comparable state statutes in federal court proceedings. In each of these matters, the operating unit is working with the governmental agencies involved and other PRPs to address environmental claims in a responsible and appropriate manner.

At June 29, 2012 and December 31, 2011, the Company had an accrued liability of approximately \$2.0 million and \$1.9 million, respectively, for various environmental-related liabilities to the extent costs are known or can be reasonably estimated as its liability.

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American Premier Underwriters Inc., a former parent of the Company, agreed to indemnify the Company against all environmental-related liabilities arising out of the Company's or its predecessors' ownership or operation of the Indiana Steel & Wire Company and Marathon Manufacturing Holdings, Inc. businesses (which were divested by the Company), without limitation as to time or amount. While it is difficult to estimate future environmental-related liabilities accurately, the Company does not currently anticipate any material adverse impact on its results of operations, financial position or cash flows as a result of compliance with federal, state, local or foreign environmental laws or regulations or cleanup costs of the sites discussed above.

General Cable has also agreed to indemnify Southwire Company against certain environmental liabilities arising out of the operation of the business it sold to Southwire prior to its sale. The indemnity is for a ten year period from the closing of the sale, which ended in the fourth quarter of 2011, and is subject to an overall limit of \$20 million. At this time, there are no claims outstanding under this indemnity.

As part of the acquisition of Silec Cable, S.A.S ("Silec"), which was acquired in December 2005, SAFRAN SA agreed to indemnify General Cable against environmental losses arising from breach of representations and warranties on environmental law compliance and against losses arising from costs General Cable could incur to remediate property acquired based on a directive of the French authorities to rehabilitate property in regard to soil, water and other underground contamination arising before the closing date of the purchase. These indemnities were for a six-year period ended in 2011 while General Cable operated the businesses subject to sharing of certain losses (with SAFRAN covering 100% of losses in year one, 75% in years two and three, 50% in year four, and 25% in years five and six). The indemnities were subject to an overall limit of 4.0 million euros. As of June 29, 2012 and December 31, 2011, there were no claims outstanding under this indemnity. In addition, SAFRAN SA agreed to indemnify the Company for the full amount of losses arising from, related to or attributable to practices, if any, that are similar to previous practices investigated by the French competition authority for alleged competition law violations related to medium and high voltage cable markets. The Company has asserted a claim under this indemnity against SAFRAN SA related to the European Commission's Statement of Objections, which is described in more detail below, to preserve its rights should an unfavorable outcome occur.

In 2007, the Company acquired the worldwide wire and cable business of Freeport-McMoRan Copper and Gold Inc., which operates as PDIC. As part of this acquisition, the seller agreed to indemnify the Company for certain environmental liabilities existing on the purchase closing. The seller's obligation to indemnify the Company for these particular liabilities generally survived four years from the date the parties executed the definitive purchase agreement unless the Company has properly notified the seller before the expiry of the four year period. The seller also made certain representations and warranties related to environmental matters and the acquired business and agreed to indemnify the Company for breaches of those representation and warranties for a period of four years from the closing date. No indemnification claims for breach of representations and warranties were made during the indemnity period for the transaction.

In addition, Company subsidiaries have been named as defendants in lawsuits alleging exposure to asbestos in products manufactured by the Company. As of June 29, 2012, the Company was a defendant in approximately 628 non-maritime cases and 28,438 maritime cases brought in various jurisdictions throughout the United States. As of June 29, 2012 and December 31, 2011, the Company had accrued, on a gross basis, approximately \$5.1 million, and as of June 29, 2012 and December 31, 2011, had recovered approximately \$0.5 million and \$0.6 million of insurance recoveries for these lawsuits, respectively. The Company does not believe that the outcome of the litigation will have a material adverse effect on its condensed consolidated results of operations, financial position or cash flows.

On July 5, 2011, the European Commission issued a Statement of Objections in relation to its ongoing competition investigation to a number of wire and cable manufacturers in the submarine and underground power cables business,

including the Company's Spanish affiliate and its subsidiary, Silec. The allegations related to Silec are for the eleven months following its acquisition by the Company's Spanish affiliate, for which the Company has filed a claim for indemnification from SAFRAN SA to preserve its rights should an unfavorable outcome occur. A Statement of Objections is a procedural document in which the European Commission communicates its preliminary views in regard to possible infringement of European competition law and allows the companies identified in the Statement of Objections to present procedural and substantive arguments in response before a final decision is made. Any unfavorable decision by the European Commission is subject to appeal. The Statement of Objections issued to the Company alleges that two affiliates in Europe engaged in violations of competition law in the underground power cables businesses for a limited period of time. The Company responded to the Statement of Objections on October 28, 2011 and intends to continue to vigorously defend itself against the allegations in the course of future proceedings with the European Commission on the Statement of Objections.

The European Commission has significant discretion in assessing fines and the Statement of Objections has only provided limited guidance on how it could potentially assess fines on each of the named wire and cable companies alleged to have violated applicable competition laws. At this time, the Company believes that it has substantial defenses to the allegations contained in the Statement

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of Objections. However, if the Company's defenses are ultimately not successful, the Company could be assessed fines, which if imposed, could be substantial and may have a material impact on its consolidated financial results. While the Company continues to incur legal and associated costs in this matter, it is unable, at this time, to estimate the range of loss, if any, that may result as an outcome of these proceedings.

During the fourth quarter of 2011, the Company became aware of a potential claim involving multiple parties regarding the failure of a newly installed transformer in France, which was manufactured and installed by an independent third party, at a customer's hydroelectric plant. The Company supplied and installed cables and terminations to the transformer, which failed as it was being energized. The transformer was significantly damaged and the customer is alleging losses consisting of damage to the transformer and consequential damages due to its inability to operate the facility. The customer retained a court appointed technical expert to review the evidence to determine the root cause of the transformer failure and to allocate liability to the parties found responsible for such losses. The investigation is ongoing at this time and the Company believes it has substantial defenses to potential liability in regard to the transformer failure. At this time, the Company is unable to predict with any certainty an estimated range of damages or whether it will have liability, if any, attributable to the transformer failure.

In March 2012, the Company received formal notice of a claim for damages arising from a transformer fire that occurred in December 2010 allegedly resulting in loss of equipment and some consequential damages at a metal processing facility in Iceland. The Company supplied and installed cables and terminations to the transformer, which was manufactured and installed by an independent third party, during 2006 and the first quarter of 2007. The Company's work was inspected and accepted by the customer in March 2007. The Company believes it has substantial defenses to potential liability in regard to the transformer fire and claimed loss. At this time, the Company is unable to predict with any certainty an estimated range of damages or whether it will have any liability, if any, attributable to the transformer fire.

One of the Company's Brazilian subsidiaries is involved in an administrative proceeding with a state treasury office regarding whether tax incentives granted to the Company by one Brazilian state are applicable to goods sold in another Brazilian state from September 2008 to December 31, 2009. The Company believes it correctly relied on the tax incentives granted and that it has substantial defenses to their disallowance by the Brazilian state claimant. The principal amount claimed to be due during the contested period is approximately \$8 million which does not include penalties and interest which could be substantial.

The Company is also involved in various routine legal proceedings and administrative actions. Such proceedings and actions should not, individually or in the aggregate, have a material adverse effect on its result of operations, cash flows or financial position.

In Europe and Mediterranean as it relates to the 2005 purchase of shares of Silec, the Company has pledged to the bank the following: Silec shares, segment assets such as land and buildings and certain General Cable entities in Spain and Portugal, which have been designated as guarantors.

The Company has entered into various operating lease agreements related principally to certain administrative, manufacturing and distribution facilities and transportation equipment. At June 29, 2012, future minimum rental payments required under non-cancelable lease agreements during the twelve month periods beginning June 29, 2012 through June 30, 2017 are \$32.3 million, \$31.1 million, \$27.3 million, \$25.3 million and \$22.1 million, respectively, and \$16.7 million thereafter.

As of June 29, 2012, the Company had \$54.8 million in letters of credit, \$291.5 million in various performance bonds and \$221.2 million in other guarantees. Other guarantees include bank guarantees and advance payment bonds. These

letters of credit, performance bonds and guarantees are periodically renewed and are generally related to risk associated with self-insurance claims, defined benefit plan obligations, contract performance, quality and other various bank and financing guarantees. Advance payment bonds are often required by customers when the Company obtains advance payments to secure the production of cable for long term contracts. The advance payment bonds provide the customer protection on their deposit in the event that the Company does not perform under the contract. See "Liquidity and Capital Resources" within Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations for excess availability under the Company's various credit borrowings.

19. Unconsolidated Affiliated Companies

Unconsolidated affiliated companies are those in which the Company generally owns less than 50 percent of the outstanding voting shares. The Company does not control these companies and accounts for its investments in them on the equity basis. The unconsolidated affiliated companies primarily manufacture or market wire and cable products in the ROW segment. The Company's share of the income of these companies is reported in the condensed consolidated statements of operations under "Equity in earnings of affiliated companies." For the three and six fiscal months ended June 29, 2012, equity in earnings of affiliated companies was \$0.5 million and \$0.5 million respectively. For the three and six fiscal months ended July 1, 2011, equity in earnings of affiliated

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companies was \$1.0 million and \$1.4 million, respectively. The net investment in unconsolidated affiliated companies was \$19.0 million and \$18.6 million as of June 29, 2012 and December 31, 2011, respectively. As of June 29, 2012, the Company's ownership percentage was as follows: PDTL Trading Company Ltd. 49%, Colada Continua Chilean, S.A. 41%, Minuet Realty Corp. 40%, Nostag GmbH & Co. KG 33%, Pakistan Cables Limited 24.6%, Keystone Electric Wire & Cable Co., Ltd. 20% and Thai Copper Rod Company Ltd. 18%.

20. Fair Value Disclosure

The fair market values of the Company's financial instruments are determined based on the fair value hierarchy as discussed in ASC 820 - Fair Value Measurements which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair values are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques for which the determination of fair value requires significant management judgment or estimation.

The Company carries derivative assets and liabilities (Level 2) and marketable equity securities (Level 1) held in the rabbi trust as part of the Company's Deferred Compensation Plan at fair value. The fair values of derivative assets and liabilities traded in the over-the-counter market are determined using quantitative models that require the use of multiple market inputs including interest rates, prices and indices to generate pricing and volatility factors, which are used to value the position. The predominance of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third-party pricing services. Marketable equity securities are recorded at fair value, which are based on quoted market prices.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below (in millions).

