GENERAL CABLE CORP /DE/
Form 10-Q
November 07, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended September 28, 2007

OR

o **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 *(State or other jurisdiction of incorporation or organization)*	06-1398235 *(I.R.S. Employer Identification No.)*
4 Tesseneer Drive Highland Heights, KY *(Address of principal executive offices)*	41076-9753 *(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 þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ Accelerated filer o Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yeso Noþ

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

Class	Outstanding at November 1, 2007
Common Stock, $0.01 per value	52,507,191

GENERAL CABLE CORPORATION AND SUBSIDIARIES
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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
(in millions, except per share data)
(unaudited)

	Three Fiscal Months Ended		Nine Fiscal Months Ended	
	Sept. 28, 2007	Sept. 29, 2006	Sept. 28, 2007	Sept. 29, 2006
Net sales	$ 1,135.3	$ 948.4	$ 3,317.0	$ 2,739.8
Cost of sales	971.8	826.4	2,820.6	2,390.7
Gross profit	163.5	122.0	496.4	349.1
Selling, general and administrative expenses	71.2	56.2	210.0	170.7
Operating income	92.3	65.8	286.4	178.4
Other income (expense)	(1.3)	(0.3)	(2.8)	0.7
Interest income (expense):				
Interest expense	(10.2)	(8.3)	(29.7)	(30.7)
Interest income	5.1	0.7	12.0	1.9
Loss on extinguishment of debt			(25.1)	
	(5.1)	(7.6)	(42.8)	(28.8)
Income before income taxes	85.9	57.9	240.8	150.3
Income tax provision	(24.7)	(20.8)	(78.8)	(50.3)
Net income	61.2	37.1	162.0	100.0
Less: preferred stock dividends	(0.1)	(0.1)	(0.3)	(0.3)
Net income applicable to common shareholders	$ 61.1	$ 37.0	$ 161.7	$ 99.7
Earnings per share				
Earnings per common share-basic	$ 1.19	$ 0.74	$ 3.16	$ 2.00

Weighted average common shares-basic	51.3	50.3	51.1	49.8
Earnings per common share-assuming dilution	$ 1.11	$ 0.71	$ 2.99	$ 1.93
Weighted average common shares-assuming dilution	55.0	52.6	54.2	51.9

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)

	Sept. 28, 2007	Dec. 31, 2006
Assets		
Current Assets:		
Cash and cash equivalents	$ 479.6	$ 310.5
Receivables, net of allowances of $16.7 million at September 28, 2007 and $10.0 million at December 31, 2006	952.6	723.7
Inventories	641.1	563.1
Deferred income taxes	111.3	104.1
Prepaid expenses and other	56.9	32.9
Total current assets	2,241.5	1,734.3
Property, plant and equipment, net	484.6	416.7
Deferred income taxes	34.2	28.8
Other non-current assets	43.9	38.9
Total assets	$ 2,804.2	$ 2,218.7
Liabilities and Shareholders Equity		
Current Liabilities:		
Accounts payable	$ 785.8	$ 655.4
Accrued liabilities	394.8	284.3
Current portion of long-term debt	97.4	55.5
Total current liabilities	1,278.0	995.2
Long-term debt	724.1	685.1
Deferred income taxes	13.0	13.2
Other liabilities	164.3	90.8
Total liabilities	2,179.4	1,784.3
Commitments and Contingencies		
Shareholders Equity:		
Redeemable convertible preferred stock, at redemption value (liquidation preference of $50.00 per share):		

September 28, 2007 101,940 outstanding shares		
December 31, 2006 101,949 outstanding shares	5.1	5.1
Common stock, $0.01 par value, issued and outstanding shares:		
September 28, 2007 52,334,098 (net of 5,124,278 treasury shares)		
December 31, 2006 52,002,052 (net of 4,999,035 treasury shares)	0.6	0.6
Additional paid-in capital	265.3	245.5
Treasury stock	(60.2)	(53.0)
Retained earnings	381.8	238.8
Accumulated other comprehensive income (loss)	32.2	(2.6)
Total shareholders equity	624.8	434.4
Total liabilities and shareholders equity	$ 2,804.2	$ 2,218.7

See accompanying Notes to Condensed Consolidated Financial Statements.

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(in millions)
(unaudited)

	Nine Fiscal Months Ended	
	Sept. 28, 2007	Sept. 29, 2006
Cash flows of operating activities:		
Net income	$ 162.0	$ 100.0
Adjustments to reconcile net income to net cash flows of operating activities:		
Depreciation and amortization	42.9	38.3
Loss on extinguishment of debt	25.1	
Foreign currency exchange (gain) loss	2.8	(0.7)
Deferred income taxes	(5.0)	7.5
Excess tax benefits from stock-based compensation	(10.4)	(11.4)
Loss on disposal of property	1.2	1.4
Changes in operating assets and liabilities, net of effect of acquisitions:		
Increase in receivables	(151.7)	(205.6)
Increase in inventories	(23.0)	(79.2)
Increase in other assets	(8.4)	(2.1)
Increase in accounts payable, accrued and other liabilities	116.3	245.9
Net cash flows of operating activities	151.8	94.1
Cash flows of investing activities:		
Capital expenditures	(73.9)	(46.5)
Proceeds from properties sold	0.8	0.5
Proceeds from acquisitions including cash acquired	28.0	
Acquisitions, net of cash acquired	(9.9)	(28.1)
Other, net	1.7	0.6
Net cash flows of investing activities	(53.3)	(73.5)
Cash flows of financing activities:		
Preferred stock dividends paid	(0.3)	(0.3)
Excess tax benefits from stock-based compensation	10.4	11.4
Proceeds from revolving credit borrowings		144.5
Repayments of revolving credit borrowings		(198.3)
Issuance of long-term debt, net of fees and expenses	318.3	
Repayments of long-term debt, including fees and expenses	(300.6)	
Proceeds of other debt	26.7	10.4
Proceeds from exercise of stock options	5.5	17.7
Net cash flows of financing activities	60.0	(14.6)

Effect of exchange rate changes on cash and cash equivalents		10.6		2.2
Increase in cash and cash equivalents		169.1		8.2
Cash and cash equivalents beginning of period		310.5		72.2
Cash and cash equivalents end of period	$	479.6	$	80.4
Supplemental Information				
Cash paid during the period for:				
Income tax payments, net of refunds	$	57.3	$	20.5
Interest paid	$	32.4	$	21.9
Non-cash investing and financing activities:				
Issuance of nonvested shares	$	4.2	$	6.0
Entrance into capital leases	$		$	0.1

See accompanying Notes to Condensed Consolidated Financial Statements.

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 have been prepared in accordance with accounting principles generally accepted in the United States of America 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 accounting principles generally accepted in the United States of America 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 nine fiscal months ended September 28, 2007, are not necessarily indicative of results that may be expected for the full year. The December 31, 2006, condensed consolidated balance sheet amounts are derived from the audited financial statements but do not include all disclosures herein required by accounting principles generally accepted in the United States of America. These financial statements should be read in conjunction with the audited financial statements and notes thereto in General Cable s 2006 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2007. The Company s fiscal year end is December 31. 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. New Accounting Standards

In May 2007, FASB Staff Position (FSP) FIN 48-1, *Definition of Settlement in FASB Interpretation No. 48*, was issued. FSP FIN 48-1 provides guidance on how to determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits. FSP FIN 48-1 is effective retroactively to January 1, 2007. The implementation of this standard did not have a material impact on the Company s consolidated financial position, results of operations and cash flows.

In February 2007, SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115*, was issued. This statement provides companies an irrevocable option to carry the majority of financial assets and liabilities at fair value, with changes in fair value recorded in earnings. The election of the fair value option is applied on an instrument-by-instrument basis to entire financial assets and liabilities that are individually transferable in their current form. The statement will require extensive disclosures, including reporting assets and liabilities that are measured at fair value separately on the face of the balance sheet. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of adopting SFAS No. 159 on its consolidated financial position, results of operations and cash flows.

In September 2006, SFAS No. 157, *Fair Value Measurements*, was issued. This statement provides a new definition of fair value that serves to replace and unify old fair value definitions so that consistency on the definition is achieved, and the definition acts as a modification of the current accounting presumption that a transaction price of an asset or liability equals its initial fair value. The statement also provides a fair value hierarchy used to classify source information used in fair value measurements that places higher importance on market based sources. New disclosures of assets and liabilities measured at fair value based on their level in the fair value hierarchy are required by this statement. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of adopting SFAS No. 157 on its consolidated financial position, results of operations and cash flows.

3. Acquisitions and Divestitures

On April 30, 2007, the Company acquired Norddeutsche Seekabelwerke GmbH & Co. KG (NSW), located in Nordenham, Germany from Corning Incorporated. As a result of the transaction, the Company assumed liabilities in excess of the assets acquired, including approximately $41.9 million of pension liabilities (based on the prevailing exchange rate at April 30, 2007). The Company recorded initial proceeds of $17.0 million, net of $0.8 million fees and expenses, which included $12.3

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

million of cash acquired and $5.5 million for settlement of accounts receivable. In the third quarter of 2007, the Company received $11.0 million as a final settlement of the transaction.

A preliminary purchase price allocation based on the estimated fair values, or other measurements as applicable, of the assets acquired and the liabilities assumed at the date of acquisition is as follows (in millions at the prevailing exchange rate at April 30, 2007):

		As of April 30, 2007
Cash	$	12.3
Accounts receivable		27.3
Inventories		27.4
Property, plant and equipment		0.9
Other current and noncurrent assets		1.6
Total assets	$	69.5
Current liabilities	$	38.2
Other liabilities		0.4
Pension liabilities		41.9
Total liabilities	$	80.5

The Company has not yet finalized portions of the purchase price allocation, including external valuations, and certain closing settlement adjustments in establishing the acquisition opening balance sheet. These valuations are expected to be completed by the end of the second quarter of 2008, and may result in changes to the value assigned above to property, plant and equipment and result in the recognition of intangible assets.

NSW had revenues of approximately $120 million in 2006 (based on 2006 average exchange rates) and has approximately 400 employees. NSW offers complete solutions for submarine cable systems including manufacturing, engineering, seabed mapping, project management, and installation for the offshore communications, energy exploration, transmission, distribution, and alternative energy markets. Pro forma results of the NSW acquisition are not material.

On April 17, 2007, the Company formed a joint venture, Navratna Energy Cable Private Limited (Navratna Energy) with the Plaza Cable Group headquartered in New Delhi, India. The Company holds a majority interest in the joint venture, which was established in order to manufacture low and medium voltage energy cables for the Indian market. Pro forma results of the formation of the joint venture are not material.

On February 16, 2007, the Company completed the acquisition of Jiangyin Huaming Specialty Cable Co. Ltd., a manufacturer of specialty automotive and industrial cable products located in Jiangsu province, China. The new subsidiary, General Cable Jiangyin Co. Ltd. (Jiangyin), with annual revenues of approximately $12 million (based on 2006 average exchange rates), employs approximately 200 associates. Pro forma results of the Jiangyin acquisition are not material.

On August 31, 2006, the Company completed the acquisition of E.C.N. Cable Group, S.L. (ECN Cable) for a final purchase price of $13.2 million in cash and the assumption of $38.6 million in ECN Cable debt (at prevailing exchange rates during the period), including fees and expenses and net of cash acquired. ECN Cable is based in Bilbao, Spain and employs approximately 200 associates. In 2005, the last full year prior to acquisition, ECN Cable reported global sales of approximately $71.5 million (based on 2005 average exchange rates) mostly on sales of aluminum aerial high-voltage cables, low- and medium-voltage insulated power cables and bimetallic products used in electric transmission and communications. Pro forma results of the ECN Cable acquisition are not material.

The results of operations of the acquired businesses discussed above have been included in the consolidated financial statements since the respective dates of acquisition.

4. Inventories

General Cable values all of its North American inventories and all of its non-North American metal inventories using the last-in first-out (LIFO) method and all remaining inventories using the first-in first-out (FIFO) method. Inventories are stated at the

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

lower of cost or market value. The Company determines whether a lower of cost or market provision is required on a quarterly basis by computing whether inventory on hand, on a LIFO basis, can be sold at a profit based upon current selling prices less variable selling costs. No provision was required in the first nine fiscal months of 2007 or 2006. In the event that a provision is required in some future period, the Company will determine the amount of the provision by writing down the value of the inventory to the level of current selling prices less variable selling costs.

Inventories consisted of the following (in millions):

	Sept. 28, 2007	Dec. 31, 2006
Raw materials	$ 96.1	$ 73.6
Work in process	140.6	94.9
Finished goods	404.4	394.6
Total	$ 641.1	$ 563.1

At September 28, 2007 and December 31, 2006, $448.7 million and $436.7 million, respectively, of inventories were valued using the LIFO method. Approximate replacement costs of inventories valued using the LIFO method totaled $713.3 million at September 28, 2007 and $632.3 million at December 31, 2006.

If in some future period, the Company was not able to recover the LIFO value of its inventory when replacement costs were lower than the LIFO value of the inventory, the Company would be required to take a charge to recognize in its income statement an adjustment of LIFO inventory to market value. In the third quarter of 2007, the Company recorded a $2.4 million LIFO gain for the liquidation of copper LIFO inventory as the Company reduced its inventory levels during a period when the replacement cost of copper exceeded the historical LIFO value.

The Company has consignment inventory at certain of its customer locations for purchase and use by the customer or other parties. General Cable retains title to the inventory and records no sale until it is ultimately sold either to the customer storing the inventory or to another party. In general, the value and quantity of the consignment inventory is verified by General Cable through either cycle counting or annual physical inventory counting procedures. At September 28, 2007 and December 31, 2006, the Company had approximately $40.0 million and $33.4 million, respectively, of consignment inventory at locations not operated by the Company with approximately 85% and 79%, respectively, of the consignment inventory being located throughout the United States and Canada.

5. Property, Plant and Equipment

Property, plant and equipment are stated at cost. Costs assigned to property, plant and equipment relating to acquisitions are based on estimated fair values at that date. Depreciation is provided 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 life of the lease unless acquired in a business combination, in which case the leasehold improvements are amortized over the shorter of the useful life of the assets or a term that includes the reasonably assured life of the lease.

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

	Sept. 28, 2007	Dec. 31, 2006
Land	$ 48.2	$ 39.1
Buildings and leasehold improvements	97.5	76.0
Machinery, equipment and office furnishings	597.9	518.4
Construction in progress	37.0	19.5
Total gross book value	780.6	653.0

Less accumulated depreciation	(296.0)	(236.3)
Total net book value	$ 484.6	$ 416.7

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

Depreciation expense for the three and nine fiscal months ended September 28, 2007 was $13.3 million and $38.9 million, respectively. Depreciation expense for the three and nine fiscal months ended September 29, 2006 was $11.9 million and $34.1 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 three and nine fiscal months ended September 28, 2007 and September 29, 2006.

6. 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, impairment loss is recognized in the amount equal to the excess. There was no goodwill or significant intangible assets with indefinite lives on the Company s balance sheet as of September 28, 2007 or December 31, 2006. Intangible assets that are not deemed to have indefinite lives are amortized over their useful lives. There were no significant amortizable intangible assets on the Company s balance sheet at September 28, 2007 or December 31, 2006. No significant amortization expense was recognized during the three and nine fiscal months ended September 28, 2007 and September 29, 2006 and no significant amortization expense is anticipated to be recognized on current intangible assets in the next five years.