	Fair Value Measurement				December 31, 2011			
	June 29, 2012							
	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3	Fair Value
Assets:								
Derivative assets	\$—	\$7.5	\$—	\$7.5	\$—	\$10.7	\$—	\$10.7
Equity securities	16.5	—	—	16.5	15.2	—	—	15.2
Total assets	\$16.5	\$7.5	\$—	\$24.0	\$15.2	\$10.7	\$—	\$25.9
Liabilities								
Derivative liabilities	\$—	\$22.7	\$—	\$22.7	\$—	\$36.2	\$—	\$36.2
Total liabilities	\$—	\$22.7	\$—	\$22.7	\$—	\$36.2	\$—	\$36.2

At June 29, 2012, there were no financial assets or financial liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3). Similarly, there were no nonfinancial assets or nonfinancial liabilities measured at fair value on a non-recurring basis. There were also no significant transfers in and out of Level 1 and Level 2 fair value measurements to be disclosed.

The fair value of the Company's long-term debt, as noted in Note 9, was estimated using quoted market prices where available. For long-term debt not actively traded, fair values were based on valuations from third-party banks and market quotations for similar types of borrowing arrangements. If the Company's long-term debt was measured at fair value, it would have been categorized as Level 2 in the fair value hierarchy.

21. Supplemental Guarantor and Parent Company Condensed Financial Information

General Cable Corporation (“Parent Company”) and its U.S. and Canadian 100% owned subsidiaries (“Guarantor Subsidiaries”) fully and unconditionally guarantee the \$10.6 million of 1.00% Senior Convertible Notes, the \$355.0 million of 0.875% Convertible Notes, the \$200 million of 7.125% Senior Notes due in 2017 and the \$125 million of Senior Floating Rate Notes due in 2015 of

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the Parent Company on a joint and several basis. The following tables present financial information about the Parent Company, Guarantor Subsidiaries and non-guarantor subsidiaries in millions. Intercompany transactions are eliminated.

Condensed Statements of Operations and Comprehensive Income (Loss)
Three Fiscal Months Ended June 29, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	\$—	\$535.5	\$ 942.6	\$—	\$1,478.1
Intercompany	21.6	—	11.5	(33.1)) —
	21.6	535.5	954.1	(33.1)	) 1,478.1
Cost of sales	—	462.5	850.1	(11.5)	) 1,301.1
Gross profit	21.6	73.0	104.0	(21.6)	) 177.0
Selling, general and administrative expenses	11.4	40.4	74.2	(21.6)	) 104.4
Operating income	10.2	32.6	29.8	—	72.6
Other income (expense)	—	(1.2)	) (12.3)	) —	(13.5)
Interest income (expense):					
Interest expense	(16.1)	) (22.8)	) (11.6)	) 25.3	(25.2)
Interest income	21.9	3.1	1.9	(25.3)	) 1.6
	5.8	(19.7)	) (9.7)	) —	(23.6)
Income before income taxes	16.0	11.7	7.8	—	35.5
Income tax (provision) benefit	(5.6)	) (3.7)	) (2.7)	) —	(12.0)
Equity in net income of subsidiaries and affiliated companies	11.5	3.5	—	(14.5)	) 0.5
Net income including non-controlling interest	21.9	11.5	5.1	(14.5)	) 24.0
Less: preferred stock dividends	0.1	—	—	—	0.1
Less: net income attributable to non-controlling interest	—	—	2.1	—	2.1
Net income attributable to Company common shareholders	\$21.8	\$11.5	\$ 3.0	\$(14.5)	) \$21.8
Comprehensive income (loss)	\$21.4	\$4.9	\$ (57.5)	) \$(14.5)	) \$(45.7)

Tables of ContentsCondensed Statements of Operations and Comprehensive Income (Loss)
Six Fiscal Months Ended June 29, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	\$—	\$1,066.8	\$ 1,843.8	\$—	\$2,910.6
Intercompany	28.9	—	23.1	(52.0)) —
	28.9	1,066.8	1,866.9	(52.0)	) 2,910.6
Cost of sales	—	928.3	1,681.2	(23.1)	) 2,586.4
Gross profit	28.9	138.5	185.7	(28.9)	) 324.2
Selling, general and administrative expenses	23.1	71.6	132.4	(28.9)	) 198.2
Operating income	5.8	66.9	53.3	—	126.0
Other income (expense)	—	(0.8)	) (5.9)	) —	(6.7)
Interest income (expense):					
Interest expense	(31.9)	) (45.9)	) (22.8)	) 50.7	(49.9)
Interest income	43.9	6.3	3.8	(50.7)	) 3.3
	12.0	(39.6)	) (19.0)	) —	(46.6)
Income (loss) before income taxes	17.8	26.5	28.4	—	72.7
Income tax (provision) benefit	(6.4)	) (10.9)	) (5.6)	) —	(22.9)
Equity in net income of subsidiaries	35.5	19.9	—	(54.9)	) 0.5
Net income including non-controlling interest	46.9	35.5	22.8	(54.9)	) 50.3
Less: preferred stock dividends	0.2	—	—	—	0.2
Less: net income attributable to non-controlling interest	—	—	3.4	—	3.4
Net income applicable to Company common shareholders	\$46.7	\$35.5	\$ 19.4	\$(54.9)	) \$46.7
Comprehensive income (loss)	\$47.1	\$30.7	\$ 7.8	\$(54.9)	) \$30.7

Tables of ContentsCondensed Statements of Operations and Comprehensive Income (Loss)
Three Fiscal Months Ended July 1, 2011

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	\$—	\$554.0	\$ 978.2	\$—	\$1,532.2
Intercompany	13.6	—	11.9	(25.5)) —
	13.6	554.0	990.1	(25.5)	) 1,532.2
Cost of sales	—	479.8	889.7	(11.9)	) 1,357.6
Gross profit	13.6	74.2	100.4	(13.6)	) 174.6
Selling, general and administrative expenses	10.7	36.6	61.1	(13.6)	) 94.8
Operating income	2.9	37.6	39.3	—	79.8
Other income (expense)	—	(0.4)	) (3.5)	) —	(3.9)
Interest income (expense):					
Interest expense	(15.6)	) (17.9)	) (10.6)	) 20.5	(23.6)
Interest income	17.3	3.1	2.1	(20.5)	) 2.0
	1.7	(14.8)	) (8.5)	) —	(21.6)
Income (loss) before income taxes	4.6	22.4	27.3	—	54.3
Income tax (provision) benefit	(1.7)	) (10.6)	) (4.9)	) —	(17.2)
Equity in net income of subsidiaries	34.7	22.9	—	(56.6)	) 1.0
Net income including non-controlling interest	37.6	34.7	22.4	(56.6)	) 38.1
Less: preferred stock dividends	0.1	—	—	—	0.1
Less: net income attributable to non-controlling interest	—	—	0.5	—	0.5
Net income applicable to Company common shareholders	\$37.5	\$34.7	\$ 21.9	\$(56.6)	) \$37.5
Comprehensive income (loss)	\$37.8	\$38.7	\$ 37.6	\$(56.6)	) \$57.5

Tables of ContentsCondensed Statements of Operations and Comprehensive Income (Loss)
Six Fiscal Months Ended July 1, 2011

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	\$—	\$1,082.4	\$ 1,897.4	\$—	\$2,979.8
Intercompany	27.8	—	23.0	(50.8)	—
	27.8	1,082.4	1,920.4	(50.8)	2,979.8
Cost of sales	—	938.7	1,722.5	(23.0)	2,638.2
Gross profit	27.8	143.7	197.9	(27.8)	341.6
Selling, general and administrative expenses	22.0	74.1	120.4	(27.8)	188.7
Operating income	5.8	69.6	77.5	—	152.9
Other income (expense)	—	0.6	2.5	—	3.1
Interest income (expense):					
Interest expense	(31.3)	(38.0)	(21.3)	43.0	(47.6)
Interest income	36.8	6.0	4.2	(43.0)	4.0
	5.5	(32.0)	(17.1)	—	(43.6)
Income (loss) before income taxes	11.3	38.2	62.9	—	112.4
Income tax (provision) benefit	(4.2)	(18.2)	(14.2)	—	(36.6)
Equity in net income of subsidiaries	68.8	48.8	—	(116.2)	1.4
Net income including non-controlling interest	75.9	68.8	48.7	(116.2)	77.2
Less: preferred stock dividends	0.2	—	—	—	0.2
Less: net income attributable to non-controlling interest	—	—	1.3	—	1.3
Net income applicable to Company common shareholders	\$75.7	\$68.8	\$ 47.4	\$(116.2)	\$75.7
Comprehensive income (loss)	\$77.2	\$92.1	\$ 72.1	\$(116.2)	\$125.2

Tables of ContentsCondensed Balance Sheets
June 29, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$0.1	\$10.2	\$ 428.5	\$—	\$438.8
Receivables, net of allowances	—	306.6	907.0	—	1,213.6
Inventories, net	—	448.0	811.6	—	1,259.6
Deferred income taxes	—	25.8	13.2	—	39.0
Prepaid expenses and other	1.8	19.8	83.6	—	105.2
Total current assets	1.9	810.4	2,243.9	—	3,056.2
Property, plant and equipment, net	0.3	180.1	831.8	—	1,012.2
Deferred income taxes	—	2.0	22.9	—	24.9
Intercompany accounts	1,249.1	373.0	38.8	(1,660.9)	—
Investment in subsidiaries	1,162.5	1,407.5	—	(2,570.0)	—
Goodwill	—	0.8	164.2	—	165.0
Intangible assets, net	—	3.2	176.3	—	179.5
Unconsolidated affiliated companies	—	13.1	5.9	—	19.0
Other non-current assets	7.3	23.6	24.8	—	55.7
Total assets	\$2,421.1	\$2,813.7	\$ 3,508.6	\$(4,230.9)	\$4,512.5
Liabilities and Total Equity					
Current liabilities:					
Accounts payable	\$—	\$106.9	\$ 862.7	\$—	\$969.6
Accrued liabilities	6.2	96.4	288.0	—	390.6
Current portion of long-term debt	10.4	—	218.3	—	228.7
Total current liabilities	16.6	203.3	1,369.0	—	1,588.9
Long-term debt	824.1	61.3	32.8	—	918.2
Deferred income taxes	148.0	(13.5)	76.2	—	210.7
Intercompany accounts	—	1,287.9	373.0	(1,660.9)	—
Other liabilities	—	112.2	135.0	—	247.2
Total liabilities	988.7	1,651.2	1,986.0	(1,660.9)	2,965.0
Total Company shareholders' equity	1,432.4	1,162.5	1,407.5	(2,570.0)	1,432.4
Non-controlling interest	—	—	115.1	—	115.1
Total liabilities and equity	\$2,421.1	\$2,813.7	\$ 3,508.6	\$(4,230.9)	\$4,512.5