7. Long-Term Debt

Long-term debt consisted of the following (in millions):

	Sept. 28, 2007	Dec. 31, 2006
9.5% Senior Notes due 2010	$ 4.8	$ 285.0
7.125% Senior Notes due 2017	200.0	
Senior Floating Rate Notes	125.0	
0.875% Convertible Notes	355.0	355.0
Spanish Term Loan	33.6	33.9
Capital leases	3.8	4.3
Other	99.3	62.4
Total debt	821.5	740.6
Less current maturities	97.4	55.5
Long-term debt	$ 724.1	$ 685.1

Weighted average interest rates on the above outstanding balances were as follows:

9.5% Senior Notes due 2010	9.5%	9.5%
7.125% Senior Notes due 2017	7.125%	
Senior Floating Rate Notes	7.606%	
0.875% Convertible Notes	0.875%	0.875%

Spanish Term Loan	5.1%	4.6%
Capital leases	6.5%	6.5%
Other	4.5%	3.8%

On March 6, 2007, the Company commenced a cash tender offer (the Offer) to purchase, at $1,070.72 (per $1,000.00 9.5% Senior Note), any and all of the $285.0 million outstanding aggregate principal amount of the 9.5% Senior Notes that were issued in November 2003, bear interest at a fixed rate of 9.5% and mature in 2010. Also, in conjunction with the Offer, the Company received consent, on March 15, 2007, to effect certain amendments to the indenture governing the 9.5% Senior

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

Notes that eliminated substantially all of the restrictive covenants. Approximately 98% of the 9.5% Senior Notes were tendered, with the Company making total cash payments of approximately $280.2 million for the 9.5% Senior Notes, $9.3 million for accrued interest and $19.8 million for the inducement premium. The Company recognized a pre-tax loss on the extinguishment of debt of approximately $25.1 million, consisting of $20.5 million for the inducement premium and related tender fees and expenses and the write-off of approximately $4.6 million in unamortized fees and expenses. General Cable Corporation and its U.S. wholly-owned subsidiaries continue to fully and unconditionally guarantee the remaining $4.8 million of 9.5% Senior Notes remaining on September 28, 2007 on a joint and several basis. The estimated fair value of the remaining 9.5% Senior Notes was approximately $5.1 million at September 28, 2007.

On March 21, 2007, the Company completed the issuance and sale of $325.0 million in aggregate principal amount of new 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). The Notes are jointly and severally guaranteed by the Company s U.S. subsidiaries. The Notes were offered and sold in private transactions in accordance with Rule 144A and Regulation S under the Securities Act of 1933, as amended (the Securities Act). 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.

The Senior Floating Rate Notes bear interest at an annual rate equal to the 3-month LIBOR rate plus 2.375%. Interest on the Senior Floating Rate Notes is payable quarterly in arrears in cash on January 1, April 1, July 1 and October 1 of each year, commencing on July 1, 2007. The 7.125% Senior Notes bear interest at a rate of 7.125% per year and are payable semi-annually in arrears in cash on April 1 and October 1 of each year, commencing on October 1, 2007. The Senior Floating Rate Notes mature on April 1, 2015 and the 7.125% Senior Notes mature on April 1, 2017.

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

The Company may, at its option, redeem the Senior Floating Rate Notes and 7.125% Senior Notes on or after the following dates and at the following percentages plus accrued and unpaid interest:

Senior Floating Rate Notes		**7.125% Senior Notes**	
Beginning Date	**Percentage**	**Beginning Date**	**Percentage**
April 1, 2009	102.000%	April 1, 2012	103.563%
April 1, 2010	101.000%	April 1, 2013	102.375%
April 1, 2011	100.000%	April 1, 2014	101.188%
		April 1, 2015	100.000%

Proceeds from the Notes were principally used to extinguish approximately 98% of the 9.5% Senior Notes debt under the Offer mentioned previously. Proceeds from the Notes of $325.0 million, less approximately $7.7 million of cash payments for fees and expenses that will be amortized over the life of the Notes, were used to pay approximately $280.2 million for the 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 $7.3 million that will be used for general corporate purposes.

The Company s current senior secured revolving credit facility (Amended Credit Facility), as amended, is a five-year, $300.0 million asset based revolving credit agreement that includes an approximate $50.0 million sublimit for the issuance of commercial and standby letters of credit and a $20.0 million sublimit for swingline loans. Loans under the

Amended Credit Facility bear interest at the Company s option, equal to either an alternate base rate (prime plus 0.00% to 0.50%) or an adjusted LIBOR rate plus an applicable margin percentage (LIBOR plus 1.00% to 1.75%). The applicable margin percentage is subject to adjustments based upon the excess availability, as defined. At September 28, 2007, the Company had no outstanding borrowings, had undrawn availability of $239.8 million under the Amended Credit Facility, and was in compliance with all covenants under the Amended Credit Facility. The Company had outstanding letters of credit related to this Amended Credit Facility of $31.4 million at September 28, 2007.

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

Indebtedness under the Amended Credit Facility is guaranteed by the Company s U.S. subsidiaries and is secured by a first priority security interest in tangible and intangible property and assets of the Company s U.S. subsidiaries. The lenders have also received a pledge of all of the capital stock of the Company s existing domestic subsidiaries and any future domestic subsidiaries.

During the first quarter of 2007, the Company further amended the Amended Credit Facility. The amendment permitted the Company to issue senior notes of up to $350.0 million on an unsecured basis, to enter into certain hedging agreements to exchange up to $100.0 million of any fixed rate of interest on the senior notes for a floating rate and extend or replace existing hedging agreements, to effect a cash tender offer to purchase at least a majority of the $285.0 million outstanding aggregate principal balance of the 9.5% Senior Notes, to pay fees and expenses related to the tender offer, and to replenish a basket which would allow the Company to repurchase up to $125.0 million of its outstanding shares of common stock. This basket had previously been used to purchase the note hedges discussed below. No other terms or conditions of the Amended Credit Facility have changed from those terms and conditions disclosed in the Company s 2006 Annual Report on Form 10-K.

The Company s 0.875% Convertible Notes were issued in November of 2006 in the amount of $355.0 million, pursuant to the Company s effective Registration Statement on Form S-3. The 0.875% Convertible Notes bear interest at a fixed rate of 0.875%, payable semi-annually in arrears, and mature in 2013. The 0.875% Convertible Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by the Company s wholly-owned U.S. subsidiaries. The estimated fair value of the 0.875% Convertible Notes was approximately $528.7 million at September 28, 2007.

The 0.875% Convertible Notes are convertible at the option of the holder into the Company s common stock at an initial conversion price of $50.36 per share (approximating 19.856 shares per $1,000 principal amount of the 0.875% Convertible Notes), upon the occurrence of certain events, including (i) during any calendar quarter commencing after March 31, 2007 in which the closing price of the Company s common stock is greater than or equal to 130% of the conversion price for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter (establishing a contingent conversion price of $65.47 per share); (ii) during any five business day period after any five consecutive trading day period in which the trading price per $1,000 principal amount of 0.875% Convertible Notes for each day of that period is less than 98% of the product of the closing sale price of the Company s common stock and the applicable conversion rate; (iii) distributions to holders of the Company s common stock are made or upon specified corporate transactions including a consolidation or merger; and (iv) at any time during the period beginning on October 15, 2013 and ending on the close of business on the business day immediately preceding the stated maturity date. In addition, upon events defined as a fundamental change under the 0.875% Convertible Note indenture, holders of the 0.875% Convertible Notes may require the Company to repurchase the 0.875% Convertible Notes. If upon the occurrence of such events in which the holders of the 0.875% Convertible Notes exercise the conversion provisions, the Company would need to remit the principal balance of the 0.875% Convertible Notes to the holders in cash. As a result, the Company would be required to classify the entire amount outstanding of the 0.875% Convertible Notes as a current liability. The evaluation of the classification of amounts outstanding associated with the 0.875% Convertible Notes will occur every quarter.

Upon conversion, a holder will receive, in lieu of common stock, an amount of cash equal to the lesser of (i) the principal amount of an 0.875% Convertible Note, or (ii) the conversion value, determined in the manner set forth in the indenture governing the 0.875% Convertible Notes, of a number of shares equal to the conversion rate. If the conversion value exceeds the principal amount of the 0.875% Convertible Note on the conversion date, the Company will also deliver, at the Company s election, cash or common stock or a combination of cash and common stock with respect to the conversion value upon conversion. If conversion occurs in connection with a fundamental change as defined in the 0.875% Convertible Notes indenture, the Company may be required to repurchase the 0.875% Convertible Notes for cash at a price equal to the principal amount plus accrued but unpaid interest. In addition, if conversion occurs in connection with certain changes in control, the Company may be required to deliver additional shares of the Company s common stock (a make whole premium) by increasing the conversion rate with respect to such notes, under this scenario the maximum aggregate number of shares that the Company would be obligated to issue upon conversion of the 0.875% Convertible Notes is 8,987,322. Under almost all other conditions, as disclosed in the 2006 Annual Report on Form 10-K, the Company may be obligated to issue additional shares up to a maximum of 7,048,880 upon conversion in full of the 0.875% Convertible Notes. No terms and conditions of the 0.875% Convertible Notes have changed from those terms and conditions disclosed in the Company s 2006 Annual Report on Form 10-K.

Pursuant to Emerging Issues Task Force (EITF) 90-19, Convertible Bonds with Issuer Option to Settle for Cash upon Conversion, EITF 00-19, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a

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Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

Company s Own Stock (EITF 00-19), and EITF 01-6, The Meaning of Indexed to a Company s Own Stock (EITF 01-6), the 0.875% Convertible Notes are accounted for as convertible debt in the accompanying Condensed Consolidated Balance Sheet and the embedded conversion option in the 0.875% Convertible Notes has not been accounted for as a separate derivative. For a discussion of the effects of the 0.875% Convertible Notes and the bond hedges and warrants discussed below on earnings per share, see Note 14.

Concurrent with the sale of the 0.875% Convertible Notes, the Company purchased note hedges that are designed to mitigate 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 by reason of any election by the Company 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.

In addition, 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 (European style). 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, pursuant to EITF 00-19 and EITF 01-6, the note hedges and warrants are accounted for as equity transactions. Therefore, the payment associated with the issuance of the note hedges and the proceeds received from the issuance of the warrants were recorded as a charge and an increase, respectively, in additional paid-in capital in shareholders equity as separate equity transactions.

For income tax reporting purposes, the Company has elected to integrate the 0.875% Convertible Notes and the note hedges. Integration of the note hedges with the 0.875% Convertible Notes creates an original issue discount (OID) debt instrument for income tax reporting purposes. Therefore, the cost of the note hedges will be accounted for as interest expense over the term of the 0.875% Convertible Notes for income tax reporting purposes. The associated income tax benefits that are recognized for financial reporting purposes will be recognized as a reduction in the income tax provision in the periods that the deductions are taken for income tax reporting purposes.

Proceeds from the offering were used to pay down $87.8 million outstanding, including accrued interest, under the Company s Amended Credit Facility, to pay $124.5 million for the cost of the note hedges, and to pay approximately $9.4 million in debt issuance costs that are being amortized to interest expense over the term of the 0.875% Convertible Notes. 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 is being used by the Company for general corporate purposes including acquisitions.

The Spanish Term Loan of 50 million was issued in December 2005 and was available in up to three tranches, with an interest rate of Euribor plus 0.8% to 1.5% depending on certain debt ratios. Two of the tranches have expired. The remaining tranche of the Spanish Term Loan is repayable in fourteen semi-annual installments, maturing seven years following the draw down. As of September 28, 2007, the U.S. dollar equivalent of $33.6 million was drawn under this term loan facility and no availability remains under the Spanish Term Loan.

The Spanish Credit Facility of 25 million was issued in December 2005, matures at the end of five years and carries an interest rate of Euribor plus 0.6% to 1.0% depending on certain debt ratios. No funds are currently drawn under the Spanish Credit Facility, leaving undrawn availability of approximately the U.S. dollar equivalent of $35.6 million as of September 28,

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2007. Commitment fees ranging from 15 to 25 basis points per annum on any unused commitments under the Spanish Credit Facility will be assessed to Grupo General Cable Sistemas, S.A., and are payable on a quarterly basis.

The Spanish Term Loan and Spanish Credit Facility are subject to certain financial ratios of the Company s European subsidiaries, the most restrictive of which is net debt to EBITDA (earnings before interest, taxes, depreciation and amortization). At September 28, 2007, the Company was in compliance with all covenants under these facilities. In addition, the indebtedness under the combined facilities is guaranteed by the Company s Portuguese subsidiary and by Silec Cable, S.A.

On August 31, 2006, the Company acquired ECN Cable and assumed the U.S. dollar equivalent of $38.6 million (at prevailing exchange rates during that period) of mostly short-term ECN Cable debt as a part of the acquisition. On December 15, 2006, approximately $6.9 million (at the prevailing exchange rate on that date) of debt was paid and cancelled. As of September 28, 2007, ECN Cable s debt was the U.S. dollar equivalent of $29.9 million. The debt consisted of approximately $2.3 million relating to an uncommitted accounts receivable facility and approximately $27.6 million of short-term financing agreements at various interest rates. In addition, ECN Cable has an 11 million ($15.7 million US dollar equivalent) debt facility that charges interest at Euribor plus 0.5%. No funds are currently drawn under this facility.

In addition to the Spanish Term Loan and Spanish Credit Facility, the Company has approximately $135.2 million of uncommitted facilities in Europe, which are secured by the respective company s accounts receivable. At September 28, 2007, $49.0 million (including $2.3 million at ECN, mentioned above) of these debt facilities were drawn.

At September 28, 2007, maturities of long-term debt during twelve month periods beginning September 29, 2007 through September 30, 2012 are $97.4 million, $7.2 million, $7.2 million, $11.5 million and $6.1 million, respectively, and $692.1 million thereafter.

8. Derivative and Other Financial Instruments

General Cable is exposed to various market risks, including changes in interest rates, foreign currency and raw material (commodity) prices. To manage risk associated with the volatility of these natural business exposures, General Cable enters into interest rate, commodity and foreign currency derivative agreements, as it relates to both transactions and the Company s net investment in its European operations, 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.

Cash Flow Hedges

General Cable has utilized interest rate swaps to manage its interest expense exposure by fixing its interest rate on a portion of the Company s floating rate debt. Under the swap agreements, General Cable typically paid a fixed rate while the counterparty paid to General Cable the difference between the fixed rate and the three-month LIBOR rate. During 2001, the Company entered into several interest rate swaps which effectively fixed interest rates for borrowings under a former credit facility and other debt. At September 28, 2007, the remaining outstanding interest rate swap had a notional value of $9.0 million, an interest rate of 4.49% and matures in October 2011. The Company does not provide or receive any collateral specifically for this contract. The fair value of interest rate derivatives, which are designated as and qualify as cash flow hedges as defined in SFAS No. 133, are based on quoted market prices and third party provided calculations, which reflect the present values of the difference between estimated future variable-rate receipts and future fixed-rate payments. At September 28, 2007 and December 31, 2006, the net unrealized loss on the interest rate derivative and the related carrying value was $(0.4) million and $(0.4) million, respectively.

Outside of North America, General Cable enters into commodity futures contracts, which are designated as and qualify as cash flow hedges as defined in SFAS No. 133, for the purchase of copper, aluminum and lead for delivery in a future month to match certain sales transactions. At September 28, 2007 and December 31, 2006, General Cable had an unrealized gain (loss) of $10.2 million and $(10.8) million, respectively, on the commodity futures.

The Company enters into forward exchange contracts, which are designated as and qualify as cash flow hedges as defined in SFAS No. 133, 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

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amount required to enter into offsetting contracts with similar remaining maturities based on quoted market prices. At September 28, 2007 and December 31, 2006, the net unrealized loss on foreign currency contracts was $(22.6) million and $(5.6) million, respectively.