Tables of ContentsCondensed Balance Sheets
December 31, 2011

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash	\$0.1	\$12.4	\$421.6	\$—	\$434.1
Receivables, net of allowances	—	247.0	833.9	—	1,080.9
Inventories	—	436.3	792.4	—	1,228.7
Deferred income taxes	—	25.4	18.0	—	43.4
Prepaid expenses and other	1.8	23.5	74.7	—	100.0
Total current assets	1.9	744.6	2,140.6	—	2,887.1
Property, plant and equipment, net	0.4	186.3	841.9	—	1,028.6
Deferred income taxes	—	1.9	16.7	—	18.6
Intercompany accounts	1,210.4	378.4	40.1	(1,628.9)	—
Investment in subsidiaries	1,147.1	1,374.3	—	(2,521.4)	—
Goodwill	—	0.8	164.1	—	164.9
Intangible assets, net	—	3.3	178.3	—	181.6
Unconsolidated affiliated companies	—	12.6	6.0	—	18.6
Other non-current assets	8.2	23.4	39.4	—	71.0
Total assets	\$2,368.0	\$2,725.6	\$3,427.1	\$(4,150.3)	\$4,370.4
Liabilities and Total Equity					
Current liabilities:					
Accounts payable	\$—	\$100.1	\$846.4	\$—	\$946.5
Accrued liabilities	6.4	102.8	310.8	—	420.0
Current portion of long-term debt	10.1	—	146.2	—	156.3
Total current liabilities	16.5	202.9	1,303.4	—	1,522.8
Long-term debt	813.5	34.9	44.2	—	892.6
Deferred income taxes	139.4	(18.1)	78.7	—	200.0
Intercompany accounts	—	1,250.5	378.4	(1,628.9)	—
Other liabilities	—	108.3	134.8	—	243.1
Total liabilities	969.4	1,578.5	1,939.5	(1,628.9)	2,858.5
Total Company shareholders' equity	1,398.6	1,147.1	1,374.3	(2,521.4)	1,398.6
Non-controlling interest	—	—	113.3	—	113.3
Total liabilities and equity	\$2,368.0	\$2,725.6	\$3,427.1	\$(4,150.3)	\$4,370.4

Tables of ContentsCondensed Statements of Cash Flows
Six Fiscal Months Ended June 29, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash flows of operating activities	\$33.1	\$(42.6)	\$ (7.6)	\$—	\$(17.1)
Cash flows of investing activities:					
Capital expenditures	—	(12.1)	(51.8)	—	(63.9)
Proceeds from properties sold	—	—	4.2	—	4.2
Acquisitions, net of cash acquired	—	—	(7.3)	—	(7.3)
Other	—	(13.6)	13.5	—	(0.1)
Net cash flows of investing activities	—	(25.7)	(41.4)	—	(67.1)
Cash flows of financing activities:					
Preferred stock dividends paid	(0.2)	—	—	—	(0.2)
Excess tax benefits from stock-based compensation	0.1	—	—	—	0.1
Intercompany accounts	(33.2)	44.5	(11.3)	—	—
Proceeds from other debt	—	466.3	411.5	—	877.8
Repayments of other debt	—	(439.9)	(350.9)	—	(790.8)
Dividends paid to non-controlling interest	—	—	(1.9)	—	(1.9)
Proceeds from exercise of stock options	0.1	—	—	—	0.1
Net cash flows of financing activities	(33.2)	70.9	47.4	—	85.1
Effect of exchange rate changes on cash and cash equivalents	0.1	(4.8)	8.5	—	3.8
Increase (decrease) in cash and cash equivalents	—	(2.2)	6.9	—	4.7
Cash and cash equivalents – beginning of period	0.1	12.4	421.6	—	434.1
Cash and cash equivalents – end of period	\$0.1	\$10.2	\$ 428.5	\$—	\$438.8

Tables of ContentsCondensed Statements of Cash Flows
Six Fiscal Months Ended July 1, 2011

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash flows of operating activities	\$19.3	\$(20.1)	\$(81.7)	\$—	\$(82.5)
Cash flows of investing activities:					
Capital expenditures	(0.2)	(9.2)	(46.1)	—	(55.5)
Proceeds from properties sold	—	0.1	2.7	—	2.8
Acquisitions, net of cash acquired	—	—	—	—	—
Other	—	(16.8)	17.6	—	0.8
Net cash flows of investing activities	(0.2)	(25.9)	(25.8)	—	(51.9)
Cash flows of financing activities:					
Preferred stock dividends paid	(0.2)	—	—	—	(0.2)
Excess tax benefits from stock-based compensation	0.7	—	—	—	0.7
Intercompany accounts	(49.2)	3.6	45.6	—	—
Proceeds from other debt	—	Proceeds from other debt 484.6	Proceeds from other debt 387.0	Proceeds from other debt —	Proceeds from other debt 871.6
Repayments of other debt	—	(442.5)	(316.8)	—	(759.3)
Dividends paid to non-controlling interests	—	—	(2.8)	—	(2.8)
Proceeds from exercise of stock options	0.7	—	—	—	0.7
Net cash flows of financing activities	(48.0)	45.7	113.0	—	110.7
Effect of exchange rate changes on cash and cash equivalents	—	0.2	(13.2)	—	(13.0)
Increase (decrease) in cash and cash equivalents	(28.9)	(0.1)	(7.7)	—	(36.7)
Cash and cash equivalents - beginning of period	29.0	8.0	421.7	—	458.7
Cash and cash equivalents - end of period	\$0.1	\$7.9	\$414.0	\$—	\$422.0

Notes to Parent Company Condensed Financial Information

Basis of Presentation

In accordance with the requirements of Regulation S-X of the Securities and Exchange Commission, restricted net assets of the Company's subsidiaries exceeded 25% of the Company's total consolidated net assets. The Company's Spanish Term Loans include covenants that require its Spanish subsidiary to maintain minimum net assets of 197 million euros. This financial information is condensed and omits many disclosures presented in the Condensed Consolidated Financial Statements and Notes thereto.

Intercompany Activity

The Parent Company and its Guarantor Subsidiaries participate in a cash pooling program. As part of this program, cash balances are generally swept on a daily basis between the Guarantor Subsidiaries' bank accounts and those of the Parent Company. There are a significant number of the Company's subsidiaries that participate in this cash pooling arrangement and there are thousands of transactions per week that occur between the Parent Company and Guarantor Subsidiaries, all of which are accounted for through the intercompany accounts.

Parent Company transactions include interest, dividend, tax payments and intercompany sales transactions related to administrative costs incurred by the Parent Company, which are billed to Guarantor Subsidiaries on a cost-plus basis. These costs are reported in the Parent's "Selling, general and administrative expenses" on the Condensed Consolidated Statement of Operations for the respective period(s). All intercompany transactions are presumed to be settled in cash when they occur and are included in operating activities on the statement of cash flows.

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A summary of cash and non-cash transactions of the Parent Company's intercompany account is provided below for the six fiscal months ended June 29, 2012 and the twelve months ended December 31, 2011:

(in millions)	June 29, 2012	December 31, 2011
Beginning Balance	\$1,210.4	\$1,169.7
Non-cash transactions		
Deferred tax	2.1	8.0
Equity based awards	7.1	12.7
Foreign currency and other	(3.7)	(1.0)
Cash transactions	33.2	21.0
Ending Balance	\$1,249.1	\$1,210.4
Dividends		

There were no cash dividend payments to the Parent Company from the Guarantor Subsidiaries in the six fiscal months ended June 29, 2012 or July 1, 2011.

Parent Company Long-Term Debt

At June 29, 2012 and December 31, 2011, the Parent Company was party to the following long-term financing arrangements:

(in millions)	June 29, 2012	December 31, 2011
Subordinated Convertible Notes due 2029	\$429.5	\$429.5
Debt discount on Subordinated Convertible Notes due 2029	(263.7)	(264.4)
1.00% Senior Convertible Notes due 2012	10.6	10.6
Debt discount on 1.00% Senior Convertible Notes due 2012	(0.2)	(0.5)
0.875% Convertible Notes due 2013	355.0	355.0
Debt discount on 0.875% Convertible Notes due 2013	(30.7)	(40.6)
7.125% Senior Notes due 2017	200.0	200.0
Senior Floating Rate Notes	125.0	125.0
Other	9.0	9.0
Total Parent Company debt	834.5	823.6
Less current maturities	10.4	10.1
Parent Company Long-term debt	\$824.1	\$813.5

(in millions)	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017
Debt maturities twelve month period ending	\$10.4	\$324.3	\$—	\$125.0	\$—

For long-term debt related to the Parent Company, refer to Footnote 9 "Long-Term Debt" of the Notes to the Condensed Consolidated Financial Statements.

Commitments and Contingencies

For contingencies and guarantees related to the Parent Company, refer to Footnote 18 "Commitments and Contingencies" of the Notes to the Condensed Consolidated Financial Statements.

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22. Subsequent Events

On August 1, 2012, the Company entered into Amendment No. 1 to its U.S. and Canadian Senior Secured Revolving Credit Facility (the "Amendment"). The Amendment provides for, among other things, an increase in the committed revolving credit line to \$600 million effective August 1, increasing again up to \$700 million upon the closing of the acquisition of the North America business of Alcan Cable. The closing of the acquisition of the North America business is conditioned upon receipt of necessary regulatory approvals, which have been received. In addition, the Amendment extends the maturity date of the Revolving Credit Facility to July 2017. All other principal terms of the amended Revolving Credit Facility remain the same (see Footnote 9 "Long-Term Debt"). The amended Revolving Credit Facility will be used for working capital and general corporate purposes and to provide financing for the acquisition of the Alcan Cable business.

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GENERAL CABLE CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to help the reader understand the Company’s financial position, changes in financial position and results of operations. MD&A is provided as a supplement to the Company’s condensed consolidated financial statements and the accompanying Notes to condensed consolidated financial statements (“Notes”) and should be read in conjunction with the condensed consolidated financial statements and Notes.

Certain statements in this report including, without limitation, statements regarding future financial results and performance, plans and objectives, capital expenditures and the Company’s or management’s beliefs, expectations or opinions, are forward-looking statements, and as such, General Cable desires to take advantage of the “safe harbor” which is afforded to such statements under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those statements as a result of factors, risks and uncertainties over which the Company has no control. Such factors include, but are not limited to, those stated in Item 1A of the Company’s 2011 Annual Report on Form 10-K as filed with the SEC on February 23, 2012.

Overview

The Company is a global leader in the development, design, manufacture, marketing and distribution of copper, aluminum and fiber optic wire and cable products for use in the energy, industrial, construction, specialty and communications markets. The Company additionally engages in the design, integration, and installation on a turn-key basis for products such as high and extra- high voltage terrestrial and submarine systems. The Company analyzes its worldwide operations based on three geographical segments: North America, Europe and Mediterranean, and Rest of World ("ROW"). The Company believes it has a strong market position in each of the segments in which it competes due to consistent execution of the Company's guiding principles which are:

- Utilizing the Company's assets, financial strength and flexibility, distribution system, global and product diversity, brands, and the talents and strong commitment of employees to build profitability through excellence in the Company's primary business, wire and cable manufacturing and distribution;
- Managing the Company's product portfolio by pursuing market share in fast growing and value added product lines as well as strategic investments in attractive long-term growth opportunities;
- Focusing on continuous improvement and operating efficiency through the execution of Lean Six Sigma (“Lean”) strategies and technical expertise to maintain the Company's position as a low cost provider;
- Expanding operations through organic growth and acquisitions with continued focus in emerging economies;
- Leveraging the Company's diversity and intellectual property through the sharing of best practices across the global organization; and
- Maintaining high operational standards through sustainability, safety, and innovation.

The Company's key performance indicators are considered to be volume, as measured in metal pounds sold, operating income, net income, earnings per share, operating cash flows, returns on capital employed and invested capital and working capital efficiency.

Significant Current Business Trends and Events

The wire and cable industry is competitive, mature and cost driven with minimal differentiation for many product offerings among industry participants from a manufacturing or technology standpoint. Starting in late 2010, the Company has benefited from a recovery in demand. However, demand and pricing levels generally remain low compared to the levels that were achieved prior to the impact of the global financial crisis and economic downturn that began in late 2007. The following are significant trends and events that occurred in the three and six months ended June 29, 2012 that affected the Company's operating results:

The Company’s reported results are directly influenced by the price of copper, and to a lesser extent, aluminum. The price of copper and aluminum as traded on the London Metal Exchange (“LME”) and COMEX has historically been

subject to considerable volatility. The Company continues to experience volatile commodity pricing, primarily copper and aluminum, as well as other cost inputs. Volatility in the price of copper and aluminum and other raw materials, as well as fuel and energy, may in turn lead to significant fluctuations in our cost of sales or revenues. A significant portion of the Company's electric utility and telecommunications business and, to a lesser extent, the Company's electrical infrastructure business has metal escalators and de-escalators included in customer contracts under a variety of price setting and recovery formulas. The remainder of the Company's business requires that volatility in the cost of metals be recovered through negotiated price changes with customers. In these

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instances, the ability to change the Company's selling prices may lag the movement in metal prices by a period of time as the customer price changes are implemented. Therefore, in the short-term, during periods of escalating raw material cost inputs, to the extent the Company is able to increase prices in the market to recover the higher raw material costs, the Company will generally experience an increase in gross profit from the sale of its relatively lower value inventory as computed under the weighted average inventory costing method. If the Company is unable to increase prices with the rise in the raw material market prices due to low levels of demand or market dynamics, the Company will experience lower gross profit. Conversely, during periods of declining raw material cost inputs, to the extent the Company has to decrease prices in the market due to competitive pressure as the current cost of metals declines, the Company will generally experience downward pressure on its gross profit due to the sale of relatively higher value inventory as computed under the weighted average inventory costing method. If the Company is able to maintain price levels in an environment in which raw material prices are declining due to high levels of demand, the Company will experience higher gross profit. There is no exact future measure of the effect to the Company's profitability of the change of raw material cost inputs due to the unique set of selling variables and the high volume of transactions in any given period, each of which involves numerous individual pricing decisions. In the three and six months ended June 29, 2012, a 1% change in copper and aluminum costs would have impacted the cost of sales by approximately \$7.1 million and \$14.2 million, respectively. This impact would directly impact gross profit if the Company was unable to adjust selling prices with a change in the price of copper and aluminum. To help reduce this volatility, the Company has implemented various pricing mechanisms and hedges a portion of its metal purchases when there is a firm price commitment for a future delivery but does not engage in speculative metals trading.

The Company generally has experienced and expects to continue to experience certain seasonal trends in many products in which demand is linked with construction spending. Demand for these products during winter months in certain geographies is usually lower than demand during spring and summer months. Therefore, larger amounts of working capital are generally required during winter months in order to build inventories in anticipation of higher demand during the spring and summer months, when construction activity increases. In turn, receivables related to higher sales activity during the spring and summer months are generally collected during the fourth quarter of the year. Additionally, the Company has historically experienced changes in demand resulting from poor or unusual weather.

The Company has access to various credit facilities around the world and believes that it can adequately fund its global working capital requirements through both internal operating cash flow and the use of the various credit facilities. Overall, the capital structure changes made in recent years, including entering into the \$400 million Revolving Credit Facility in July 2011, and recently amending it, creates global operating flexibility to meet working requirement needs and to support organizational and strategic growth. Due to the volatility in metal prices and the fact that metals represent approximately 55% of our product cost at today's levels, the Company's working capital requirements are expected to be variable for the foreseeable future.

The Company continues to actively identify key trends in the industry to capitalize on expanding and new niche markets or exit declining or non-strategic markets in order to achieve better returns. The Company also sets aggressive performance targets for its business and intends to refocus or divest those activities which fail to meet targets or do not fit long-term strategies. The Company completed a greenfield project in India late in 2011 that began operating in 2012 and recently completed a significant further investment in the Company's operations in Brazil. On May 18, 2012, General Cable entered into a purchase agreement with Rio Tinto. Pursuant to the purchase agreement, the Company agreed to acquire the worldwide wire and cable business of Rio Tinto (the "Alcan Cable business") for an aggregate cash purchase price of \$185 million, subject to adjustments primarily related to working capital levels at closing as provided in the purchase agreement. The transaction is structured as a stock purchase of entities in the United States, Hong Kong, China and Mexico and as a purchase of assets in Canada. The closing with respect to the portion of the Alcan Cable business operated in the United States, Canada and Mexico is expected occur on or before the closing with respect to the portion of the Alcan Cable business operated in China. General Cable expects to use its amended

Revolving Credit Facility to principally fund the transaction. The transaction is subject to adjustments primarily related to working capital levels at closing as provided in the purchase agreement. The closing of the acquisition of the North America business is conditioned upon receipt of necessary regulatory approvals, which have been received. The Company has made the necessary regulatory filings in the People's Republic of China and that review process is ongoing. On July 4, 2012, the Company entered into an agreement to acquire a majority interest (60%) in Procables S.A. for total consideration of \$45 million, subject to adjustments primarily related to working capital levels at closing as provided in the purchase agreement. The acquisition is subject to receipt of regulatory approval, which has been received. No material divestitures were made in the three and six months ended June 29, 2012.

In addition to the factors previously mentioned, the Company is currently being affected by the following general macro-level trends:

- Currency volatility and continued political uncertainty in certain markets;
- Competitive price pressures in certain markets, particularly those where the Company is a new entrant;
- Continued low levels of demand for a broad spectrum of products in Europe;

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- Worldwide underlying long-term growth trends in electric utility and infrastructure markets;
- Continuing demand for natural resources, such as oil and gas, and alternative energy initiatives;
- Increasing demand for further deployment of submarine power and fiber optic communication systems; and
- Population growth in developing countries with growing middle classes that influences demand for wire and cable.

The Company's overall financial results discussed in this section reflect the trends described in the Company's 2011 Annual Report on Form 10-K.

Results of Operations

The following table sets forth, for the periods indicated, statement of operations data in millions of dollars and as a percentage of net sales. Percentages may not add due to rounding.

	Three Fiscal Months Ended						Six Fiscal Months Ended					
	June 29, 2012			July 1, 2011			June 29, 2012			July 1, 2011		
	Amount	%		Amount	%		Amount	%		Amount	%	
Net sales	\$1,478.1	100.0	%	\$1,532.2	100.0	%	\$2,910.6	100.0	%	\$2,979.8	100.0	%
Cost of sales	1,301.1	88.0	%	1,357.6	88.6	%	2,586.4	88.9	%	2,638.2	88.5	%
Gross profit	177.0	12.0	%	174.6	11.4	%	324.2	11.1	%	341.6	11.5	%
Selling, general and administrative expenses	104.4	7.1	%	94.8	6.2	%	198.2	6.8	%	188.7	6.3	%
Operating income	72.6	4.9	%	79.8	5.2	%	126.0	4.3	%	152.9	5.1	%
Other income (expense)	(13.5	) (0.9	)%	(3.9	) (0.3	)%	(6.7	) (0.2	)%	3.1	0.1	%
Interest expense, net	(23.6	) (1.6	)%	(21.6	) (1.4	)%	(46.6	) (1.6	)%	(43.6	) (1.5)%
Income before income taxes	35.5	2.4	%	54.3	3.5	%	72.7	2.5	%	112.4	3.8	%
Income tax (provision) benefit	(12.0	) (0.8	)%	(17.2	) (1.1	)%	(22.9	) (0.8	)%	(36.6	) (1.2)%
Equity in net earnings of affiliated companies	0.5	—	%	1.0	—	%	0.5	—	%	1.4	—	%
Net income including non-controlling interest	24.0	1.6	%	38.1	2.5	%	50.3	1.7	%	77.2	2.6	%
Less: preferred stock dividends	0.1	—	%	0.1	—	%	0.2	—	%	0.2	—	%
Less: net income attributable non-controlling interest	2.1	0.1	%	0.5	—	%	3.4	0.1	%	1.3	—	%
Net income attributable to Company common shareholders	\$21.8	1.5	%	\$37.5	2.4	%	\$46.7	1.6	%	\$75.7	2.5	%

Three Fiscal Months Ended June 29, 2012, Compared with Three Fiscal Months Ended July 1, 2011

Net Sales

The following tables set forth net sales, metal-adjusted net sales, and metal pounds sold by segment, in millions. For the metal-adjusted net sales results, net sales for the second quarter of 2011 have been adjusted to reflect the second quarter of 2012 copper average price of \$3.56 per pound (a \$0.60 decrease compared to the same period in 2011) and the aluminum average price of \$1.00 (a \$0.26 decrease compared to the same period in 2011). Metal-adjusted net sales, a non-GAAP financial measure, are provided herein in order to eliminate an estimate of metal price volatility from the comparison of revenues from one period to another. The comparable GAAP financial measure is set forth above. See previous discussion of metal price volatility in the "Overview" section.