Interest rate swaps are used to manage interest expense exposure by fixing the interest rate on a portion of floating rate debt. Commodity and foreign currency contracts are used to hedge future sales and purchase commitments. Unrealized gains and losses on these derivative financial instruments are recorded in other comprehensive income (loss) until the underlying transaction occurs and is recorded in the statement of operations at which point such amounts included in other comprehensive income (loss) are recognized in income, which generally will occur over periods of less than one year. During the three and nine fiscal months ended September 28, 2007, a $0.1 million gain and less than a $0.1 million gain, respectively, was reclassified from accumulated other comprehensive income to the statement of operations. During the three and nine fiscal months ended September 29, 2006, a $8.3 million gain and a $16.6 million gain, respectively, were reclassified from accumulated other comprehensive income to the statement of operations.

Net Investment Hedge

In October 2005, the Company entered into a U.S. dollar to Euro cross currency and interest rate swap agreement with a notional value of $150 million, which is designated as and qualifies as a net investment hedge of the Company s net investment in its European operations, in order to hedge the effects of the changes in spot exchange rates on the value of the net investment. The swap has a term of just over two years with a maturity date of November 15, 2007. The fair value of the cross currency and interest rate swap is determined with the assistance of third party provided calculations. At September 28, 2007 and December 31, 2006, the net unrealized loss on the swap was $28.6 million and $15.2 million, respectively. The swap is marked-to-market quarterly using the spot method to measure the amount of hedge ineffectiveness. Changes in the fair value of the swap as they relate to spot exchange rates are recorded as other comprehensive income (loss) whereas changes in the fair value of the swap as they relate to the interest rate differential and the change in interest rate differential since the last marked-to-market date, equaling approximately $0.9 million and $(0.3) million, respectively, as of September 28, 2007 and December 31, 2006, are recognized currently in earnings for the period. The unrealized loss recognized in other comprehensive income (loss) will be recorded in the statement of operations at a future point in time if the Company divests of its European operations.

Fair Value of Designated Derivatives

The notional amounts and fair values of these designated cash flow and net investment hedge financial instruments at September 28, 2007 and December 31, 2006 are shown below (in millions). The carrying amount of the financial instruments was a net liability of $(40.5) million and $(31.1) million at September 28, 2007 and December 31, 2006, respectively.

	Sept. 28, 2007		Dec. 31, 2006	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Cash flow hedges:				
Interest rate swap	$ 9.0	$ (0.4)	$ 9.0	$ (0.4)
Commodity futures	163.2	10.2	217.6	(10.8)
Foreign currency forward exchange	369.9	(22.6)	152.0	(5.6)
Net investment hedges:				
Cross currency and interest rate swap	150.0	(27.7)	150.0	(14.3)
		$ (40.5)		$ (31.1)

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 exemption of SFAS No. 133 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 September 28, 2007 and December 31, 2006, General Cable had $111.3 million and $165.4 million,

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respectively, of future copper and aluminum purchases that were under forward pricing agreements. At September 28, 2007 and December 31, 2006, the fair value of these arrangements were $118.7 million and $155.3 million, respectively, and General Cable had an unrealized gain (loss) of $7.4 million and $(10.1) million, respectively, related to these transactions. General Cable expects the unrealized losses, if any, under these agreements to be offset as a result of firm sales price commitments with customers.

9. Income Taxes

On January 1, 2007, the Company adopted Financial Accounting Standards Board Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48). FIN 48 prescribes a recognition threshold that a tax position is required to meet before being recognized in the financial statements and provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition issues.

In connection with the January 1, 2007 adoption of FIN 48, the Company recognized an $18.8 million decrease in opening retained earnings. As of January 1, 2007, the Company had total unrecognized tax benefits of $45.6 million, of which $37.2 million would have a favorable impact on the effective tax rate if recognized. For the first nine months of 2007, $5.7 million of additional unrecognized tax benefits have been accrued for uncertain tax positions recorded in the opening balance sheet of acquired entities and tax positions likely to be taken for the current year, all of which would have a favorable impact on the effective tax rate if recognized. It is reasonably possible that approximately $2.0 million of unrecognized tax benefits related to various foreign and multi-state tax positions could change within the next twelve months due to the expiration of the statute of limitations.

The Company previously classified interest related to income tax liabilities as interest expense in the condensed consolidated statement of operations. Penalties, which have historically been insignificant, were classified as income tax expense. In accordance with paragraph 19 of FIN 48, the Company has elected to classify interest and penalties as a component of income tax expense. As of January 1, 2007, the Company had accrued approximately $1.5 million of tax-related interest and penalties.

The Company files income tax returns in the United States and numerous foreign, state and local tax jurisdictions. Tax years that are open for examination and assessment by the Internal Revenue Service are 2004 through 2006. With limited exceptions, tax years prior to 2003 are no longer open in major foreign, state or local tax jurisdictions.

10. 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 non-U.S. defined benefit pension plans include plans that provide pension benefits and retirement indemnities to employees within the Company s European business. The Company s pension obligation was increased $41.9 million due to the NSW acquisition on April 30, 2007, see Note 3. Pension obligations for the majority of non-qualified unfunded defined benefit pension plans are provided for by recorded reserves and are based on local practices and regulations of the respective countries. General Cable makes cash contributions for the costs of the non-qualified unfunded defined benefit pension plans as the benefits are paid.

On June 27, 2007, the Board of Directors of the Company approved amendments to the General Cable Supplemental Executive Retirement Plan (SERP) and the General Cable Corporation Deferred Compensation Plan (DCP) and the merger of the SERP into the DCP. The Company received written acknowledgement and acceptance of the SERP amendments and merger from each participant in the SERP. The amendments and merger were made in order to simplify,

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limit and better align these specific compensation plans with the Company s compensation policies, which were described in the Company s 2007 Proxy Statement filed with the Securities and Exchange Commission on March 28, 2007.

The amendments and merger (i) provided to each active SERP participant an enhanced benefit which reflected an additional period of credited service through December 31, 2008, and each participant s estimated 2007 and 2008 base and bonus compensation, (ii) froze the accrual of benefits under the SERP following the addition of the enhanced benefit, (iii) converted the SERP from a non-account balance plan into an account balance plan by replacing the accrued benefit of a participant with a benefit based on the value of an account balance, being credited initially by the present value of the participant s unvested enhanced benefit in the SERP, (iv) required the participants to make an election with regard to time and form of payment of the amounts credited to the account balance which became effective as of June 27, 2007, and (v) transferred all account balances and all account liabilities under the amended SERP to the DCP to be governed by the provisions of the DCP, including, but not limited to, those relating to the time and form of benefit payment, investment recommendations and vesting. Each participant s account balance was funded by the Company with contributions to the Company s Rabbi Trust as part of the DCP, as amended.

As a result of the amendments and merger and based on the guidance provided in SFAS No. 88, *Employer s Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*, a curtailment loss of approximately $3.2 million and a settlement gain of approximately $4.3 million were recognized during the three fiscal months ended June 29, 2007 for a net gain of approximately $1.1 million.

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

	Three Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006	
	U.S. Plans	Non-U.S Plans	U.S. Plans	Non-U.S. Plans
Service cost	$ 0.3	$ 0.2	$ 0.4	$ 0.2
Interest cost	2.0	0.5	2.1	0.5
Expected return on plan assets	(2.6)	(0.5)	(2.5)	(0.3)
Amortization of prior service cost	0.1	0.1	0.3	
Amortization of net loss	0.6	0.1	0.7	0.2
Curtailment loss				
Settlement gain				
Net pension expense (gain)	$ 0.4	$ 0.4	$ 1.0	$ 0.6

	Nine Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006	
	U.S. Plans	Non-U.S Plans	U.S. Plans	Non-U.S. Plans
Service cost	$ 1.3	$ 0.6	$ 1.4	$ 0.7
Interest cost	6.3	1.5	6.6	1.3
Expected return on plan assets	(7.8)	(1.4)	(7.3)	(1.1)
Amortization of prior service cost	0.7	0.1	0.9	0.1
Amortization of net loss	1.5	0.4	2.1	0.3
Curtailment loss	3.2			
Settlement gain	(4.3)			

Net pension expense	$ 0.9	$ 1.2	$ 3.7	$ 1.3

Defined benefit pension plan cash contributions for the three and nine fiscal months ended September 28, 2007 were $3.2 million and $5.6 million, respectively. Defined benefit pension plan cash contributions for the three and nine fiscal months ended September 29, 2006 were $4.7 million and $7.0 million, respectively.

Postretirement Benefits Other Than Pensions

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

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

	Three Fiscal Months Ended		Nine Fiscal Months Ended	
	Sept. 28, 2007	Sept. 29, 2006	Sept. 28, 2007	Sept. 29, 2006
Service cost	$	$	$ 0.1	$ 0.1
Interest cost	0.2	0.2	0.4	0.5
Net amortization and deferral	0.1	0.1	0.2	0.2
Net postretirement benefit expense	$ 0.3	$ 0.3	$ 0.7	$ 0.8

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 nine fiscal months ended September 28, 2007 was $2.0 million and $6.5 million, respectively. The net defined contribution plan expense recognized for the three and nine fiscal months ended September 29, 2006 was $1.8 million and $6.0 million, respectively.

11. Shareholders Equity

General Cable is authorized to issue 200 million shares of common stock and 25 million shares of preferred stock.

The Company maintains a deferred compensation plan (DCP). This plan is available to directors and certain officers and managers of the Company. The plan allows participants to defer all or a portion of their directors fees and/or salary and annual bonuses, as applicable, and it permits participants to elect to contribute and defer all or any portion of their nonvested stock, restricted stock and stock awards. All deferrals to the participants accounts vest immediately; Company contributions vest according to the vesting schedules in the qualified plan and nonvested stock and restricted stock vests according to the schedule designated by the award. The Company makes matching and retirement contributions (currently equal to 6%) of compensation paid over the maximum allowed for qualified pension benefits, whether or not the employee elects to defer any compensation. The DCP does not have dollar limits on tax-deferred contributions. During the second quarter of 2007, the Company made approximately $7.1 million in one-time contributions to the DCP as a part of the merger of the SERP with the DCP. For more details on the merger, see Note 10.

The assets of the DCP are held in a Rabbi Trust (Trust) and, therefore, are available to satisfy the claims of the Company s creditors in the event of bankruptcy or insolvency of the Company. Participants have the right to request that their account balance be determined by reference to specified investment alternatives (with the exception of the portion of the account which consists of deferred nonvested and subsequently vested stock and restricted stock). With certain exceptions, these investment alternatives are the same alternatives offered to participants in the General Cable Retirement and Savings Plan for Salaried Associates. In addition, participants have the right to request that the Plan Administrator re-allocate the deferral among available investment alternatives; provided, however that the Plan Administrator is not required to honor such requests. Distributions from the plan are generally made upon the participants termination as a director and/or employee, as applicable, of the Company. Participants receive payments from the plan in cash, either as a lump sum payment or through equal annual installments from between one and ten years, except for the nonvested and subsequently vested stock and restricted stock, which the participants receive in shares of General Cable stock. The Company accounts for the DCP in accordance with EITF 97-14, Accounting for Deferred Compensation Arrangements Where Amounts Earned are Held in a Rabbi Trust and Invested.

Assets of the Trust, other than the nonvested and subsequently vested stock and restricted stock of the Company, are invested in funds covering a variety of securities and investment strategies, including a General Cable Stock Fund

(GCSF). Mutual funds available to participants are publicly quoted and reported at market value. The Company accounts for these investments as available for sale in accordance with SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*. The Company accounts for investments in the GCSF as treasury stock.

The Trust also holds nonvested and subsequently vested stock and restricted stock shares of the Company. The Company s nonvested and subsequently vested stock and restricted stock that is held by the Trust has been accounted for in additional paid-in capital since the adoption of SFAS 123(R) on January 1, 2006, and prior to that date, had been accounted for in other shareholders equity in the consolidated balance sheet. The market value of this nonvested and subsequently vested stock and

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restricted stock was $41.9 million as of September 28, 2007 and $30.5 million as of December 31, 2006. The market value of investment in the GCSF, accounted for in treasury stock, was $2.9 million as of September 28, 2007 and was insignificant as of December 31, 2006. The market value of the assets held by the Trust, exclusive of the market value of the GCSF and the shares of the Company s nonvested and subsequently vested stock and restricted stock, was $18.1 million as of September 28, 2007 and $12.3 million as of December 31, 2006, and was classified as other non-current assets in the consolidated balance sheet. Amounts payable to the plan participants as of September 28, 2007, excluding the market value of the shares of the Company s nonvested and subsequently vested stock and restricted stock, was $21.0 million as of September 28, 2007 and $12.3 million as of December 31, 2006, and was classified as other liabilities in the consolidated balance sheet.

In accordance with EITF 97-14, all market value fluctuations of the Trust assets, exclusive of the shares of nonvested and subsequently vested stock and restricted stock of the Company, have been reflected in other comprehensive income (loss). Increases or decreases in the market value of the deferred compensation liability, excluding the shares of nonvested and subsequently vested stock and restricted stock of the Company held by the Trust, are included in compensation expense in the consolidated statement of operations. Based on the changes in the total market value of the Trust s assets, exclusive of the nonvested and subsequently vested stock and restricted stock, the Company recorded net compensation expense of $(0..3) million and $0.4 million, respectively, for the three fiscal months ended September 28, 2007 and September 29, 2006 and $1.9 million and $2.6 million, respectively, for the nine fiscal months ended September 28, 2007 and September 29, 2006.

The components of accumulated other comprehensive income (loss) consisted of the following (in millions):

	Sept. 28, 2007	Dec. 31, 2006
Foreign currency translation adjustment	$ 83.6	$ 44.8
Pension adjustments, net of tax	(27.0)	(27.0)
Change in fair value of derivatives, net of tax	(26.9)	(20.2)
Unrealized investment gains, net of tax	8.0	6.4
Adoption of SFAS 158, net of tax	(7.0)	(7.0)
Other	1.5	0.4
Total	$ 32.2	$ (2.6)

Comprehensive income is as follows (in millions):

	Three Fiscal Months Ended		Nine Fiscal Months Ended	
	Sept. 28, 2007	Sept. 29, 2006	Sept. 28, 2007	Sept. 29, 2006
Net income	$ 61.2	$ 37.1	$ 162.0	$ 100.0
Currency translation gain	23.7	1.1	38.8	13.1
Change in fair value of derivatives, net of tax	(13.0)	(6.0)	(6.7)	(1.9)
Unrealized investment gain, net of tax	(0.3)	0.4	1.6	2.6
Comprehensive net income	$ 71.6	$ 32.6	$ 195.7	$ 113.8

12. Share-Based Compensation

General Cable has various plans which provide for granting options and common stock to certain employees and independent directors of the Company and its subsidiaries. On January 1, 2006, the Company adopted Statement of

Financial Accounting Standards No. 123 (Revised 2004), Share-Based Payment (SFAS 123(R)). Therefore, the Company recognizes compensation expense for share-based payments based on the fair value of the awards at the grant date.