Net Sales

Three Fiscal Months Ended

	June 29, 2012		July 1, 2011		
	Amount	%	Amount	%	
North America	\$548.0	37	% \$566.4	37	%
Europe and Mediterranean	444.8	30	% 469.2	31	%
ROW	485.3	33	% 496.6	32	%
Total net sales	\$1,478.1	100	% \$1,532.2	100	%

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Metal-Adjusted Net Sales					
Three Fiscal Months Ended					
June 29, 2012			July 1, 2011		
	Amount	%	Amount	%	
North America	\$548.0	37	% \$525.9	37	%
Europe and Mediterranean	444.8	30	% 436.4	31	%
ROW	485.3	33	% 449.2	32	%
Total metal-adjusted net sales	\$1,478.1	100	% \$1,411.5	100	%
Metal adjustment	—		120.7		
Total net sales	\$1,478.1		\$1,532.2		
Metal Pounds Sold					
Three Fiscal Months Ended					
June 29, 2012			July 1, 2011		
	Pounds	%	Pounds	%	
North America	85.8	32	% 84.4	34	%
Europe and Mediterranean	76.1	29	% 71.6	28	%
ROW	102.7	39	% 96.1	38	%
Total metal pounds sold	264.6	100	% 252.1	100	%

Net sales decreased \$54.1 million to \$1,478.1 million in the second quarter of 2012 from \$1,532.2 million in the second quarter of 2011. After adjusting second quarter 2011 net sales to reflect the \$0.60 decrease in the average monthly copper price per pound and the \$0.26 decrease in the average aluminum price per pound, net sales of \$1,478.1 million reflects an increase of \$66.6 million or 5%, from the metal adjusted net sales of \$1,411.5 million in 2011. Volume, as measured by metal pounds sold, increased 12.5 million pounds or 5% to 264.6 million pounds in the second quarter of 2012 as compared to 252.1 million pounds in the second quarter of 2011. Metal pounds sold is provided herein as the Company believes this metric to be an appropriate measure of sales volume since it is not impacted by metal prices or foreign currency exchange rate changes. The increase in sales on a metal adjusted basis is primarily due to favorable selling price and product mix of approximately \$112.1 million and increased volume of \$33.6 million, partially offset by unfavorable foreign currency exchange rate changes of \$80.9 million on the translation of reported revenues.

Metal-adjusted net sales in the North America segment increased \$22.1 million, or 4%. The increase in sales on a metal adjusted basis is due to favorable selling price and product mix of approximately \$19.0 million and increased volume of \$3.8 million, partially offset by unfavorable foreign currency exchange rate changes of \$2.5 million on the translation of reported revenues, principally related to the Canadian dollar. Volume, as measured by metal pounds sold, increased by 1.4 million pounds, or 2%, in the second quarter of 2012 compared to the second quarter of 2011. The increase in volume is primarily attributable to strength in shipments of aerial transmission products to the electric utility markets as well as demand for specialty cables, including those used in natural resource extraction applications.

Metal-adjusted net sales in the Europe and Mediterranean segment increased \$8.4 million, or 2%. The increase in sales on a metal adjusted basis is due to favorable selling price and product mix of approximately \$42.9 million and increased volume of \$12.1 million, partially offset by unfavorable foreign currency exchange rate changes of \$46.6 million on the translation of reported revenues primarily due to a weaker Euro relative to the U.S. dollar. Volume, as measured by metal pounds sold, increased by 4.5 million pounds, or 6%, in the second quarter of 2012 compared to the second quarter of 2011. The Company's project related activities and demand for medium voltage cable in France as well as demand for aluminum based electric utility products in the Mediterranean, more than offset weak economic conditions in Iberia, which negatively influenced demand across a broad spectrum of products.

Metal-adjusted net sales in the ROW segment increased \$36.1 million or 8%. The increase in sales on a metal adjusted basis is due to favorable selling price and product mix of approximately \$50.2 million and increased volume of \$17.7

million, partially offset by unfavorable foreign currency exchange rate changes of \$31.8 million on the translation of reported revenues primarily due to the weakening of certain currencies in Central and South America relative to the U.S. dollar. Volume, as measured by metal pounds sold, increased by 6.6 million pounds, or 7%, in the second quarter of 2012 compared to the second quarter of 2011, which is primarily attributable to increased shipments for Brazilian aerial transmission projects, increased domestic demand for building wire and power cables due to ongoing recovery associated with the severe flooding that occurred in Thailand in the fourth quarter of 2011, as well as strength in Venezuela's construction sector driven by government led housing projects.

Table of Contents**Cost of Sales**

Cost of sales decreased \$56.5 million to \$1,301.1 million in the second quarter of 2012 from \$1,357.6 million in the second quarter of 2011, principally due to higher average copper and aluminum costs in the second quarter of 2012. As previously noted, cost of sales is raw material intensive with copper and aluminum comprising the major cost components for cable products. At current metal prices, material costs are approximately 85% of total product costs with copper and aluminum metal costs comprising approximately 55% of total product cost.

Gross Profit

Gross profit increased \$2.4 million, or 1%, in the second quarter of 2012 from the second quarter of 2011. Gross profit as a percentage of sales was 12% in the second quarter of 2012 and was 11% in the second quarter of 2011. The gross profit increase is primarily due to stronger global aerial transmission activity, investments and reliability work on the electrical grid in France and the Mediterranean and stronger construction and mining activity in Central and South America. These improvements were partially offset by a generally declining metal price environment and weaker Iberian end-markets compared with the second quarter of 2011.

Selling, General and Administrative Expense

Selling, general and administrative expense ("SG&A") increased in the second quarter of 2012 to \$104.4 million from \$94.8 million in the second quarter of 2011. The increase in SG&A is primarily due to a \$6.1 million settlement loss on the termination of a legacy pension plan in the United Kingdom, which was allocated amongst the segments in the three months ended June 29, 2012, as well as higher costs related to global acquisition activity. SG&A as a percentage of metal-adjusted net sales was approximately 7% for the second quarters of 2012 and 2011.

Operating Income (Loss)

The following table sets forth operating income (loss) by segment, in millions of dollars.

	Operating Income (Loss)					
	Three Fiscal Months Ended					
	June 29, 2012		July 1, 2011			
	Amount	%	Amount	%		%
North America	\$36.6	50	% \$41.3	52		%
Europe and Mediterranean	8.7	12	% 12.4	15		%
ROW	27.3	38	% 26.1	33		%
Total operating income (loss)	\$72.6	100	% \$79.8	100		%

The decrease in operating income for the North America segment of \$4.7 million was primarily attributable to the positive impact the Company reported in the second quarter of 2011 as metal prices in the market were rising faster than the average cost of metal in cost of sales as compared to the second quarter of 2012, partially offset by stronger performance of aerial transmission products in electrical utility markets. In addition, operating income was negatively impacted by a pension settlement charge of \$2 million in the three months ended June 29, 2012 as noted above.

The decrease in operating income for the Europe and Mediterranean segment of \$3.7 million was primarily attributable to the continued weak economic conditions in Europe, principally in Spain, influencing demand and the pricing environment across a broad spectrum of products as well as the positive impact the Company reported in the second quarter of 2011 as metal prices in the market were rising faster than the average cost of metal in cost of sales compared to the second quarter of 2012. In addition, operating income was negatively impacted by a pension settlement charge of \$2 million in the three months ended June 29, 2012 as noted above.

The increase in operating income for the ROW segment of \$1.2 million was primarily attributable to increased demand for aerial transmission projects in Brazil as well as increased demand in Thailand due to ongoing recovery from the severe flooding that occurred in the fourth quarter of 2011 and stronger construction and mining activity in Central and South America. This impact on operating income was partially offset by the impact the Company reported in the second quarter of 2011 as metal prices in the market were rising faster than the average cost of metal in costs of sales compared to the second quarter of 2012. In addition, operating income was negatively impacted by a pension settlement charge of \$2 million in the three months ended June 29, 2012 as noted above.

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Other Income (Expense)

Other income (expense) includes foreign currency transaction gains or losses, which result from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated as well as gains and losses on derivative instruments that are not designated as cash flow hedges and ineffectiveness on derivatives designated as cash flow hedges. During the three months ended June 29, 2012 and July 1, 2011, the Company recorded other expense of \$13.5 million and other expense of \$3.9 million, respectively. For the three months ended June 29, 2012, other expense was primarily the result of losses of \$6.5 million on derivative instruments which were not designated as cash flow hedges and the result of \$6.5 million of foreign currency transaction losses which resulted from changes in exchange rates in the various countries in which the Company operates. For the three months ended July 1, 2011, other expense of \$3.9 million was primarily attributable to foreign currency transaction losses which resulted from changes in exchange rates in the various countries in which the Company operates.

The functional currency of the Company's subsidiary in Venezuela is the U.S. dollar; therefore, gains and losses for transactions at a rate other than the official exchange rate are recorded in the statement of operations. The Company remeasures the financial statements of the Venezuelan subsidiary at the rate in which the Company expects to remit dividends, which is 4.30 Venezuelan Bolivar ("BsF") per U.S. dollar.

Effective January 1, 2011, the Central Bank of Venezuela and the Ministry of Finance published an amendment to Convenio Cambiario No. 14 (the Exchange Law), whereby the official exchange rate was set at 4.30 BsF per U.S. dollar, eliminating the 2.60 BsF per U.S. dollar rate previously established for essential goods in the first quarter of 2010. Therefore, the Company can only import copper at the 4.30 BsF per U.S. dollar rate.

Interest Expense

Net interest expense increased to \$23.6 million in the second quarter of 2012 from \$21.6 million in the second quarter of 2011. Interest expense increased primarily due to additional debt used to fund higher working capital requirements.

Tax Provision

The Company's effective tax rate for the second quarters of 2012 and 2011 was 33.8% and 31.7%, respectively. The tax rate for the second quarter of 2012 included relatively lower tax benefits recognized due to statute of limitations expirations for certain income tax exposures compared to the second quarter of 2011.

Preferred Stock Dividends

The Company accrued and paid \$0.1 million in dividends on its preferred stock in the second quarter of 2012 and 2011.

Six Fiscal Months Ended June 29, 2012, Compared with Six Fiscal Months Ended July 1, 2011

Net Sales

The following tables set forth net sales, metal-adjusted net sales, and metal pounds sold by segment, in millions. For the metal-adjusted net sales results, net sales for the first six fiscal months of 2011 have been adjusted to reflect the first six fiscal months of 2012 copper average price of \$3.67 per pound (a \$0.60 decrease compared to the same period in 2011) and the aluminum average price of \$1.03 (a \$0.20 decrease compared to the same period in 2011).

Metal-adjusted net sales, a non-GAAP financial measure, are provided herein in order to eliminate an estimate of metal price volatility from the comparison of revenues from one period to another. The comparable GAAP financial measure is set forth above. See previous discussion of metal price volatility in the "Overview" section.

	Net Sales					
	Six Fiscal Months Ended					
	June 29, 2012		July 1, 2011			
	Amount	%	Amount	%		%
North America	\$1,089.2	37	% \$1,108.2	37		%
Europe and Mediterranean	859.9	30	% 892.3	30		%
ROW	961.5	33	% 979.3	33		%
Total net sales	\$2,910.6	100	% \$2,979.8	100		%

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Metal-Adjusted Net Sales					
Six Fiscal Months Ended					
June 29, 2012			July 1, 2011		
	Amount	%		Amount	%
North America	\$1,089.2	37	%	\$1,033.0	38
Europe and Mediterranean	859.9	30	%	829.5	30
ROW	961.5	33	%	888.1	32
Total metal-adjusted net sales	\$2,910.6	100	%	\$2,750.6	100
Metal adjustment	—			229.2	
Total net sales	\$2,910.6			\$2,979.8	
Metal Pounds Sold					
Six Fiscal Months Ended					
June 29, 2012			July 1, 2011		
	Pounds	%		Pounds	%
North America	170.4	33	%	163.8	32
Europe and Mediterranean	149.2	28	%	145.3	29
ROW	204.6	39	%	196.0	39
Total metal pounds sold	524.2	100	%	505.1	100

Net sales decreased \$69.2 million to \$2,910.6 million in the first six fiscal months of 2012 from \$2,979.8 million in the first six fiscal months of 2011. After adjusting the first six fiscal months of 2011 net sales to reflect the \$0.60 decrease in the average monthly copper price per pound and the \$0.20 decrease in the average aluminum price per pound, net sales of \$2,910.6 million reflects an increase of \$160.0 million or 6%, from the metal adjusted net sales of \$2,750.6 million in 2011. Volume, as measured by metal pounds sold, increased 19.1 million pounds or 4% to 524.2 million pounds in the first six fiscal months of 2012 as compared to 505.1 million pounds in the first six fiscal months of 2011. Metal pounds sold is provided herein as the Company believes this metric to be an appropriate measure of sales volume since it is not impacted by metal prices or foreign currency exchange rate changes. The increase in sales on a metal adjusted basis is primarily due to favorable selling price and product mix of approximately \$211.4 million and increased volume of \$53.5 million, partially offset by unfavorable foreign currency exchange rate changes of \$106.7 million on the translation of reported revenues.

Metal-adjusted net sales in the North America segment increased \$56.2 million, or 5%. The increase in sales on a metal adjusted basis is due to favorable selling price and product mix of approximately \$39.4 million and increased volume of \$18.5 million, partially offset by unfavorable foreign currency exchange rate changes of \$3.5 million on the translation of reported revenues, principally related to the Canadian dollar. Volume, as measured by metal pounds sold, increased by 6.6 million pounds, or 4%, in the first six fiscal months of 2012 compared to the first six fiscal months of 2011. The increase in volume is primarily attributable to demand for aerial transmission products in the electric utility market and demand for specialty cables, particularly those used in natural resource extraction applications.

Metal-adjusted net sales in the Europe and Mediterranean segment increased \$30.4 million, or 4%. The increase in sales on a metal adjusted basis is due to favorable selling price and product mix of approximately \$82.5 million and increased volume of \$10.9 million, partially offset by unfavorable foreign currency exchange rate changes of \$63.0 million on the translation of reported revenues primarily due to a weaker Euro relative to the U.S. dollar. Volume, as measured by metal pounds sold, increased by 3.9 million pounds, or 3%, in the first six fiscal months of 2012 compared to the first six fiscal months of 2011. Volume increases were driven by submarine and land based turnkey project activity and stronger demand for utility cables in France and the Mediterranean.

Metal-adjusted net sales in the ROW segment increased \$73.4 million or 8%. The increase in sales on a metal adjusted basis is due to favorable selling price and product mix of approximately \$89.5 million and increased volume of \$24.1

million, partially offset by unfavorable foreign currency exchange rate changes of \$40.2 million on the translation of reported revenues primarily due to the weakening of certain currencies in Central and South America relative to the U.S. dollar. Volume, as measured by metal pounds sold, increased by 8.6 million pounds, or 4%, in the first six fiscal months of 2012 compared to the first six fiscal months of 2011, which is primarily attributable to aerial transmission project shipments in Brazil, Venezuelan government supported housing development projects, and increased economic activity boosting the construction and utilities markets in the Philippines.

Table of Contents**Cost of Sales**

Cost of sales decreased \$51.8 million to \$2,586.4 million for the six fiscal months ended June 29, 2012, from \$2,638.2 million for the six fiscal months ended July 1, 2011, principally due to a lower average copper and aluminum costs in the second quarter of 2012. As previously noted, cost of sales is raw material intensive with copper and aluminum comprising the major cost components for cable products. At current metal prices, material costs are approximately 85% of total product costs with copper and aluminum metal costs comprising approximately 55% of total product cost.

Gross Profit

Gross profit decreased \$17.4 million, or 5%, in the first six fiscal months of 2012 from the first six fiscal months of 2011. Gross profit as a percentage of sales remained flat at 11% in the first six fiscal months of 2012 and 2011. The decrease in gross profit in the first six fiscal months of 2012 compared to the first six months of 2011 reflects the impact of a steadily rising metal price environment in the months leading into the first half of 2011.

Selling, General and Administrative Expense

SG&A increased to \$198.2 million in the first six fiscal months of 2012 from \$188.7 million in the first six fiscal months of 2011. The increase in SG&A is primarily attributed to a \$6.1 million settlement loss on the termination of a legacy pension plan in the United Kingdom, which was allocated amongst the segments, as well as higher acquisition costs related to global acquisition activity. SG&A as a percentage of metal-adjusted net sales was approximately 7% for the first six fiscal months of 2012 and 2011.

Operating Income (Loss)

The following table sets forth operating income (loss) by segment, in millions of dollars.

	Operating Income (Loss)					
	Six Fiscal Months Ended					
	June 29, 2012		July 1, 2011			
	Amount	%	Amount	%		%
North America	\$67.0	53	% \$76.8	50		%
Europe and Mediterranean	13.2	11	% 25.9	17		%
ROW	45.8	36	% 50.2	33		%
Total operating income (loss)	\$126.0	100	% \$152.9	100		%

The decrease in operating income for the North America segment of \$9.8 million principally reflects the positive impact the Company reported in the first six fiscal months of 2011 as metal prices in the market were rising faster than the average cost of metal in cost of sales as compared to the first six fiscal months of 2012. In addition, operating income was negatively impacted by a pension settlement charge of \$2 million in the three months ended June 29, 2012 as noted above.

The decrease in operating income for the Europe and Mediterranean segment of \$12.7 million was primarily attributable to the continued weak economic conditions in Europe, principally in Spain, influencing demand and pricing across a broad spectrum of products as well as the positive impact the Company reported in the first six fiscal months of 2011 as metal prices in the market were rising faster than the average cost of metal in cost of sales compared to the first six fiscal months of 2012. In addition, operating income was negatively impacted by a pension settlement charge of \$2 million in the three months ended June 29, 2012 as noted above.

The decrease in operating income for the ROW segment of \$4.4 million was primarily attributable to the positive impact the Company reported in the first six fiscal months of 2011 as metal prices in the market were rising faster than the average cost of metal in cost of sales compared to the first six fiscal months of 2012. In addition, operating income was negatively impacted by a pension settlement charge of \$2 million in the three months ended June 29, 2012 as noted above.

Other Income (Expense)

Other income (expense) includes foreign currency transaction gains or losses, which result from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated as well as

gains and losses on derivative instruments that are not designated as cash flow hedges and ineffectiveness on derivatives designated as cash flow hedges. During the six months ended June 29, 2012 and July 1, 2011, the Company recorded other expense of \$6.7 million and other income of \$3.1 million, respectively. For the six months ended June 29, 2012, other expense was primarily the result of losses of \$0.3 million on derivative instruments which were not designated as cash flow hedges and the result of \$5.1 million of foreign currency transaction losses which resulted from changes in exchange rates in the various countries in which the Company operates. For

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the six months ended July 1, 2011, other income of \$3.1 million was primarily the result of unrealized gains on derivative instruments which were not designated as cash flow hedges and foreign currency transaction gains.

The functional currency of the Company's subsidiary in Venezuela is the U.S. dollar; therefore, gains and losses for transactions at a rate other than the official exchange rate are recorded in the statement of operations. The Company remeasures the financial statements of the Venezuelan subsidiary at the rate in which the Company expects to remit dividends, which is 4.30 Venezuelan Bolivar ("BsF") per U.S. dollar.

Effective January 1, 2011, the Central Bank of Venezuela and the Ministry of Finance published an amendment to Convenio Cambiario No. 14 (the Exchange Law), whereby the official exchange rate was set at 4.30 BsF per U.S. dollar, eliminating the 2.60 BsF per U.S. dollar rate previously established for essential goods in the first quarter of 2010. Therefore, the Company can only import copper at the 4.30 BsF per U.S. dollar rate.

Interest Expense

Net interest expense increased to \$46.6 million in the first six fiscal months of 2012 from \$43.6 million in the first six fiscal months of 2011. Interest expense increased primarily due to additional debt used to fund higher working capital requirements.

Tax Provision

The Company's effective tax rate for the first six fiscal months of 2012 and 2011 was 31.5% and 32.6%, respectively. The tax rate for the first six fiscal months of 2012 reflects a greater relative tax benefit due to statute of limitations expirations for certain income tax exposures compared to the first six fiscal months of 2011.

Preferred Stock Dividends

The Company accrued and paid \$0.2 million in dividends on its preferred stock in the first six fiscal months of 2012 and 2011.

Liquidity and Capital Resources

The Company maintains a stable financial position as evidenced by the Company's ability to generate substantial cash from operations and access to capital markets at competitive rates. Cash flows from operations as well as borrowings from our various credit facilities provide the primary source for financing operating expenses and other short-term liquidity needs. As necessary, the Company funds working capital needs, debt and interest payments, as well as discretionary investment in internal product development, acquisitions, Series A preferred stock dividends, repurchase of common stock and taxes. The overall financial position of the Company reflects the business results and a global liquidity management strategy that incorporates cash needs, economic factors, volatile working capital needs and tax considerations.

General Cable Corporation is a holding company with no operations of its own. All of the Company's operations are conducted, and net sales are generated, by its subsidiaries and investments. Accordingly, the Company's cash flow comes from the cash flows of its global operations. The Company's ability to use cash flow from its international operations, if necessary, has historically been adversely affected by limitations on the Company's ability to repatriate such earnings tax efficiently. As of June 29, 2012, approximately 94% of cash and cash equivalents were held outside of the U.S. by our foreign subsidiaries compared with 98% as of December 31, 2011. If these funds are needed for the Company's operations in the U.S., the Company may be required to accrue and pay U.S. taxes and foreign withholding taxes to repatriate these funds. However, the Company's intent is to indefinitely reinvest these funds outside of the U.S. and current plans do not demonstrate a need to repatriate them to fund U.S. operations. In addition, our Revolving Credit Facility provides the Company flexibility in financing operating expenses and any other short-term liquidity needs of our U.S. operations.

Approximately 28% and 21% of the consolidated cash balance as of June 29, 2012 and December 31, 2011, respectively, was held in Venezuela. Operating cash flows attributable to Venezuela were \$30.9 million and \$26.6 million for the six months ended June 29, 2012 and July 1, 2011, respectively. Venezuela has foreign exchange and price controls which have historically limited the Company's ability to convert bolivars to U.S. dollars and transfer

funds out of Venezuela. In Venezuela, government restrictions on the transfer of cash out of the country have limited the Company's ability to repatriate cash. We do not consider the net assets of Venezuela to be integral to the Company's ability to service its debt and operational requirements.