The adoption of SFAS 123(R) s fair value method lowered pre-tax income by $0.3 million and $0.1 million, respectively, lowered net income by $0.2 million and $0.1 million, respectively, and lowered basic and diluted earnings per share by $0.01 per share for the three fiscal months ended September 28, 2007 and September 29, 2006, giving effect to the recognition of the Company s compensation cost from stock options as estimated using the Black-Scholes valuation model. Pre-tax income was lowered by $1.4 million and $0.8 million, respectively, net income was lowered by $0.9 million and $0.5 million, respectively, and basic and diluted earnings per share was lowered by $0.02 and $0.01, respectively, for the nine fiscal months ended September 28, 2007 and September 29, 2006. In addition, the Company continued to record compensation expense related to nonvested stock awards as a component of selling, general and administrative expense. The three and nine fiscal

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

months ended September 28, 2007 included $0.0 million and $0.3 million, respectively, of compensation costs related to performance-based nonvested stock awards (as compared to $0.1 million and $1.0 million, respectively, for the three and nine fiscal months ended September 29, 2006) and $0.7 million and $2.9 million, respectively, related to all other nonvested stock awards (as compared to $0.4 million and $2.0 million, respectively, for the three and nine fiscal months ended September 28, 2006). For the three fiscal months ended September 28, 2007 and September 29, 2006, all share-based compensation costs lowered pre-tax earnings by $0.9 million and $0.6 million, respectively, lowered net income by $0.6 million and $0.4 million, respectively, and lowered basic and diluted earnings per share by $0.01 per share and $0.01 per share, respectively. For the nine fiscal months ended September 28, 2007 and September 29, 2006, all share-based compensation costs lowered pre-tax earnings by $4.6 million and $3.9 million, respectively, lowered net income by $2.8 million and $2.5 million, respectively, and lowered basic and diluted earnings per share by $0.05 per share and $0.05 per share, respectively.

The Company also recognized approximately $1.1 million and $3.0 million, respectively, of excess tax benefits on share-based compensation for the three fiscal months ended September 28, 2007 and September 29, 2006 and approximately $10.4 million and $11.4 million, respectively, for the nine fiscal months ended September 28, 2007 and September 29, 2006 in its Condensed Consolidated Statements of Cash Flows as financing cash inflows that would have been classified as operating cash inflows prior to the adoption of SFAS 123(R). The Company has elected the alternative method, as discussed in FASB Staff Position FAS 123(R)-3: Transition Election to Accounting for the Tax Effects of Share-Based Payment Awards, to calculate the pool of excess tax benefits available to absorb tax deficiencies recognized subsequent to the adoption of SFAS 123(R).

No material changes in financial condition and results of operations have occurred from share-based compensation between the current period and the prior comparative periods. Additional information regarding share-based compensation and the Company s share-based compensation plans are available in the Company s 2006 Annual Report on Form 10-K as filed on March 1, 2007.

13. Shipping and Handling Costs

All shipping and handling amounts billed to a customer in a sales transaction are classified as revenue. Shipping and handling costs associated with storage and handling of finished goods and storage and handling of shipments to customers are included in cost of sales and totaled $30.0 million and $28.0 million, respectively, for the three fiscal months ended September 28, 2007 and September 29, 2006 and $85.2 million and $82.4 million, respectively, for the nine fiscal months ended September 28, 2007 and September 29, 2006.

GENERAL CABLE CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

14. Earnings Per Common Share

A reconciliation of the numerator and denominator of earnings per common share basic to earnings per common share assuming dilution is as follows (in millions, except per share data):

	Three Fiscal Months Ended		Nine Fiscal Months Ended	
	Sept. 28, 2007	Sept. 29, 2006	Sept. 28, 2007	Sept. 29, 2006
Earnings per common share basic:				
Net income	$ 61.2	$ 37.1	$ 162.0	$ 100.0
Less: preferred stock dividends	(0.1)	(0.1)	(0.3)	(0.3)
Net income for basic EPS computation [1]	$ 61.1	$ 37.0	$ 161.7	$ 99.7
Weighted average shares outstanding for basic EPS computation [2]	51.3	50.3	51.1	49.8
Earnings per common share basic	$ 1.19	$ 0.74	$ 3.16	$ 2.00
Earnings per common share assuming dilution:				
Net income	$ 61.2	$ 37.1	$ 162.0	$ 100.0
Less: preferred stock dividends, if applicable				
Net income for diluted EPS computation[1]	$ 61.2	$ 37.1	$ 162.0	$ 100.0
Weighted average shares outstanding including nonvested shares	52.3	51.3	52.2	50.8
Dilutive effect of stock options and restricted stock units	0.4	0.8	0.4	0.6
Dilutive effect of convertible notes	1.8		1.1	
Dilutive effect of assumed conversion of preferred stock	0.5	0.5	0.5	0.5
Weighted average shares outstanding for diluted EPS computation[2]	55.0	52.6	54.2	51.9
Earnings per common share assuming dilution	$ 1.11	$ 0.71	$ 2.99	$ 1.93

(1) Numerator

(2) Denominator

Under EITF 04-8, The Effect of Contingently Convertible Instruments on Diluted Earnings Per Share , and EITF 90-19, and because of the Company s obligation to settle the par value of the 0.875% Convertible Notes in cash, the Company is not required to include any shares underlying the 0.875% Convertible Notes in its weighted average shares outstanding assuming dilution until the average stock price per share for the quarter exceeds the $50.36

conversion price of the 0.875% Convertible Notes 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 converted. These conditions had occurred as of September 28, 2007. The average stock price for the quarter was approximately $67.16 per share and was $60.01 for the nine fiscal months ending September 28, 2007. Therefore, approximately 1.8 million shares and 1.1 million shares, respectively, were included in the weighted average shares outstanding assuming dilution as of September 28, 2007. Shares underlying the warrants discussed in Note 7 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, per the guidance in SFAS 128, *Earnings per Share*, will not be included in the weighted average shares outstanding assuming dilution because the impact of the shares will always be anti-dilutive. The condition to include underlying shares related to the warrants had not been met as of September 28, 2007.

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

The following table provides examples of how changes in the Company s stock price will effect the inclusion of shares in the denominator of the weighted average shares outstanding assuming dilution calculation. 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 discussed below:

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 U.S. 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.

15. Segment Information

General Cable has twelve operating segments and eight reportable operating segments: North American Electric Utility, International Electric Utility, North American Portable Power and Control, North American Electrical Infrastructure, International Electrical Infrastructure, Transportation and Industrial Harnesses, Telecommunications and Networking. These segments are strategic business units organized around product categories, and secondarily around geographic considerations, that follow management s internal organization structure.

North American Electric Utility cable products include low-, medium- and high-voltage power distribution and power transmission products and installation for overhead and buried applications. International Electric Utility cable products include low-, medium-, high- and extra-high-voltage power distribution and power transmission products and installation for overhead and buried applications. North American Portable Power and Control cable products include electronic signal, control, sound and security cables, and flexible cords used for temporary power, OEM applications and maintenance and repair. North American Electrical Infrastructure cable products include low- and medium-voltage industrial instrumentation, power and control cables used for power generation, refining and petrochemical applications, natural gas production, factory automation and non-residential industrial construction. International Electrical Infrastructure cable products include maintenance cords and cables, flexible construction cables, and industrial instrumentation, power and control cables used for power generation, mining, refining and petrochemical applications, natural gas production, factory automation and non-residential, industrial and residential construction. Transportation and Industrial Harnesses cable products include automotive wire and cable and application-specific wire harnesses and assemblies. Telecommunications wire and cable products include low-voltage outside plant wire and cable products for aerial, buried and duct applications. Networking products include submarine fiber optic cables and low-voltage network, fiber optic and other information technology cables.

Statement of Financial Accounting Standards No. 131, *Disclosures about Segments of an Enterprise and Related Information* (SFAS 131), establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information of those segments to be presented in interim financial statements. Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions on how to allocate resources and assess performance. Under the criteria of SFAS 131, the Company has twelve operating segments and eight reportable segments. The following table summarizes the relationship between the Company s operating segments and reportable segments:

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

Operating Segments	**Reportable Segments**
North American Utility	North American Electric Utility
European Utility	International Electric Utility
Asia-Pacific Utility	International Electric Utility
Portable Cord & Electronics	North American Portable Power and Control
Industrial Products	North American Electrical Infrastructure
European Industrial & Specialty Cables	International Electrical Infrastructure
Asia-Pacific Industrial & Specialty Cables	International Electrical Infrastructure
Specialty Wire Harnesses	Transportation and Industrial Harnesses
Telecommunications	Telecommunications
Datacom Products	Networking
European Communications	Networking
Asia-Pacific Communications	Networking

The Datacom Products, European Communications, and Asia-Pacific Communications operating segments have been aggregated into the Networking reporting segment based on paragraphs 18, 20 and 21 of SFAS 131 that allow the aggregation of operating segments that do not meet certain quantitative thresholds. The Asia-Pacific Utility and the Asia-Pacific Industrial & Specialty Cables segments have been aggregated with the European Utility and European Industrial & Specialty Cables segments, respectively, based on the overall immateriality of the Asia-Pacific operating segments compared to the consolidated amounts of the reportable segments into which they are aggregated.

Segment net sales represent sales to external customers. Segment operating income (loss), used in management s evaluation of segment performance, represents income before interest income, interest expense, other income (expense), loss on extinguishment of debt or income taxes. Corporate assets included cash, deferred income taxes, certain property, including property held for sale, prepaid expenses and other current and non-current assets. The accounting policies of the operating segments have not changed from those described in the Company s 2006 Annual Report on Form 10-K.

Summarized financial information for the Company s reportable segments for the three fiscal months and nine fiscal months ended September 28, 2007 and September 29, 2006 and as of September 28, 2007 and December 31, 2006 is as follows (in millions).

	Three Fiscal Months Ended	
	Sept. 28, 2007	Sept. 29, 2006
Net sales:		
North American Electric Utility	$ 215.5	$ 200.3
International Electric Utility	222.2	155.7
North American Portable Power and Control	88.1	75.0
North American Electrical Infrastructure	111.3	82.6
International Electrical Infrastructure	271.6	225.3
Transportation and Industrial Harnesses	36.3	28.6
Telecommunications	75.1	95.3
Networking	115.2	85.6
Total net sales	$ 1,135.3	$ 948.4

Three Fiscal Months Ended

	Sept. 28, 2007	Sept. 29, 2006
Operating income:		
North American Electric Utility	$ 19.6	$ 14.9
International Electric Utility	20.8	14.3
North American Portable Power and Control	6.7	6.5
North American Electrical Infrastructure	12.4	4.6
International Electrical Infrastructure	15.3	15.0
Transportation and Industrial Harnesses	4.9	3.9
Telecommunications	3.4	5.1
Networking	9.2	1.5
Total operating income	$ 92.3	$ 65.8

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

	Nine Fiscal Months Ended	
	Sept. 28, 2007	Sept. 29, 2006
Net sales:		
North American Electric Utility	$ 659.9	$ 589.1
International Electric Utility	624.4	426.5
North American Portable Power and Control	256.8	225.6
North American Electrical Infrastructure	307.3	238.6
International Electrical Infrastructure	810.3	656.7
Transportation and Industrial Harnesses	107.1	87.9
Telecommunications	241.1	281.6
Networking	310.1	233.8
Total net sales	$ 3,317.0	$ 2,739.8

	Nine Fiscal Months Ended	
	Sept. 28, 2007	Sept. 29, 2006
Operating income:		
North American Electric Utility	$ 67.0	$ 35.2
International Electric Utility	60.4	37.7
North American Portable Power and Control	17.6	17.0
North American Electrical Infrastructure	30.6	9.2
International Electrical Infrastructure	61.5	42.9
Transportation and Industrial Harnesses	15.2	11.6
Telecommunications	13.7	23.6
Networking	20.4	1.2
Total operating income	$ 286.4	$ 178.4

	As of	
	Sept. 28, 2007	Dec. 31, 2006
Identifiable assets:		
North American Electric Utility	$ 260.0	$ 214.7
International Electric Utility	603.0	436.5
North American Portable Power and Control	146.9	125.4
North American Electrical Infrastructure	141.1	106.3
International Electrical Infrastructure	697.5	505.0
Transportation and Industrial Harnesses	67.9	55.1
Telecommunications	159.9	147.1
Networking	276.8	218.5
Corporate	451.1	410.1

Total assets	$ 2,804.2	$ 2,218.7

16. Commitments and Contingencies

Certain present and former operating sites, or portions thereof, currently or previously owned or leased by current or former operating units of General Cable 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 of General Cable 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 of General Cable is working with the governmental agencies involved and other PRPs to address environmental claims in a responsible and appropriate manner.

At September 28, 2007 and December 31, 2006, General Cable had an accrued liability of approximately $1.9 million and $1.9 million, respectively, for various environmental-related liabilities of which General Cable is aware.

American Premier Underwriters Inc., a former parent of General Cable, agreed to indemnify General Cable against all environmental-related liabilities arising out of General Cable s or its predecessors ownership or operation of the Indiana Steel & Wire Company and Marathon Manufacturing Holdings, Inc. businesses (which were divested by General Cable), without limitation as to time or

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

amount. While it is difficult to estimate future environmental-related liabilities accurately, General Cable 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.

As part of the acquisition of the worldwide energy cable and cable systems business of BICC plc, BICC plc agreed to indemnify General Cable against environmental liabilities existing at the date of the closing of the purchase of the business. The indemnity is for an eight-year period ending in 2007 while General Cable operates the businesses subject to certain sharing of losses (with BICC plc covering 95% of losses in the first three years, 80% in years four and five and 60% in the remaining three years). The indemnity is also subject to the overall indemnity limit of $150 million, which applies to all warranty and indemnity claims in the transaction. In addition, BICC plc assumed responsibility for cleanup of certain specific conditions at several sites operated by General Cable and cleanup is mostly complete at those sites. In the sale of the European businesses to Pirelli in August 2000, the Company generally indemnified Pirelli against any environmental-related liabilities on the same basis as BICC plc indemnified the Company in the earlier acquisition. However, the indemnity the Company received from BICC plc related to the European businesses sold to Pirelli terminated upon the sale of those businesses to Pirelli. At this time, there are no claims outstanding under the general indemnity provided by BICC plc. In addition, the Company generally indemnified Pirelli against other claims relating to the prior operation of the business. Pirelli has asserted claims under this indemnification. The Company is continuing to investigate these claims and believes that the reserves currently included in the Company s balance sheet are adequate to cover any obligation it may have.

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 ends 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.

In addition, Company subsidiaries have been named as defendants in lawsuits alleging exposure to asbestos in products manufactured by the Company. At September 28, 2007, there were approximately 1,272 non-maritime claims and 33,430 maritime asbestos claims outstanding. At September 28, 2007 and December 31, 2006, General Cable had accrued, on a gross basis, approximately $5.3 million and $5.2 million, respectively, and had recorded approximately $0.5 million of insurance recoveries for these lawsuits.

The Company does not believe that the outcome of the litigation will have a material adverse effect on its results of operations, financial position or cash flows.

General Cable 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.

The Company s principal U.S. operating subsidiary has unconditionally guaranteed the payments required to be made to the parties involved in the cross currency and interest rate swap that the Company entered into in 2005. The guarantee continues until the commitment under the swap has been paid in full, including principal plus interest, with the final amount due in November 2007. The maximum exposure under this guarantee was approximately $181.9 million as of September 28, 2007, and the net exposure position was an unfavorable $24.8 million. As of September 28, 2007, no significant liability was recorded on the Company s condensed consolidated balance sheet for this guarantee.

The Company had outstanding letters of credit related to its Amended Credit Facility of approximately $31.4 million as of September 28, 2007 and December 31, 2006. These letters of credit are primarily renewed on an annual basis, and the majority of the amount relates to risks associated with an outstanding industrial revenue bond, with self insurance claims and with defined benefit plan obligations. The Company also had approximately $59.3 million in letters of credit related to Silec to cover risks associated with performance on some of its contracts as of September 28, 2007.