Summary of Cash Flows

Operating cash outflow of \$17.1 million in the six fiscal months ended June 29, 2012 reflects a net working capital use of \$147.1 million as compared to \$219.1 million in the six fiscal months ended July 1, 2011. In both periods, the Company experienced increased volume which caused accounts receivables to increase. Inventory levels were relatively flat during the six fiscal months

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ended June 29, 2012, thereby having little operating cash flow impact whereas in 2011 there was a significant inventory increase only partially offset by an increase in the corresponding accounts payable. Days sales outstanding and days in inventory remained relatively consistent in the six fiscal months ended June 29, 2012 and July 1, 2011. Partially offsetting this net working capital use of cash in the six fiscal months ended June 29, 2012 was \$130.0 million of overall net cash inflows related to net income adjusted for depreciation and amortization, amortization on restricted stock awards, foreign currency loss, deferred income tax income, excess tax benefits from stock based compensation, and convertible debt instruments non cash interest charges.

Cash flow used by investing activities was \$67.1 million in the six fiscal months ended June 29, 2012, principally reflecting \$63.9 million of capital expenditures. In the current year, the Company continued to focus on projects around the world to upgrade equipment, improve efficiency and throughput and enhance productivity. The Company anticipates capital spending to be approximately \$90 million to \$110 million in 2012.

Financing activities generated \$85.1 million of cash inflows in the six fiscal months ended June 29, 2012. The Company evaluates factors such as future operating cash flow requirements, other cash flow expectations, investment and financing strategic plans and the overall cost of capital to determine the appropriate levels of short and long-term debt to maintain. Refer to "Debt and Other Contractual Obligations" below for details.

Debt and Other Contractual Obligations

The Company's outstanding debt obligations were \$1,146.9 million as of June 29, 2012 and the Company maintained approximately \$744.1 million of excess availability under its various credit facilities around the world. The Company utilizes short and long term debt to address working capital needs, debt repayments, and interest as well as discretionary investments in internal product development, acquisitions, Series A preferred stock dividends, repurchase of common stock and taxes. Short-term liquidity and working capital needs are generally supported through operating cash flows. The Company maintains ratings on its public debt and is a well-known seasoned issuer; therefore, the Company has and expects to continue to obtain market rates on any new borrowings.

On July 22, 2011, the Company entered into, and recently amended, a new \$400 million asset-based revolving credit facility ("Revolving Credit Facility"). The Revolving Credit Facility replaced the Company's prior \$400 million Senior Secured Revolving Credit Facility ("Terminated Credit Facility"), which was set to mature in July 2012. The Revolving Credit Facility contains restrictions in areas consistent with the Terminated Credit Facility, including limitations on, among other things, distributions and dividends, acquisitions and investments, indebtedness, liens and affiliate transactions. In the aggregate, however, the restrictions in the Revolving Credit Facility provide the Company greater flexibility than those under the Terminated Credit Facility, and generally only apply in the event that the Company's availability under the Revolving Credit Facility falls below certain specific thresholds. The Revolving Credit Facility may be used for refinancing certain existing indebtedness and will continue to be used for working capital purchases. The Company expects to use its Revolving Credit Facility to principally fund the acquisition of the Alcan Cable Business. See "Significant Current Business Trends and Events" for information on the proposed acquisition of the Alcan Cable Business.

Failure to comply with any of the covenants, financial tests and ratios required by the Company's existing or future debt obligations could result in a default under those agreements and under other agreements containing cross-default provisions, as defined in the Company's Revolving Credit Facility, 1.00% Senior Convertible Notes, 0.875% Convertible Notes, Subordinated Convertible Notes, 7.125% Senior Notes, Senior Floating Rate Notes and various other credit facilities maintained by the Company's restricted subsidiaries. A default would permit lenders to cease making further extensions of credit, accelerate the maturity of the debt under these agreements and foreclose upon any collateral securing that debt. The lenders under the Company's Revolving Credit Facility have a pledge of all of the capital stock of existing and future U.S. and Canadian subsidiaries. The lenders under the Company's Revolving Credit Facility have a lien on substantially all of the Company's U.S. and Canadian assets and a pledge of 65% of the equity interests of certain of the Company's foreign subsidiaries. The Company also has incurred secured debt in

connection with some of its European operations. Certain European countries have experienced varying degrees of financial stress. Risks from the continued debt crisis in Europe could continue to disrupt the financial markets which could have a detrimental impact on global economic conditions and on sovereign and non-sovereign obligations. There remains considerable uncertainty as to future developments in the European debt crisis and the impact on financial markets. As of June 29, 2012, the Company had no direct sovereign debt exposure. The lenders under these European secured credit facilities also have liens on assets of certain of the Company's European subsidiaries. As a result of these pledges and liens, if the Company fails to meet its payment or other obligations under any of its secured indebtedness, the lenders under the applicable credit agreement would be entitled to foreclose on substantially all of the Company's assets and liquidate these assets. Broadly, cross-default provisions would permit lenders to cause such indebtedness to become due prior to its stated maturity in the event a default remains unremedied for a period of time under the terms of one or more financing agreements, a change in control or a fundamental change. As of June 29, 2012 and December 31, 2011, the Company was in compliance with all debt covenants.

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The Company's defined benefit plans at December 31, 2011 were underfunded by \$114.7 million. Pension expense for the Company's defined benefit pension plans for the six fiscal months ended June 29, 2012 was \$14.7 million and cash contributions were approximately \$3.5 million.

The Company anticipates being able to meet its obligations as they come due based on historical operating and financing experience and the expected availability of funds under its current credit facilities. The Company's contractual obligations and commercial commitments as of June 29, 2012 (in millions of dollars) are summarized below.

Contractual obligations ^(1,2) :	Payments Due by Period				
	Total	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Total debt (excluding capital leases)	\$1,142.5	\$227.2	\$348.8	\$389.7	\$176.8
Convertible debt at maturity ⁽³⁾	294.6	0.2	30.7	—	263.7
Capital leases	4.4	1.5	2.2	0.7	—
Interest payments on 7.125% Senior Notes	67.7	14.3	28.5	24.9	—
Interest payments on Senior Floating Rate Notes	9.2	3.3	5.9	—	—
Interest payments on 0.875% Convertible Notes	4.4	3.1	1.3	—	—
Interest payments on 1.00% Senior Convertible Notes	—	—	—	—	—
Interest payments on Subordinated Convertible Notes	257.5	19.3	38.6	38.6	161.0
Interest payments on Spanish term loans	1.1	0.8	0.3	—	—
Operating leases ⁽⁴⁾	154.8	32.3	58.4	47.4	16.7
Purchase agreements ⁽⁵⁾	35.8	35.8	—	—	—
Preferred stock dividend payments	0.6	0.3	0.3	—	—
Defined benefit pension obligations ⁽⁶⁾	176.5	16.0	33.4	35.1	92.0
Postretirement benefits	6.9	1.0	1.8	1.3	2.8
Unrecognized tax benefits, including interest and penalties ⁽⁷⁾	—	—	—	—	—
Total	\$2,156.0	\$355.1	\$550.2	\$537.7	\$713.0

This table does not include interest payments on General Cable's revolving credit facilities because the future (1) amounts are based on variable interest rates and the amount of the borrowings under the Revolving Credit Facility and Spanish Credit Facility fluctuate depending upon the Company's working capital requirements.

(2) This table does not include derivative instruments as the ultimate cash outlays cannot be reasonably predicted.

Information on these items is provided under Item 3, "Quantitative and Qualitative Disclosures about Market Risk."

(3) Represents the current debt discount on the Company's 1.00% Senior Convertible Notes, 0.875% Convertible Notes and Subordinated Convertible Notes.

(4) Operating lease commitments are described under Footnote 18 "Commitments and Contingencies."

(5) Represents our firm purchase commitments on our forward pricing agreements as disclosed in Footnote 10 "Financial Instruments."

(6) Defined benefit pension obligations reflect the Company's estimates of contributions that will be required in 2012 and future years to meet current law minimum funding requirements.

Unrecognized tax benefits of \$73.7 million have not been reflected in the above table due to the inherent (7) uncertainty as to the amount and timing of settlement, which is contingent upon the occurrence of possible future events, such as examinations and determinations by various tax authorities.

Off Balance Sheet Assets and Obligations

The Company has entered into various operating lease agreements related principally to certain administrative, manufacturing and distribution facilities and transportation equipment. At June 29, 2012, future minimum rental payments required under non-cancelable lease agreements during the twelve month periods beginning June 29, 2012 through June 30, 2017 are \$32.3 million, \$31.1 million, \$27.3 million, \$25.3 million and \$22.1 million, respectively,

and \$16.7 million thereafter.

As of June 29, 2012, the Company had \$54.8 million in letters of credit, \$291.5 million in various performance bonds and \$221.2 million in other guarantees. Other guarantees include bank guarantees and advance payment bonds. These letters of credit, performance bonds and guarantees are periodically renewed and are generally related to risk associated with self-insurance claims, defined benefit plan obligations, contract performance, quality and other various bank and financing guarantees. Advance payment bonds are often required by customers when we obtain advance payments to secure the production of cable for long-term contracts. The advance payment bonds provide the customer protection on their deposit in the event that the Company does not perform under the contract. See “Liquidity and Capital Resources” for excess availability under the Company’s various credit borrowings.

See the previous section, “Debt and Other Contractual Obligations,” for information on debt-related guarantees.

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Environmental Matters

The Company's expenditures for environmental compliance and remediation amounted to approximately \$1.0 million and \$1.0 million for the three months ended June 29, 2012 and July 1, 2011, respectively. The Company's expenditures for environmental compliance and remediation amounted to approximately \$1.6 million for the six months ended June 29, 2012 and July 1, 2011, respectively. In addition, certain of General Cable's subsidiaries have been named as potentially responsible parties in proceedings that involve environmental remediation. The Company has accrued \$2.0 million at June 29, 2012, and \$1.9 million at December 31, 2011, for all environmental liabilities. While it is difficult to estimate future environmental liabilities, the Company does not currently anticipate any material adverse effect on results of operations, cash flows or financial position as a result of compliance with federal, state, local or foreign environmental laws or regulations or remediation costs.

Disclosure Regarding Forward-Looking Statements

Certain statements in the "Management's Discussion and Analysis of Financial Condition and Results of Operations," including, without limitation, statements regarding future financial results and performance, plans and objectives, capital expenditures, understanding of competition, projected sources of cash flow, potential legal liability, proposed legislation and regulatory action, and our management's beliefs, expectations or opinions, are forward-looking statements, and as such, we desire to take advantage of the "safe harbor" which is afforded to such statements under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. You can generally identify forward-looking statements as statements containing the words "believe," "expect," "may," "anticipate," "intend," "estimate," "project," "plan," "seek to" or other similar expressions, although not all forward-looking statements contain these identifying words.

Actual results may differ materially from those discussed in forward-looking statements as a result of factors, risks and uncertainties over many of which we have no control. These factors, risks and uncertainties include, but are not limited to, the following: (1) general economic conditions, particularly those in the construction, energy and information technology sectors; (2) the volatility in the price of raw materials, particularly copper and aluminum; (3) our ability to invest in product development, to improve the design and performance of our products; (4) economic, political and other risks of maintaining facilities and selling products in foreign countries; (5) domestic and local country price competition; (6) our ability to successfully integrate and identify acquisitions; (7) the impact of technology; (8) our ability to maintain relationships with our distributors and retailers; (9) the changes in tax rates and exposure to new tax laws; (10) our ability to adapt to current and changing industry standards; (11) our ability to execute large customer contracts; (12) our ability to maintain relationships with key suppliers; (13) the impact of fluctuations in foreign currency rates; (14) compliance with foreign and U.S. laws and regulations; (15) our ability to negotiate extensions of labor agreements; (16) our ability to continue our uncommitted accounts payable confirming arrangements; (17) our exposure to counterparty risk in our hedging arrangements; (18) changes in financial impact on any future plant closures; (19) our ability to achieve target returns on investments in our defined benefit plans; (20) possible future environmental liabilities and asbestos litigation; (21) our ability to properly defend current pending antitrust and competition law; (22) our ability to attract and retain key employees; (23) our ability to make payments on our indebtedness; (24) our ability to comply with covenants in our existing or future financing agreements; (25) lowering of one or more of our debt ratings; (26) our ability to maintain adequate liquidity; (27) the trading price of our common stock; (28) and other material factors. See Item 1A "Risk Factors", for a more detailed discussion on some of these risks.

Forward-looking statements reflect the views and assumptions of management as of the date of this report with respect to future events. The Company does not undertake, and hereby disclaims, any obligation, unless required to do so by applicable securities laws, to update any forward-looking statements as a result of new information, future events or other factors. The inclusion of any statement in this report does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.

Critical Accounting Policies and Estimates

The Company's significant accounting policies are described in Footnote 2 "Accounting Standards" to the audited annual consolidated financial statements. In the six months ended June 29, 2012, there have been no significant changes to these policies. In the six months ended June 29, 2012, there have been no recent accounting pronouncements that are expected to have a significant effect on the consolidated financial statements.

Venezuelan Operations

Effective January 1, 2011, the Central Bank of Venezuela and the Ministry of Finance published an amendment to Convenio Cambiario No. 14 (the Exchange Law), whereby the official exchange rate was set at 4.30 BsF per U.S. dollar. In the six months ended June 29, 2012 and July 1, 2011 the Company purchased 12.8 million and 9.0 million pounds of copper, respectively.

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At June 29, 2012 and December 31, 2011, the Company's total assets in Venezuela were \$336.3 million and \$286.4 million and total liabilities were \$96.5 million and \$65.9 million, respectively. At June 29, 2012 and December 31, 2011, total assets included BsF denominated monetary assets of \$179.6 million and \$138.3 million, which consisted primarily of \$123.7 million and \$92.9 million of cash, and \$49.8 million and \$42.2 million of accounts receivable, respectively. At June 29, 2012 and December 31, 2011, total liabilities included BsF denominated monetary liabilities of \$41.2 million and \$31.1 million, which consisted primarily of accounts payable and other accruals, respectively. All monetary assets and liabilities were remeasured at 4.30 BsF per U.S. dollar at June 29, 2012 and December 31, 2011.

Sales in Venezuela were 3% of consolidated net sales for the three fiscal months ended June 29, 2012 and July 1, 2011. Operating income in Venezuela was 15% and 14% of consolidated operating income for the three fiscal months ended June 29, 2012 and July 1, 2011, respectively. The Company's sales in Venezuela were 4% and 3% of consolidated net sales for the six fiscal months ended June 29, 2012 and July 1, 2011, respectively. Operating income in Venezuela was 16% and 12% of consolidated operating income for the six fiscal months ended June 29, 2012 and July 1, 2011, respectively. For the three fiscal months ended June 29, 2012, Venezuela's sales and cost of goods sold were approximately 100% and 38% BsF denominated and approximately 0% and 62% U.S. dollar denominated, respectively. For the three fiscal months ended July 1, 2011, Venezuela's sales and cost of goods sold were approximately 89% and 29% BsF denominated and approximately 11% and 71% U.S. dollar denominated, respectively. For the six fiscal months ended June 29, 2012, Venezuela's sales and cost of goods sold were approximately 99% and 37% BsF denominated and approximately 1% and 63% U.S. dollar denominated, respectively. For the six fiscal months ended July 1, 2011, Venezuela's sales and cost of goods sold were approximately 90% and 29% BsF denominated and approximately 10% and 71% U.S. dollar denominated, respectively.

During the three and six fiscal months ended June 29, 2012, the Company settled \$11.0 million and \$30.6 million U.S. dollar denominated intercompany payables and accounts payable in Venezuela, respectively. During the three and six fiscal months ended July 1, 2011 the Company settled \$15.0 million of U.S. dollar denominated intercompany payables and accounts payable in Venezuela. During the three and six fiscal months ended June 29, 2012, settlements were made at the official exchange rate of 4.30 BsF per U.S. dollar on U.S. dollar denominated intercompany payables and accounts payable. At June 29, 2012, \$55.3 million of requests for U.S. dollars to settle U.S. dollar denominated liabilities remained pending, which the Company expects will be settled at the 4.30 BsF per U.S. dollar rate. Approximately \$36.3 million of the requested settlements are current, \$18.4 million have been pending over 30 days and \$0.6 million have been pending over one year. Currency exchange controls in Venezuela continue to limit the Company's ability to repatriate funds from Venezuela. We do not consider the net assets of Venezuela to be integral to the Company's ability to service its debt and operational requirements.

As a result of government restrictions, Venezuela continues to operate in a difficult economic environment. The Company has historically taken steps to address operational challenges including obtaining approval of copper imports at the 4.30 essential BsF per U.S. dollar rate in the first six fiscal months of 2012, purchasing other raw material products domestically, and adjusting prices to reflect raw material cost and adherence to government price controls.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

General Cable is exposed to various market risks, including changes in interest rates, foreign currency and raw material (commodity) prices. To manage risks associated with the volatility of these natural business exposures, General Cable enters into interest rate, commodity and foreign currency derivative agreements, as well as copper and aluminum forward pricing agreements. General Cable does not purchase or sell derivative instruments for trading purposes. General Cable does not engage in trading activities involving commodity contracts for which a lack of marketplace quotations would necessitate the use of fair value estimation techniques. Depending on the extent of an unrealized loss position on a derivative contract held by the Company, certain counterparties may require a deposit to secure the derivative contract position. As of June 29, 2012, there were no contracts held by the Company that

required collateral to secure the Company's derivative liability positions. At December 31, 2011, there were contracts held by the Company that required \$0.7 million in collateral to secure the Company's derivative liability positions.

The notional amounts and fair values of these designated cash flow financial instruments at June 29, 2012 and December 31, 2011 are shown below (in millions).

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	June 29, 2012		December 31, 2011	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Cash flow hedges:				
Interest rate swaps	\$23.0	\$(0.2)	\$32.1	\$(0.6)
Commodity futures	126.2	(7.7)	216.1	(10.2)
Foreign currency forward exchanges	48.4	—	55.4	(0.7)
		\$(7.9)		\$(11.5)

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met.

In connection with the preparation of this Quarterly Report on Form 10-Q, as of June 29, 2012, an evaluation was performed under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures were effective at a reasonable assurance level as of June 29, 2012.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f), designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. In connection with the preparation of this Quarterly Report on Form 10-Q, as of June 29, 2012, the Company, under the supervision and with the participation of the CEO and CFO, conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). As a result of this process, management concluded that internal control over financial reporting was effective as of June 29, 2012.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting, as such item is defined in Exchange Act Rules 13a-15(f) and 15d-15(f), during the fiscal quarter ended June 29, 2012, that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II. OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

As of the date of this filing, there have been no additional material legal proceedings or material developments in the legal proceedings disclosed in the Company's 2011 Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see (i) the risk factors discussion provided under Part I, Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and (ii) the "Cautionary Statement Regarding Forward-Looking Statements" included in Part I, Item 2 of this Quarterly Report on Form 10-Q.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The employees of the Company do have the right to surrender to the Company shares in payment of minimum tax obligations upon the vesting of grants of common stock under the Company's equity compensation plans. During the fiscal quarter ended June 29, 2012, there were 407 shares surrendered to the Company by employees in payment of minimum tax obligations upon

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the vesting of nonvested stock under the Company's equity compensation plans, and the average price paid per share was \$31.02. During the six months ended June 29, 2012, there were 2,471 shares surrendered to the Company by employees in payment of minimum tax obligations upon the vesting of nonvested stock under the Company's equity compensation plans, and the average price paid per share was \$30.53.

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ITEM 6. EXHIBITS

The following exhibits are filed herewith or incorporated herein by reference. Documents indicated by an asterisk (*) are filed herewith. Documents not indicated by an asterisk are incorporated by reference to the document indicated.

a) Exhibits

- *2.1 Purchase Agreement, dated May 18, 2012, by and among Rio Tinto Alcan Inc., Alcan Asia Limited, Alcan Corporation and General Cable Corporation. The schedules and exhibits to the purchase agreement are omitted pursuant to Item 601(b)(2) of Regulation S-K. General Cable Corporation agrees to furnish supplementally to the SEC, upon request, a copy of any omitted schedule or exhibit.
- 3.1 Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Post-Effective Amendment No. 1 to Form S-4 (File No. 333-143017) filed on June 11, 2007).
- 3.2 Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K (File No. 001-12983) filed on May 14, 2010).
- 3.3 Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K (File No. 001-12983) as filed on May 14, 2010).
- *12.1 Computation of Ratio of Earnings to Fixed Charges
- *31.1 Certification of Chief Executive Officer pursuant to Rule 13a – 14(a) or 15d – 14
- *31.2 Certification of Chief Financial Officer pursuant to Rule 13a – 14(a) or 15d – 14
- *32.1 Certification pursuant to 18 U.S.C. § 1350, as adopted under Section 906 of the Sarbanes-Oxley Act of 2002.
- 101.INS XBRL Instance Document (1)
- 101.SCH XBRL Taxonomy Extension Schema Document (1)
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document (1)
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document (1)
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document (1)
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document (1)

Furnished with this report. In accordance with Rule 406T of Regulation S-T, the information in these exhibits shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or (1) otherwise subject to liability under that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

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Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, General Cable Corporation has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

General Cable Corporation

Signed: August 3, 2012

By: /s/ BRIAN J. ROBINSON

Brian J. Robinson

Executive Vice President, Chief

Financial Officer and Treasurer

(Principal Financial and Accounting Officer)

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Exhibit Index

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