17. Supplemental Guarantor Information

General Cable Corporation and its material U.S. wholly-owned subsidiaries fully and unconditionally guarantee the remaining $4.8 million of the 9.5% Senior Notes due 2010, the $200.0 million of 7.125% Senior Notes due 2017, the $125.0 million of Senior Floating Rate Notes due 2015, and the $355.0 million of 0.875% Convertible Notes due 2013 of General Cable Corporation (the Issuer) on a joint and several basis. The following presents financial information about the Issuer, guarantor

GENERAL CABLE CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)

subsidiaries and non-guarantor subsidiaries in millions. All of the Company s subsidiaries are restricted subsidiaries for purposes of the debt instruments. Intercompany transactions are eliminated.

Condensed Statements of Operations
Three Fiscal Months Ended September 28, 2007

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	$	$ 479.8	$ 655.5	$	$ 1,135.3
Intercompany	13.2			(13.2)	
	13.2	479.8	655.5	(13.2)	1,135.3
Cost of sales		403.0	568.8		971.8
Gross profit	13.2	76.8	86.7	(13.2)	163.5
Selling, general and administrative expenses	10.8	36.0	37.6	(13.2)	71.2
Operating income	2.4	40.8	49.1		92.3
Other income (expense)		0.1	(1.4)		(1.3)
Interest income (expense):					
Interest expense	(7.2)	(14.6)	(3.4)	15.0	(10.2)
Interest income	17.3	0.3	2.5	(15.0)	5.1
	10.1	(14.3)	(0.9)		(5.1)
Income before income taxes	12.5	26.6	46.8		85.9
Income tax provision	(4.5)	(7.7)	(12.5)		(24.7)
Equity in net income of subsidiaries	53.2	34.3		(87.5)	
Net income	61.2	53.2	34.3	(87.5)	61.2
Less: preferred stock dividends	(0.1)				(0.1)
Net income applicable to common shareholders	$ 61.1	$ 53.2	$ 34.3	$ (87.5)	$ 61.1

Condensed Statements of Operations
Nine Fiscal Months Ended September 28, 2007

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	$	$ 1,424.6	$ 1,892.4	$	$ 3,317.0
Intercompany	35.8			(35.8)	
	35.8	1,424.6	1,892.4	(35.8)	3,317.0
Cost of sales		1,192.5	1,628.1		2,820.6

Gross profit	35.8	232.1	264.3	(35.8)	496.4
Selling, general and administrative expenses	33.9	99.5	112.4	(35.8)	210.0
Operating income (loss)	1.9	132.6	151.9		286.4
Other income (expense)		0.1	(2.9)		(2.8)
Interest income (expense):					
Interest expense	(22.8)	(48.3)	(9.3)	50.7	(29.7)
Interest income	56.0	0.9	5.8	(50.7)	12.0
Loss on extinguishment of debt	(25.1)				(25.1)
	8.1	(47.4)	(3.5)		(42.8)
Income (loss) before income taxes	10.0	85.3	145.5		240.8
Income tax (provision) benefit	(3.6)	(29.1)	(46.1)		(78.8)
Equity in net income of subsidiaries	155.6	99.4		(255.0)	
Net income	162.0	155.6	99.4	(255.0)	162.0
Less: preferred stock dividends	(0.3)				(0.3)
Net income applicable to common shareholders	$ 161.7	$ 155.6	$ 99.4	$ (255.0)	$ 161.7

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)
Condensed Statements of Operations
Three Fiscal Months Ended September 29, 2006

		Guarantor	Non-Guarantor		
	Issuer	Subsidiaries	Subsidiaries	Eliminations	Total
Net sales:					
Customers	$	$ 444.3	$ 504.1	$	$ 948.4
Intercompany	11.0			(11.0)	
	11.0	444.3	504.1	(11.0)	948.4
Cost of sales		386.9	439.5		826.4
Gross profit	11.0	57.4	64.6	(11.0)	122.0
Selling, general and administrative expenses	13.8	26.2	27.2	(11.0)	56.2
Operating income	(2.8)	31.2	37.4		65.8
Other income			(0.3)		(0.3)
Interest income (expense):					
Interest expense	(4.8)	(15.9)	(2.0)	14.4	(8.3)
Interest income	13.4	0.2	1.5	(14.4)	0.7
	8.6	(15.7)	(0.5)		(7.6)
Income before income taxes	5.8	15.5	36.6		57.9
Income tax provision	(2.1)	(7.7)	(11.0)		(20.8)
Equity in net income of subsidiaries	33.4	25.6		(59.0)	
Net income	37.1	33.4	25.6	(59.0)	37.1
Less: preferred stock dividends	(0.1)				(0.1)
Net income applicable to common shareholders	$ 37.0	$ 33.4	$ 25.6	$ (59.0)	$ 37.0

Condensed Statements of Operations
Nine Fiscal Months Ended September 29, 2006

		Guarantor	Non-Guarantor		
	Issuer	Subsidiaries	Subsidiaries	Eliminations	Total
Net sales:					
Customers	$	$ 1,299.5	$ 1,440.3	$	$ 2,739.8
Intercompany	36.7			(36.7)	
	36.7	1,299.5	1,440.3	(36.7)	2,739.8
Cost of sales		1,128.5	1,262.2		2,390.7
Gross profit	36.7	171.0	178.1	(36.7)	349.1

Selling, general and administrative expenses	37.8	90.8	78.8	(36.7)	170.7
Operating income	(1.1)	80.2	99.3		178.4
Other income (expense)		(0.1)	0.8		0.7
Interest income (expense):					
Interest expense	(20.0)	(46.4)	(5.5)	41.2	(30.7)
Interest income	38.7	0.5	3.9	(41.2)	1.9
	18.7	(45.9)	(1.6)		(28.8)
Income before income taxes	17.6	34.2	98.5		150.3
Income tax provision	(6.2)	(13.1)	(31.0)		(50.3)
Equity in net income of subsidiaries	88.6	67.5		(156.1)	
Net income	100.0	88.6	67.5	(156.1)	100.0
Less: preferred stock dividends	(0.3)				(0.3)
Net income applicable to common shareholders	$ 99.7	$ 88.6	$ 67.5	$ (156.1)	$ 99.7

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)
Condensed Balance Sheets
September 28, 2007

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	$ 251.7	$ 10.6	$ 217.3	$	$ 479.6
Receivables, net of allowances		271.5	681.1		952.6
Inventories		255.0	386.1		641.1
Deferred income taxes	4.8	95.0	11.5		111.3
Prepaid expenses and other	3.3	30.0	23.6		56.9
Total current assets	259.8	662.1	1,319.6		2,241.5
Property, plant and equipment, net	0.6	161.6	322.4		484.6
Deferred income taxes	5.6	15.3	13.3		34.2
Intercompany accounts	814.3	100.0	109.2	(1,023.5)	
Investment in subsidiaries	288.1	525.6		(813.7)	
Other non-current assets	15.1	23.7	5.1		43.9
Total assets	$ 1,383.5	$ 1,488.3	$ 1,769.6	$ (1,837.2)	$ 2,804.2
Liabilities and Shareholders Equity					
Current liabilities:					
Accounts payable	$	$ 180.8	$ 605.0	$	$ 785.8
Accrued liabilities	18.8	118.6	257.4		394.8
Current portion of long-term debt		0.9	96.5		97.4
Total current liabilities	18.8	300.3	958.9		1,278.0
Long-term debt	684.8	11.7	27.6		724.1
Deferred income taxes		0.9	12.1		13.0
Intercompany accounts	42.8	806.0	174.7	(1,023.5)	
Other liabilities	12.3	81.3	70.7		164.3
Total liabilities	758.7	1,200.2	1,244.0	(1,023.5)	2,179.4
Total shareholders equity	624.8	288.1	525.6	(813.7)	624.8
Total liabilities and shareholders equity	$ 1,383.5	$ 1,488.3	$ 1,769.6	$ (1,837.2)	$ 2,804.2

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)
Condensed Balance Sheets
December 31, 2006

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	$ 197.7	$ 8.8	$ 104.0	$	$ 310.5
Receivables, net of allowances		206.0	517.7		723.7
Inventories		257.6	305.5		563.1
Deferred income taxes	4.8	86.7	12.6		104.1
Prepaid expenses and other	3.5	17.9	11.5		32.9
Total current assets	206.0	577.0	951.3		1,734.3
Property, plant and equipment, net	0.7	163.7	252.3		416.7
Deferred income taxes		16.4	12.4		28.8
Intercompany accounts	798.1	82.4	106.3	(986.8)	
Investment in subsidiaries	124.4	386.8		(511.2)	
Other non-current assets	13.8	20.8	4.3		38.9
Total assets	$ 1,143.0	$ 1,247.1	$ 1,326.6	$ (1,498.0)	$ 2,218.7
Liabilities and Shareholders Equity					
Current liabilities:					
Accounts payable	$	$ 172.4	$ 483.0	$	$ 655.4
Accrued liabilities	17.8	100.2	166.3		284.3
Current portion of long-term debt		1.0	54.5		55.5
Total current liabilities	17.8	273.6	703.8		995.2
Long-term debt	640.0	12.1	33.0		685.1
Deferred income taxes			13.2		13.2
Intercompany accounts	38.5	782.4	165.9	(986.8)	
Other liabilities	12.3	54.6	23.9		90.8
Total liabilities	708.6	1,122.7	939.8	(986.8)	1,784.3
Total shareholders equity	434.4	124.4	386.8	(511.2)	434.4
Total liabilities and shareholders equity	$ 1,143.0	$ 1,247.1	$ 1,326.6	$ (1,498.0)	$ 2,218.7

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)
Condensed Statements of Cash Flows
Nine Fiscal Months Ended September 28, 2007

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash flows of operating activities	$ 11.0	$ 19.9	$ 120.9	$	$ 151.8
Cash flows of investing activities:					
Capital expenditures		(18.4)	(55.5)		(73.9)
Proceeds from properties sold		0.1	0.7		0.8
Proceeds from acquisitions including cash acquired			28.0		28.0
Acquisitions, net of cash acquired			(9.9)		(9.9)
Intercompany accounts	9.7			(9.7)	
Other, net		1.7			1.7
Net cash flows of investing activities	9.7	(16.6)	(36.7)	(9.7)	(53.3)
Cash flows of financing activities:					
Preferred stock dividends paid	(0.3)				(0.3)
Excess tax benefits from stock-based compensation	10.4				10.4
Intercompany accounts		(0.9)	(8.8)	9.7	
Proceeds from revolving credit borrowings					
Repayments of revolving credit borrowings					
Issuance of long-term debt, net of fees and expenses	318.3				318.3
Repayments of long-term debt, including fees and expenses	(300.6)				(300.6)
Proceeds (repayments) of other debt		(0.6)	27.3		26.7
Proceeds from exercise of stock options	5.5				5.5
Net cash flows of financing activities	33.3	(1.5)	18.5	9.7	60.0
Effect of exchange rate changes on cash and cash equivalents			10.6		10.6
Increase (decrease) in cash and cash equivalents	54.0	1.8	113.3		169.1
Cash and cash equivalents beginning of period	197.7	8.8	104.0		310.5
Cash and cash equivalents end of period	$ 251.7	$ 10.6	$ 217.3	$	$ 479.6

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)- (Continued)
Condensed Statements of Cash Flows
Nine Fiscal Months Ended September 29, 2006

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash flows of operating activities	$ 31.7	$ (9.5)	$ 71.9	$	$ 94.1
Cash flows of investing activities:					
Capital expenditures		(11.0)	(35.5)		(46.5)
Acquisitions, net of cash acquired		0.1	0.4		0.5
Proceeds from properties sold			(28.1)		(28.1)
Intercompany accounts	(60.4)			60.4	
Other, net		0.6			0.6
Net cash flows of investing activities	(60.4)	(10.3)	(63.2)	60.4	(73.5)
Cash flows of financing activities:					
Preferred stock dividends paid	(0.3)				(0.3)
Excess tax benefits from stock-based compensation	11.4				11.4
Intercompany accounts		73.2	(12.8)	(60.4)	
Proceeds from revolving credit borrowings		144.5			144.5
Repayments of revolving credit borrowings		(198.3)			(198.3)
Proceeds (repayments) of other debt		(0.6)	11.0		10.4
Proceeds from exercise of stock options	17.7				17.7
Net cash flows of financing activities	28.8	18.8	(1.8)	(60.4)	(14.6)
Effect of exchange rate changes on cash and cash equivalents			2.2		2.2
Increase (decrease) in cash and cash equivalents	0.1	(1.0)	9.1		8.2
Cash and cash equivalents beginning of period		8.5	63.7		72.2
Cash and cash equivalents end of period	$ 0.1	$ 7.5	$ 72.8	$	$ 80.4

18. Subsequent Events

On October 31, 2007, the Company closed its acquisition of the global wire and cable business of Freeport-McMoRan Copper & Gold Inc., which operates as Phelps Dodge International Corporation (PDIC). The purchase price was approximately $711 million. The Company funded the purchase with available cash, proceeds from a Senior Convertible Notes issuance, and borrowings from its secured revolving line of credit. PDIC has manufacturing and distribution facilities around the world and approximately 3,000 employees. For the year ended December 31, 2006, PDIC had revenues of approximately $1.2 billion.

On October 2, 2007, the Company issued $475.0 million in aggregate principal amount of 1.00% Senior Convertible Notes due 2012. This amount included the initial purchaser s exercise of an overallotment option to purchase $60.0 million. The Company received approximately $461.6 million in net proceeds from the sale of the Notes after paying placement agent and other fees. The proceeds from the offering were used to fund a portion of the PDIC purchase price. The Notes were sold to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended.

In addition, the Company increased the borrowing capacity of its senior secured revolving credit facility from $300 million to $400 million, effective October 31, 2007.

On October 9, 2007, General Cable provided notice of its intent to redeem the remaining $4.8 million outstanding principal amount of its 9.5% Senior Notes due 2010.

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 General Cable Corporation 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 these Condensed Consolidated Financial Statements and Notes.

Overview

General Cable is a global leader in the development, design, manufacture, marketing and distribution of copper, aluminum and fiber optic wire and cable products. The Company s operations are divided into eight reportable segments: North American Electric Utility, International Electric Utility, North American Portable Power and Control, North American Electrical Infrastructure, International Electrical Infrastructure, Transportation and Industrial Harnesses, Telecommunications and Networking.

North American Electric Utility cable products include low-, medium- and high-voltage power distribution and power transmission products and installation for overhead and buried applications. International Electric Utility cable products include low-, medium-, high- and extra-high-voltage power distribution and power transmission products and installation for overhead and buried applications. North American Portable Power and Control cable products include electronic signal, control, sound and security cables, and flexible cords used for temporary power, OEM applications and maintenance and repair. North American Electrical Infrastructure cable products include low- and medium-voltage industrial instrumentation, power and control cables used for power generation, refining and petrochemical applications, natural gas production, factory automation, and non-residential industrial construction. International Electrical Infrastructure cable products include maintenance cords and cables, flexible construction cables, and industrial instrumentation, power and control cables used for power generation, mining, refining and petrochemical applications, natural gas production, factory automation and non-residential industrial and residential construction. Transportation and Industrial Harnesses cable products include automotive wire and cable and application-specific wire harnesses and assemblies. Telecommunications wire and cable products include low-voltage outside plant wire and cable products for aerial, buried and duct applications. Networking products include submarine fiber optic cables and low-voltage network, fiber optic and other information technology cables.

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 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 those stated in Item 1A of the Company s 2006 Annual Report on Form 10-K as filed with the SEC on March 1, 2007.

General Cable analyzes its worldwide operations in two geographic groups: 1) North America and 2) International. The following table sets forth net sales and operating income by geographic group for the periods presented, in millions of dollars:

	Three Fiscal Months Ended				Nine Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006		Sept. 28, 2007		Sept. 29, 2006	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales:								
North America	$ 583.3	*51%*	$ 535.8	*56%*	$ 1,743.6	*53%*	$ 1,579.5	*58%*
International	552.0	*49%*	412.6	*44%*	1,573.4	*47%*	1,160.3	*42%*
Total net sales	$ 1,135.3	*100%*	$ 948.4	*100%*	$ 3,317.0	*100%*	$ 2,739.8	*100%*

Operating income:												
North America	$	51.1	*55%*	$	36.4	*55%*	$	155.0	*54%*	$	98.7	*55%*
International		41.2	*45%*		29.4	*45%*		131.4	*46%*		79.7	*45%*
Total operating income	$	92.3	*100%*	$	65.8	*100%*	$	286.4	*100%*	$	178.4	*100%*

General Cable s reported net sales are directly influenced by the price of copper, and to a lesser extent, aluminum. The price of copper and aluminum has historically been subject to volatility and copper prices have, over the past couple of years, been subject to an unprecedented level of volatility. The daily selling price of copper cathode on the COMEX averaged $3.48 per pound in the third quarter of 2007 and $3.54 per pound in the third quarter of 2006 and the daily price of aluminum averaged $1.19 per pound in the third quarter of 2007 and the third quarter of 2006. In the first nine fiscal months of 2007 and 2006, copper cathode on the COMEX averaged $3.21 per pound and $3.06 per pound, respectively, and the daily price of aluminum averaged $1.26 per pound and $1.20 per pound, respectively. These copper and aluminum price fluctuations are representative of both the North American and International markets.

General Cable generally passes changes in copper and aluminum prices along to its customers, although there are timing delays of varying lengths depending upon the volatility of metals prices, the type of product, competitive conditions and particular customer arrangements. 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 written into 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 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. As a result of this and a number of other practices intended to match copper and aluminum purchases with sales, profitability over time has historically not been significantly affected by changes in copper and aluminum prices. General Cable does not engage in speculative metals trading.

The Company has also experienced inflationary pressure on raw materials other than copper and aluminum used in cable manufacturing, such as insulating compounds, steel and wood reels, freight costs and energy costs. The Company has increased selling prices in most of its markets in order to offset the effect of increased raw material prices and other costs. However, the Company s ability to ultimately realize these price increases will be influenced by competitive conditions in its markets, including manufacturing capacity utilization. In addition, a continuing rise in raw material prices, when combined with the normal lag time between an announced customer price increase and its effective date in the market, may result in the Company not fully recovering these increased costs. If the Company were not able to adequately increase selling prices in a period of rising raw material costs, the Company would experience a decrease in reported earnings.

General Cable has experienced and expects to continue to experience certain seasonal trends in sales and cash flow. These seasonal trends have been somewhat mitigated in recent periods by metal price volatility, the Company s geographic and product expansion and reduction in exposure to the telecommunications market, historically one of its most seasonal businesses. Larger amounts of cash are generally required during the first and second quarters of the year to build inventories in anticipation of higher customer demand during the spring and summer months, when construction activity increases. In general, receivables related to higher sales activity during the spring and summer months are collected during the fourth quarter of the year. In addition, the Company s working capital requirements increase during periods of rising raw material costs.

Current Business Environment

The wire and cable industry is competitive, mature and cost driven. In many business segments, there is little differentiation among industry participants from a manufacturing or technology standpoint. During 2006 and continuing into 2007, most of the Company s end markets have demonstrated robust demand. In the past several years, there has been significant merger and acquisition activity which, management believes, has led to a reduction in inefficient, high cost capacity in the industry.

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

Worldwide underlying growth trends in energy and industrial infrastructure markets;

Softness in demand for low-voltage utility products in North America;

Increasing demand for natural resources, such as oil and gas, and alternative energy initiatives; and

Factory utilization increases industry-wide that are driving higher selling prices and margin improvements.

The Company s overall financial results discussed in the following MD&A analyses demonstrate that the diversification of the Company s broad product offering, focus on faster growing energy infrastructure markets and global geographic coverage continue to allow the Company to absorb market weakness in any one segment or region. In the North American Electric Utility segment, the 2003 power outages in the U.S. and Canada, more recent published studies by the North American Electric Reliability Corporation emphasizing the need to upgrade the power transmission infrastructure used by electric utilities, and the passage of energy legislation in the United States in 2005 that was aimed at improving the transmission grid infrastructure and the reliability of power availability have created a strong demand environment for the Company s North American Electric Utility segment products. These developments have led to improvements in North American Electric Utility segment operating margins. While the overall long-term trend in demand for the Company s North American Electric Utility products remains strong, the Company has experienced some demand volatility, especially related to low-voltage and small gauge medium-voltage cable demand within the United States. Demand for these low-voltage utility products is more closely related to new home construction, a market which has weakened. Therefore, the Company expects that over time, growth rates for North American Electric Utility products will be highly variable depending on related product business cycles and the approval and funding cycle times for large utility projects. Housing demand also has some impact on small gauge electrical and telecommunication distribution cables.

In the International Electric Utility segment, the 2003 power outages in Europe emphasized the need to upgrade the power transmission infrastructure used by electric utilities, which has caused an increase in demand for the Company s products. Demand for medium- and high-voltage cable has increased due to the continuing rebuild of the electric utility distribution infrastructure and increasing investments throughout Europe in wind farm electricity generation, including offshore wind farms. In addition, extra-high-voltage underground cable systems continue to experience high demand with lead times often extending beyond one year.

In the North American Portable Power and Control segment, the Company saw strong demand throughout most of 2006 as a direct result of long-term trends such as the turnaround in commercial construction and industrial sector maintenance spending in North America. Demand trended slightly downward in the last months of 2006 through the first quarter of 2007, but has shown a recovery during the second and third quarters of 2007. An improved pricing environment continues to offset the historically high raw material costs and volatility experienced during 2006 and the first nine fiscal months of 2007.

In the North American Electrical Infrastructure segment, sales in North America have been influenced by the level of industrial construction spending. As a result of a turnaround in industrial construction spending, the Company experienced much higher demand for this segment s products throughout 2006, and demand continues to exceed comparative prior periods during the first nine fiscal months of 2007. The North American Electrical Infrastructure segment also experienced high demand for products used in the mining, oil, gas, and petrochemical markets, and the Company expects demand to continue for these products for the remainder of 2007 partly as a result of high oil prices, which influence drilling and coal mining activity and investment in alternatives to oil. In addition, an improved pricing environment continues to offset the historically high raw material costs experienced during 2006 and the first nine fiscal months of 2007.

In the International Electrical Infrastructure segment, sales in Europe and Asia-Pacific have been influenced by the level of residential, non-residential and industrial construction spending. As a result of strength in residential and non-residential construction spending in these regions, particularly in Spain, the Company experienced increased demand for this segment s products throughout 2006. However, demand for residential low-voltage cables and building wire has decreased during the first nine fiscal months of 2007 in the Spanish domestic market and may continue into the next few quarters. The slowdown in construction spending in Spain is being partially offset by a strong construction market in the broader European Union. An improved pricing environment continues to offset the historically high raw material costs in this segment.

In the Transportation and Industrial Harnesses segment, sales of the segment s automotive products are influenced by the general overall health of the economy, ignition wire set complexity and design trends. Sales are often stronger during slower economic times since aftermarket ignition wire sets are used to maintain and lengthen the life of automobiles. In 2006, the Company experienced relatively flat sales demand for its ignition wire sets because of increased competition among retailers in the automotive aftermarket, but sales during the first nine fiscal months of 2007 have trended upward due mainly to an expansion of the Company s customer base for ignition wire sets.

In the Telecommunications segment, over the last several years, demand for outside plant telecommunications cables has experienced a decline from historical levels. Overall demand for Telecommunications products from the Company s traditional Regional Bell Operating Company (RBOC) customers in North America has declined significantly over the last several quarters. Allocation of RBOC capital to fiber-to-the-home initiatives, partially caused by higher copper costs, has reduced both RBOC and distributor purchasing volume in this segment. The Company partially offset the impact of long term declining demand with the 2005 closure of its Bonham, Texas facility which is allowing the Company to better utilize its manufacturing assets. The Company anticipates, based on recent public announcements, further deployment of fiber optic products into the telephone network. Increased spending by the telephone companies on fiber deployment negatively impacts their purchases of the Company s copper based telecommunications cable products. The negative impact on the purchase of copper based products has been somewhat mitigated in that the Company believes it has benefited from the further investment in fiber broadband networks as some of its customers have upgraded a portion of their copper network to support the fiber network.

In the Networking segment, during 2006 and the first nine fiscal months of 2007, sales volume has remained strong when compared to the low points of demand experienced earlier in the decade. The Company has benefited from the 2005 integration of its Dayville, Connecticut facility into the Franklin, Massachusetts facility acquired in March 2005, which is allowing the Company to better utilize its Networking manufacturing assets. During 2006 and the first nine fiscal months of 2007, the Company experienced significant improvements in market prices and an improved product mix driven by high-bandwidth data networking cables.

In addition to the operating trends discussed in the previous paragraphs, the Company anticipates that the following trends may affect the financial results of the Company during the remainder of 2007. The impact of continued high raw materials costs, including metals and insulating materials, and freight and energy costs has increased the Company s working capital requirements. Copper and aluminum prices continue to stay high as compared to historical prices and continue to be volatile. The Company expects both copper and aluminum supplies to continue to be tight globally mainly due to increased demand from emerging economies such as China and India and due to refining industry and mining labor issues. In the fourth quarter of 2006, the Company issued $355.0 million of Convertible Notes with a 0.875% fixed interest rate and used the proceeds to pay down its floating rate, LIBOR-based Amended Credit Facility while investing the excess cash. The Company also redeemed $280.2 million of its $285.0 million of 9.5% Senior Notes outstanding in the United States with a fixed interest rate of 9.5% and issued $200.0 million of fixed-rate 7.125% Senior Notes and $125.0 million of Senior Floating Rate Notes with interest payable at an annual rate equal to the 3-month LIBOR rate plus 2.375%. The Company expects these capital structure changes will allow it to maintain a lower average interest rate on outstanding debt when compared to prior years.

General Cable believes its investment in Lean Six Sigma (Lean) training, coupled with effectively utilized manufacturing assets, provides a cost advantage compared to many of its competitors and generates cost savings which help offset high raw material prices and other high general economic costs over time. In addition, General Cable s customer and supplier integration capabilities, one-stop selling and geographic and product balance are sources of competitive advantage. As a result, the Company believes it is well positioned, relative to many of its competitors, in the current business environment.

Acquisitions and Divestitures

General Cable actively seeks to identify key trends in the industry to migrate its business to capitalize on expanding markets and new niche markets or exit declining or non-strategic markets in order to achieve better returns. In that regard, the Company continues to explore ways to expand its global footprint in infrastructure and specialty cables in the developing and developed world through internal growth, joint venture, or acquisition. The Company also sets aggressive performance targets for its businesses and intends to refocus or divest those activities which fail to meet targets or do not fit long-term strategies.

On April 30, 2007, the Company acquired Norddeutsche Seekabelwerke GmbH & Co. KG (NSW), located in Nordenham, Germany from Corning Incorporated. As a result of the transaction, the Company assumed liabilities in excess of the assets acquired, including approximately $41.9 million of pension liabilities (based on prevailing exchange rates at April 30, 2007). The Company recorded initial proceeds of $17.0 million, net of $0.8 million fees and expanses, which included $12.3 million of cash acquired and $5.5 million for settlement of accounts receivable. In the third quarter of 2007, the Company received $11.0 million as a final settlement of the transaction.

A preliminary purchase price allocation based on the estimated fair values, or other measurements as applicable, of the assets acquired and the liabilities assumed at the date of acquisition is as follows (in millions at the prevailing exchange rate at April 30, 2007):

	As of April 30, 2007
Cash	$ 12.3
Accounts receivable	27.3
Inventories	27.4
Property, plant and equipment	0.9
Other current and noncurrent assets	1.6
Total assets	$ 69.5

Current liabilities	$	38.2
Other liabilities		0.4
Pension liabilities		41.9
Total liabilities	$	80.5

The Company has not yet finalized portions of the purchase price allocation, including external valuations, and certain closing settlement adjustments in establishing the acquisition opening balance sheet. These valuations are expected to be completed by the end of the second quarter of 2008, and may result in changes to the value assigned above to property, plant and equipment and result in the recognition of intangible assets.

NSW had revenues of approximately $120 million in 2006 (based on 2006 average exchange rates) and has approximately 400 employees. NSW offers complete solutions for submarine cable systems including manufacturing, engineering, seabed mapping, project management, and installation for the offshore communications, energy exploration, transmission, distribution, and alternative energy markets. Pro forma results of the NSW acquisition are not material.

On April 17, 2007, the Company formed a joint venture, Navratna Energy Cable Private Limited (Navratna Energy) with the Plaza Cable Group headquartered in New Delhi, India. The Company holds a majority interest in the joint venture, which was established in order to manufacture low and medium voltage energy cables for the Indian market. Pro forma results of the formation of the joint venture are not material.

On February 16, 2007, the Company completed the acquisition of Jiangyin Huaming Specialty Cable Co. Ltd., a manufacturer of specialty automotive and industrial cable products located in Jiangsu province, China. The new subsidiary, General Cable Jiangyin Co. Ltd. (Jiangyin), with annual revenues of approximately $12 million (based on 2006 average exchange rates), employs approximately 200 associates. Pro forma results of the Jiangyin acquisition are not material.

On August 31, 2006, the Company completed the acquisition of E.C.N. Cable Group, S.L. (ECN Cable) for a final purchase price of $13.2 million in cash and the assumption of $38.6 million in ECN Cable debt (at prevailing exchange rates during the period), including fees and expenses and net of cash acquired. ECN Cable is based in Bilbao, Spain and employs approximately 200 associates. In 2005, the last full year prior to acquisition, ECN Cable reported global sales of approximately $71.5 million (based on 2005 average exchange rates) mostly on sales of aluminum aerial high-voltage cables, low- and medium-voltage insulated power cables and bimetallic products used in electric transmission and communications. Pro forma results of the ECN Cable acquisition are not material.

The results of operations of the acquired businesses discussed above have been included in the consolidated financial statements since the respective dates of acquisition.

Critical Accounting Policies and Estimates

During the nine fiscal months ended September 28, 2007, the Company did not change any of its existing critical accounting policies with the exception of adopting FASB Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes, into the Company s income tax policy. FIN 48 requires significant judgment in evaluating and estimating the outcome of tax positions and tax benefits. Tax benefits recognized under FIN 48 may require periodic adjustment and may not accurately anticipate actual outcomes of uncertain tax positions. Changes in judgment regarding the recognition or measurement of tax benefits could materially affect the income tax provision and consequently, our operating results. The financial effects of the adoption of Interpretation 48 are discussed below and in Note 9. In addition, (i) no existing accounting policies became critical accounting policies during the period because of an increase in materiality or changes in circumstances and (ii) there were no significant changes in the manner in which critical accounting policies were applied or in which related judgments and estimates were developed, except for the effects of adopting FIN 48.

New Accounting Standards

In May 2007, FASB Staff Position (FSP) FIN 48-1, *Definition of Settlement in FASB Interpretation No. 48*, was issued. FSP FIN 48-1 provides guidance on how to determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits. FSP FIN 48-1 is effective retroactively to January 1, 2007. The implementation of this standard did not have a material impact on the Company s consolidated financial position, results of operations and cash flows.

In February 2007, SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115*, was issued. This statement provides companies an irrevocable option to carry the majority of financial assets and liabilities at fair value, with changes in fair value recorded in earnings. The election of the fair value option is applied on an instrument-by-instrument basis to entire financial assets and liabilities that are individually transferable in their current form. The statement will require extensive disclosures, including reporting assets and liabilities that are measured at fair value separately on the face of the balance sheet. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of adopting SFAS No. 159 on its consolidated financial position, results of operations and cash flows.

In September 2006, SFAS No. 157, *Fair Value Measurements*, was issued. This statement provides a new definition of fair value that serves to replace and unify old fair value definitions so that consistency on the definition is achieved, and the definition acts as a modification of the current accounting presumption that a transaction price of an asset or liability equals its initial fair value. The statement also provides a fair value hierarchy used to classify source information used in fair value measurements that places higher importance on market based sources. New disclosures of assets and liabilities measured at fair value based on their level in the fair value hierarchy are required by this statement. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of adopting SFAS No. 157 on its consolidated financial position, results of operations and cash flows.

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				Nine Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006		Sept. 28, 2007		Sept. 29, 2006	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	$1,135.3	*100.0%*	$948.4	*100.0%*	$3,317.0	*100.0%*	$2,739.8	*100.0%*
Cost of sales	971.8	*85.6%*	826.4	*87.1%*	2,820.6	*85.0%*	2,390.7	*87.3%*
Gross profit	163.5	*14.4%*	122.0	*12.9%*	496.4	*15.0%*	349.1	*12.7%*
Selling, general and administrative expenses	71.2	*6.3%*	56.2	*5.9%*	210.0	*6.3%*	170.7	*6.2%*
Operating income	92.3	*8.1%*	65.8	*6.9%*	286.4	*8.6%*	178.4	*6.5%*
Other income (expense)	(1.3)	*(0.1)%*	(0.3)	*%*	(2.8)	*(0.1)%*	0.7	*-%*
Interest expense, net	(5.1)	*(0.4)%*	(7.6)	*(0.8)%*	(17.7)	*(0.5)%*	(28.8)	*(1.1)%*
Loss on extinguishment of debt		*%*		*%*	(25.1)	*(0.8)%*		*-%*
Income before income taxes	85.9	*7.6%*	57.9	*6.1%*	240.8	*7.3%*	150.3	*5.5%*
Income tax provision	(24.7)	*(2.2)%*	(20.8)	*(2.2)%*	(78.8)	*(2.4)%*	(50.3)	*(1.8)%*
Net income	61.2	*5.4%*	37.1	*3.9%*	162.0	*4.9%*	100.0	*3.6%*
Less: preferred stock dividends	(0.1)	*%*	(0.1)	*%*	(0.3)	*%*	(0.3)	*-%*
Net income applicable to common shareholders	$ 61.1	*5.4%*	$ 37.0	*3.9%*	$ 161.7	*4.9%*	$ 99.7	*3.6%*

Three Fiscal Months Ended September 28, 2007 Compared with Three Fiscal Months Ended September 29, 2006

The net income applicable to common shareholders was $61.1 million in the third quarter of 2007 compared to net income applicable to common shareholders of $37.0 million in the third quarter of 2006. The net income applicable to common shareholders for the third quarter of 2007 included a $0.1 million dividend on preferred stock, a $2.4 million pre-tax LIFO liquidation gain and a decrease in the effective tax rate to 28.8% from 35.9% for the three fiscal months ended September 29, 2006. The net income applicable to common shareholders for the third quarter of 2006 included a $0.1 million dividend on preferred stock.

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 third quarter of 2006 have been adjusted to reflect the 2007 copper COMEX average price of $3.48 per pound (a $0.06 decrease compared to the same period in 2006) and the aluminum rod average price of $1.19 per pound (which represented no change compared to the same period in 2006). Metal-adjusted net sales, a non-GAAP financial measure, is provided herein in order to eliminate an estimate of metal price volatility from the comparison of revenues from one period to another. See previous discussion of metal price volatility in the Overview section.

	Net Sales			
	Three Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006	
	Amount	%	Amount	%
North American Electric Utility	$ 215.5	*19%*	$ 200.3	*21%*
International Electric Utility	222.2	*20%*	155.7	*16%*
North American Portable Power and Control	88.1	*8%*	75.0	*8%*
North American Electrical Infrastructure	111.3	*10%*	82.6	*9%*
International Electrical Infrastructure	271.6	*24%*	225.3	*24%*
Transportation and Industrial Harnesses	36.3	*3%*	28.6	*3%*
Telecommunications	75.1	*6%*	95.3	*10%*
Networking	115.2	*10%*	85.6	*9%*
Total net sales	$ 1,135.3	*100%*	$ 948.4	*100%*

	Metal-Adjusted Net Sales			
	Three Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006	
	Amount	%	Amount	%
North American Electric Utility	$ 215.5	*19%*	$ 200.0	*21%*
International Electric Utility	222.2	*20%*	156.0	*16%*
North American Portable Power and Control	88.1	*8%*	74.2	*8%*
North American Electrical Infrastructure	111.3	*10%*	81.6	*9%*
International Electrical Infrastructure	271.6	*24%*	222.2	*24%*
Transportation and Industrial Harnesses	36.3	*3%*	28.6	*3%*
Telecommunications	75.1	*6%*	93.7	*10%*
Networking	115.2	*10%*	85.0	*9%*
Total metal-adjusted net sales	$ 1,135.3	*100%*	$ 941.3	*100%*
Metal adjustment			7.1	
Total net sales	$ 1,135.3		$ 948.4	

	Metal Pounds Sold			
	Three Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006	
	Pounds	%	Pounds	%

North American Electric Utility	52.8	*28%*	54.7	*30%*
International Electric Utility	49.5	*26%*	32.2	*18%*
North American Portable Power and Control	12.5	*7%*	10.2	*6%*
North American Electrical Infrastructure	16.1	*8%*	12.8	*7%*
International Electrical Infrastructure	36.7	*19%*	40.9	*23%*
Transportation and Industrial Harnesses	0.2		0.3	-
Telecommunications	15.6	*8%*	20.3	*11%*
Networking	8.3	*4%*	9.0	*5%*
Total metal pounds sold	191.7	*100%*	180.4	*100%*

Net sales increased 20% to $1,135.3 million in the third quarter of 2007 from $948.4 million in the third quarter of 2006. After adjusting 2006 net sales to reflect the $0.06 decrease in the average monthly COMEX price per pound of copper in 2007, net sales increased 21% to $1,135.3 million, up from $941.3 million in 2006. The net sales increase included $80.3 million of incremental sales attributable to acquisitions and a favorable impact of foreign currency exchange rate changes of $41.7 million. Increases in selling price and product mix changes increased net sales by approximately 9% as compared to the prior period. Metal pounds sold increased to 191.7 million pounds as compared to 180.4 million pounds in the third quarter of 2006. Excluding the impact of acquisitions, metal pounds sold decreased by 2.3 million pounds, or 1%, as compared to the same period in 2006. The slight decline in metal pounds sold is principally a result of declines in demand for copper intensive telecommunications cables in North America as well as lower demand for construction cables in Spain. Metal pounds sold is provided herein as this metric provides an additional measure of sales volume that is not impacted by metal prices or foreign currency exchange rate changes.

The increase in metal-adjusted net sales reflects an 8% increase in the North American Electric Utility segment, a 42% increase in the International Electric Utility segment, a 19% increase in the North American Portable Power and Control segment, a 36% increase in the North American Electrical Infrastructure segment, a 22% increase in the International Electrical Infrastructure segment, a 27% increase in the Transportation and Industrial Harnesses segment and a 36% increase in the Networking segment. Partially offsetting these net sales increases was a 20% decrease in the Telecommunications segment.

The 8%, or $15.5 million, increase in metal-adjusted net sales for the North American Electric Utility segment included a decrease in volume of approximately 4%, or $7 million, as compared to the third quarter of 2006. The decrease in volume was due mostly to a reduction in demand for low-voltage and small gauge size cables. Demand for these types of cable are primarily linked to new home construction activity, which continues to be weak. This decrease in volume was partially offset by strong demand for ice resistant bare overhead distribution products in the United States and an increase in demand for transmission cables. A $4.8 million favorable impact from changes in foreign currency exchange rates, primarily between the U.S. and Canadian currencies, was included in the change in metal-adjusted net sales as well. The increase also reflects selling price increases in excess of higher metals costs experienced in the third quarter of 2007 and product mix changes of approximately $18 million. The Company expects that over time, growth rates for these products will be highly variable depending on related product business cycles and the approval and funding cycle times for large utility projects.

The 42%, or $66.2 million, increase in metal-adjusted net sales for the International Electric Utility segment reflects an increase in volume of approximately 14%, or $22 million, as compared to the third quarter of 2006. The increase represented continued demand for medium- and high-voltage cables in Europe to upgrade the electricity grid. Extra-high-voltage underground systems experienced continued demand growth as well, and approximately $36.6 million of growth was attributable to acquisitions. A $13.4 million favorable impact from changes in foreign currency exchange rates, primarily between the U.S. dollar and the Euro, also contributed to the metal-adjusted net sales increase. The net sales increase was partially offset by approximately $6 million from selling price and product mix changes.

The 19%, or $13.9 million, increase in metal-adjusted net sales for the North American Portable Power and Control segment reflects an increase in volume of approximately 23%, or $17 million. Demand for commercial construction and maintenance-related products, such as cord products, was strong. Changes in selling price and product mix offset the volume increase by approximately $4 million.

The 36%, or $29.7 million, increase in metal-adjusted net sales for the North American Electrical Infrastructure segment reflects an increase in volume of approximately 26% or $21 million. Continued strong end-market demand for products used in the mining, oil, gas, and petrochemical markets, particularly oil and gas exploration, was experienced. The Company expects this trend to continue throughout 2007 partly as a result of higher oil prices which increases activity related to energy exploration. The North American Electrical Infrastructure segment net sales benefited from selling price increases in excess of higher metals costs experienced during the third quarter of 2007 and from product mix changes totaling approximately $9 million.

The 22%, or $49.4 million, increase in the metal-adjusted net sales for the International Electrical Infrastructure segment included a decrease in volume of approximately 12% or $27 million, as compared to the third quarter of 2006. This decrease primarily reflects reduced demand for low-voltage products and building wire in the Spanish domestic construction market. The decrease in volume was partially offset by strong construction markets elsewhere in the European Union and by approximately $15.1 million of growth attributable to acquisitions. An $18.8 million favorable impact from changes in foreign currency exchange rates, primarily between the U.S. dollar and the Euro, contributed to the metal-adjusted net sales increase. Selling price increases in excess of higher metals costs experienced during the third quarter of 2007 and product mix changes contributed approximately $43 million to the increase in metal-adjusted net sales.

The 27%, or $7.7 million, increase in the metal-adjusted net sales for the Transportation and Industrial Harnesses segment reflects an increase in demand due mainly to an expansion of the Company s customer base for its ignition wire sets.

The 20%, or $18.6 million, decrease in the metal-adjusted net sales for the Telecommunications segment reflects a decrease in volume of approximately 23%, or $22 million, as compared to the third quarter of 2006. Selling price increases in excess of higher metals costs experienced during the third quarter of 2007 and product mix factors partially offset the decrease by approximately $3 million. The decrease in metal-adjusted net sales continues to reflect an overall decrease in demand for outside plant telecommunications cable from the Regional Bell Operating Companies (RBOCs) and a decrease in demand from the distributor market. Demand trends from the RBOCs continue to be dependent on the selected strategy of their broadband rollout. Those favoring a copper/fiber hybrid model have been showing flat to marginally down demand, while those taking a fiber-to-the-home strategy continue to show weakness in demand for copper products. Demand trends are currently being affected by high copper prices, which make alternatives to copper-based cable and wire comparatively more affordable.

The 36%, or $30.2 million, increase in the metal-adjusted net sales for the Networking segment is primarily due to the impact of acquired businesses, approximately $28.6 million, and a $3.9 million favorable impact from changes in foreign currency exchange rates. A mix shift towards higher value added cables has resulted in an increase in metal-adjusted net sales in North America and lower metal pounds sold. Selling prices in North America were higher in the third quarter of 2007 compared to 2006, offsetting slight volume declines in Europe.

Gross Profit

Gross profit increased to $163.5 million in the third quarter of 2007 from $122.0 million in the third quarter of 2006. Gross profit as a percentage of metal-adjusted net sales was 14.4% for the three fiscal months ended September 28, 2007 and was 13.0% for the three fiscal months ended September 29, 2006. The improved profit margin on metal-adjusted net sales is the result of increased selling prices, primarily to recover raw material costs, product mix changes, higher demand for the Company s global electric utility products, and improved efficiency as a result of Lean manufacturing initiatives.

Selling, General and Administrative Expense

Selling, general and administrative expense increased to $71.2 million in the third quarter of 2007 from $56.2 million in the third quarter of 2006. The increase in SG&A was primarily related to incremental SG&A costs within acquired businesses and strategic employee additions throughout the Company in order to support the Company s growth initiatives and increased process capability. Reported SG&A was 6.3% of net sales in the third quarter of 2007, up from 6.0% of metal-adjusted net sales in the third quarter of 2006.

Operating Income

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

	Operating Income			
	Three Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006	
	Amount	%	Amount	%
North American Electric Utility	$ 19.6	*21%*	$ 14.9	*22%*
International Electric Utility	20.8	*23%*	14.3	*22%*
North American Portable Power and Control	6.7	*7%*	6.5	*10%*
North American Electrical Infrastructure	12.4	*13%*	4.6	*7%*
International Electrical Infrastructure	15.3	*17%*	15.0	*23%*
Transportation and Industrial Harnesses	4.9	*5%*	3.9	*6%*
Telecommunications	3.4	*4%*	5.1	*8%*
Networking	9.2	*10%*	1.5	*2%*
Total operating income	$ 92.3	*100%*	$ 65.8	*100%*

Operating income of $92.3 million for the third quarter of 2007 increased from $65.8 million in the third quarter of 2006. This increase is primarily the result of higher demand for the Company s global electric utility products, increased selling prices to recover raw material costs, product mix factors, $3.6 million due to the impact of foreign currency exchange rate changes and ongoing Lean manufacturing cost containment and efficiency efforts.

As compared to the third quarter of 2006, International Electric Utility operating income benefited from an increase in sales volume of approximately 14%. North American Electric Utility experienced selling price increases in excess of higher metals costs and also experienced product mix changes that contributed favorably to operating income as compared to the third quarter of 2006. Both segments benefited from continuing implementation of Lean Six Sigma cost saving initiatives.

The operating income of the North American Portable Power and Control and North American Electrical Infrastructure segments, as compared to the third quarter of 2006, benefited from selling price increases in excess of higher metals costs and favorable product mix changes. North American Portable Power and Control products, led by cord products, experienced an increase in demand, while the North American Electrical Infrastructure segment saw demand for products used in mining, oil, gas, and petrochemical applications continue to rise. The North American Electrical Infrastructure segment further benefited from a reduction in costs as a result of continued efficiency gains that were obtained through the implementation of Lean Six Sigma manufacturing cost containment efforts.

International Electrical Infrastructure operating income, as compared to the third quarter of 2006, increased due to selling price increases in excess of higher metals costs and positive product mix changes. Efficient manufacturing and high utilization rates helped to improve manufacturing productivity. Transportation and Industrial Harnesses operating income increased due to increases in the sales volume of ignition wire sets for the automotive aftermarket.

Telecommunications operating income decreased by 33% mainly due to decreases in sales volume and lower manufacturing activity. The Networking segment s operating profit showed improvement, as compared to the third quarter of 2006, due to selling price increases in excess of higher metals costs, improving product mix favoring high-bandwidth data networking cables and positive results from continuing Lean Six Sigma cost saving initiatives.

Other Income (Expense)

Other income (expense) was $(1.3) million in the third quarter of 2007 as compared to $(0.3) million in the third quarter of 2006. The other income amount is comprised of foreign currency transaction gains (losses) which resulted from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated.

Interest Expense

Net interest expense decreased to $5.1 million in the third quarter of 2007 from $7.6 million in the third quarter of 2006. The decrease in interest expense is due to interest savings from the November 2006 pay down of the Company s outstanding balance on its floating-rate Amended Credit Facility with the proceeds from its fixed-rate 0.875% Convertible Notes and lower interest rates resulting from the March 2007 Senior Notes refinancing. Additionally, the decrease in net interest expense is a result of increased interest income from investments of the Company s excess cash. The decrease in net interest expense was partially offset by higher average debt levels as compared to the third quarter of 2006.

Tax Provision

The Company s effective tax rate for the third quarter of 2007 and 2006 was 28.8% and 35.9%, respectively.

The decrease in the third quarter 2007 effective tax rate as compared to third quarter 2006 was mainly driven by the decrease in the forecasted full year effective tax rate relative to second quarter 2007 resulting from the relative increase in income earned in lower tax jurisdictions and tax planning initiatives, as well as tax provision true-ups and other discrete tax provision items.

Preferred Stock Dividends

The Company accrued and paid $0.1 million in dividends on its preferred stock in the third quarter of 2007 and 2006.

Nine Fiscal Months Ended September 28, 2007 Compared with Nine Fiscal Months Ended September 29, 2006

The net income applicable to common shareholders was $161.7 million in the first nine fiscal months of 2007 compared to net income applicable to common shareholders of $99.7 million in the first nine fiscal months of 2006. The net income applicable to common shareholders for the first nine fiscal months of 2007 included a $0.3 million dividend on preferred stock, a pre-tax $2.4 million LIFO liquidation gain, a benefit of $5.7 million due to a state deferred tax valuation allowance release, a decrease in the effective tax rate to 32.7% from 33.5% and a pre-tax $25.1 million loss on extinguishment of debt related to the tender offer on our $285 million 9.5% Senior Notes. The net income applicable to common shareholders for the first nine fiscal months of 2006 included a $0.3 million dividend on preferred stock, a benefit of $3.7 million due to a state deferred tax valuation allowance release, and a $1.0 million charge to settle a patent dispute with a competitor.

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 nine fiscal months of 2006 have been adjusted to reflect the 2007 copper COMEX average price of $3.21 per pound (a $0.15 increase compared to the same period in 2006) and the aluminum rod average price of $1.26 per pound (a $0.06 increase compared to the same period in 2006). Metal-adjusted net sales, a non-GAAP financial measure, is provided herein in order to eliminate an estimate of metal price volatility from the comparison of revenues from one period to another. See previous discussion of metal price volatility in the Overview section.

	Net Sales			
	Nine Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006	
	Amount	%	Amount	%
North American Electric Utility	$ 659.9	*20%*	$ 589.1	*22%*
International Electric Utility	624.4	*19%*	426.5	*16%*
North American Portable Power and Control	256.8	*8%*	225.6	*8%*
North American Electrical Infrastructure	307.3	*9%*	238.6	*9%*
International Electrical Infrastructure	810.3	*25%*	656.7	*24%*
Transportation and Industrial Harnesses	107.1	*3%*	87.9	*3%*
Telecommunications	241.1	*7%*	281.6	*10%*
Networking	310.1	*9%*	233.8	*8%*
Total net sales	$ 3,317.0	*100%*	$ 2,739.8	*100%*

	Metal-Adjusted Net Sales			
	Nine Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006	
	Amount	%	Amount	%
North American Electric Utility	$ 659.9	*20%*	$ 608.5	*22%*
International Electric Utility	624.4	*19%*	436.4	*16%*
North American Portable Power and Control	256.8	*8%*	230.9	*8%*
North American Electrical Infrastructure	307.3	*9%*	245.2	*9%*
International Electrical Infrastructure	810.3	*25%*	680.9	*24%*
Transportation and Industrial Harnesses	107.1	*3%*	88.0	*3%*
Telecommunications	241.1	*7%*	291.7	*10%*
Networking	310.1	*9%*	238.1	*8%*
Total metal-adjusted net sales	$ 3,317.0	*100%*	$ 2,819.7	*100%*
Metal adjustment			(79.9)	
Total net sales	$ 3,317.0		$ 2,739.8	

	Metal Pounds Sold			
	Nine Fiscal Months Ended			
	Sept. 28, 2007		Sept. 29, 2006	
	Pounds	%	Pounds	%

North American Electric Utility	172.6	*29%*	175.8	*30%*
International Electric Utility	146.9	*25%*	99.8	*17%*
North American Portable Power and Control	37.6	*6%*	35.0	*6%*
North American Electrical Infrastructure	46.4	*8%*	41.8	*7%*
International Electrical Infrastructure	120.8	*20%*	146.2	*24%*
Transportation and Industrial Harnesses	0.7		0.8	-
Telecommunications	47.7	*8%*	66.3	*11%*
Networking	25.4	*4%*	28.8	*5%*
Total metal pounds sold	598.1	*100%*	594.5	*100%*

Net sales increased 21% to $3,317.0 million in the first nine fiscal months of 2007 from $2,739.8 million in the first nine fiscal months of 2006. After adjusting 2006 net sales to reflect the $0.15 increase in the average monthly COMEX price per pound of copper and the $0.06 increase in the average aluminum rod price per pound in 2007, net sales increased 18% to $3,317.0 million, up from $2,819.7 million in 2006. The net sales increase included $164.7 million of incremental sales attributable to acquisitions and a favorable impact of foreign currency exchange rate changes of $104.4 million. Increases in selling price and product mix changes increased net sales by approximately 14% as compared to the prior period. Metal pounds sold increased to 598.1 million pounds as compared to 594.5 million pounds in the first nine fiscal months of 2006. Excluding the impact of acquisitions, metal pounds sold decreased by 33.9 million pounds, or 6%, as compared to the same period in 2006. The decline in metal pounds sold is principally a result of declines in demand for copper intensive telecommunications cables in North America as well as lower demand for construction cables in Spain. Metal pounds sold is provided herein as this metric provides an additional measure of sales volume that is not impacted by metal prices or foreign currency exchange rate changes.

The increase in metal-adjusted net sales reflects an 8% increase in the North American Electric Utility segment, a 43% increase in the International Electric Utility segment, an 11% increase in the North American Portable Power and Control segment, a 25% increase in the North American Electrical Infrastructure segment, a 19% increase in the International Electrical Infrastructure segment, a 22% increase in the Transportation and Industrial Harnesses segment and a 30% increase in the Networking segment. Partially offsetting these net sales increases was a 17% decrease in the Telecommunications segment.

The 8%, or $51.4 million, increase in metal-adjusted net sales for the North American Electric Utility segment included a decrease in volume of approximately 2%, or $11 million, as compared to the first nine fiscal months of 2006. The decrease in volume was mostly due to a reduction in demand for low-voltage and small gauge size cables primarily driven by weakness in new home construction. This decrease in volume was partially offset by strong demand for ice resistant bare overhead distribution products in the United States. A $5.4 million favorable impact from changes in foreign currency exchange rates, primarily between the U.S. and Canadian currencies, was included in the change in metal-adjusted net sales as well. The net sales increase also reflects selling price increases in excess of higher metals costs experienced in the first nine fiscal months of 2007 and product mix changes of approximately $57 million. The Company expects that over time, growth rates for these products will be highly variable depending on related product business cycles and the approval and funding cycle times for large utility projects.

The 43%, or $188.0 million, increase in metal-adjusted net sales for the International Electric Utility segment reflects an increase in volume of approximately 12% or $51 million, as compared to the first nine fiscal months of 2006. The increase in demand represented continued demand for medium- and high-voltage cables in Europe to upgrade the electricity grid. Extra-high-voltage underground systems experienced continued demand growth as well, and approximately $93.2 million of growth was attributable to acquisitions. A $35.9 million favorable impact from changes in foreign currency exchange rates, primarily between the U.S. dollar and the Euro, also contributed to the metal-adjusted net sales increase. The net sales increase reflects approximately $8 million from selling price increases and product mix changes.

The 11%, or $25.9 million, increase in metal-adjusted net sales for the North American Portable Power and Control segment reflects an increase in volume of approximately 7%, or $17 million. Selling price increases in excess of higher metals costs experienced during the first nine fiscal months of 2007 and product mix changes contributed approximately $8 million to the increase in metal-adjusted net sales.

The 25%, or $62.1 million, increase in metal-adjusted net sales for the North American Electrical Infrastructure segment reflects an increase in volume of approximately $27 million or 11%. Increasing end-market demand for products used in mining, oil, gas, and petrochemical cable applications was experienced. The Company expects this trend to continue throughout 2007 partly as a result of higher oil prices which increases activity related to energy exploration. The North American Electrical Infrastructure segment benefited from selling price increases in excess of higher metals costs experienced during the first nine fiscal months of 2007 and from product mix changes totaling approximately $35 million.

The 19%, or $129.4 million, increase in the metal-adjusted net sales for the International Electrical Infrastructure segment included a decrease in volume of approximately 18% or $125 million, as compared to the first nine fiscal months of 2006. This volume decrease reflects reduced demand for low-voltage products and building wire in the Spanish domestic construction market. However, the decrease in volume was partially offset by strong construction markets elsewhere in the European Union and also by approximately $29.4 million of growth attributable to acquisitions. A $54.6 million favorable impact from changes in foreign currency exchange rates, primarily between the U.S. dollar and the Euro, contributed to the metal-adjusted net sales increase. Selling price increases in excess of higher metals costs experienced during the first nine fiscal months of 2007 and product mix changes contributed approximately $170 million to the increase in metal-adjusted net sales.

The 22%, or $19.1 million, increase in the metal-adjusted net sales for the Transportation and Industrial Harnesses segment reflects an increase in demand due mainly to an expansion of the Company s customer base for its ignition wire sets.

The 17%, or $50.6 million, decrease in the metal-adjusted net sales for the Telecommunications segment reflects a decrease in volume of approximately 28%, or $82 million, as compared to the first nine fiscal months of 2006. Selling price increases in excess of higher metals costs experienced during the first nine fiscal months of 2007 and product mix changes partially offset the decrease by approximately $31 million. The decrease in metal-adjusted net sales continues to reflect an overall decrease in demand for outside plant telecommunications cable from the Regional Bell Operating Companies (RBOCs) and a decrease in demand from the distributor market. Demand trends from the RBOCs continue to be dependent on the selected strategy of their broadband rollout. Those favoring a copper/fiber hybrid model have been showing flat to marginally down demand, while those taking a fiber-to-the-home strategy continue to show weakness in demand for copper products. Demand trends are currently being affected by high copper prices, which make alternatives to copper-based cable and wire comparatively more affordable.

The 30%, or $72.0 million, increase in the metal-adjusted net sales for the Networking segment is primarily due to the impact of acquired businesses, approximately $42.1 million, and a $7.8 million favorable impact from changes in foreign currency exchange rates. A mix shift towards higher value added cables has resulted in an increase in metal-adjusted net sales in North America and lower metal pounds sold. Selling price increases in excess of higher metals costs were also experienced during the first nine fiscal months of 2007 compared to 2006.

Gross Profit

Gross profit increased to $496.4 million in the first nine fiscal months of 2007 from $349.1 million in the first nine fiscal months of 2006. Gross profit as a percentage of metal-adjusted net sales was 15.0% for the nine fiscal months ended September 29, 2007 and was 12.4% for the nine fiscal months ended September 29, 2006. The improved profit margin on metal-adjusted net sales is the result of increased selling prices to recover raw material costs, product mix changes, higher demand for the Company s global electric utility products, and improved efficiency as a result of Lean manufacturing initiatives.

Selling, General and Administrative Expense

Selling, general and administrative expense increased to $210.0 million in the first nine fiscal months of 2007 from $170.7 million in the first nine fiscal months of 2006. The increase in SG&A was primarily related to incremental SG&A costs within acquired businesses and strategic employee additions throughout the Company in order to support the Company s growth initiatives and increased process capability. Reported SG&A was 6.3% of net sales in the first nine fiscal months of 2007, up slightly from 6.1% of metal-adjusted net sales in the first nine fiscal months of 2006.

Operating Income

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

	Operating Income			
	Nine Fiscal Months Ended			
	Sept 28, 2007		Sept 29, 2006	
	Amount	%	Amount	%
North American Electric Utility	$ 67.0	*23%*	$ 35.2	*20%*
International Electric Utility	60.4	*21%*	37.7	*21%*
North American Portable Power and Control	17.6	*6%*	17.0	*10%*
North American Electrical Infrastructure	30.6	*11%*	9.2	*5%*
International Electrical Infrastructure	61.5	*22%*	42.9	*24%*
Transportation and Industrial Harnesses	15.2	*5%*	11.6	*6%*
Telecommunications	13.7	*5%*	23.6	*13%*
Networking	20.4	*7%*	1.2	*1%*
Total operating income	$ 286.4	*100%*	$ 178.4	*100%*

Operating income of $286.4 million for the first nine fiscal months of 2007 increased from $178.4 million in the first nine fiscal months of 2006. This increase is primarily the result of higher demand for the Company s global electric utility products, increased selling prices to recover raw material costs, product mix changes, $8.2 million due to the impact of foreign currency exchange rate changes and ongoing Lean manufacturing cost containment and efficiency efforts.

As compared to the first nine fiscal months of 2006, International Electric Utility operating income benefited from an increase in sales volume of approximately 12%. North American Electric Utility and International Electric Utility experienced selling price increases in excess of higher metals costs and also experienced positive product mix changes. Both segments benefited from continuing implementation of Lean Six Sigma cost saving initiatives.

The operating income of the North American Portable Power and Control and North American Electrical Infrastructure segments, as compared to the first nine fiscal months of 2006, benefited from selling price increases in excess of higher metals costs and positive product mix changes. The North American Electrical Infrastructure segment saw demand for products used in mining, oil, gas, and petrochemical applications continue to rise. The North American Electrical Infrastructure segment further benefited from a reduction in costs as a result of continued efficiency gains that were obtained through the implementation of Lean Six Sigma manufacturing cost containment efforts. International Electrical Infrastructure operating income, as compared to the first nine fiscal months of 2006, increased due to selling price increases in excess of higher metals costs and positive product mix changes. Efficient manufacturing and high utilization rates helped to improve manufacturing productivity. Transportation and Industrial Harnesses operating income increased due to increases in the sales volume of ignition wire sets for the automotive aftermarket.

Telecommunications operating income decreased by 42% mainly due to decreases in sales volume resulting in lower manufacturing efficiency. The Networking segment s operating profit showed improvement, as compared to the first nine fiscal months of 2006, due to selling price increases in excess of higher metals costs, improving product mix favoring high-bandwidth data networking cables and positive results from continuing Lean Six Sigma cost saving initiatives.

Other Income (Expense)

Other income (expense) was $(2.8) million in the first nine fiscal months of 2007 as compared to $0.7 million in the first nine fiscal months of 2006. The other income amount is comprised of foreign currency transaction gains (losses) which resulted from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated.

Interest Expense

Net interest expense decreased to $17.7 million in the first nine fiscal months of 2007 from $28.8 million in the first nine fiscal months of 2006. The decrease in interest expense is due to interest savings from the November 2006 pay down of the Company s outstanding balance on its floating-rate Amended Credit Facility with the proceeds from its fixed-rate 0.875% Convertible Notes and lower interest rates resulting from the March 2007 Senior Notes refinancing. Additionally, the decrease in net interest expense is a result of increased interest income from investments of the Company s excess cash. The decrease in net interest expense was partially offset by higher average debt levels as compared to the first nine fiscal months of 2006.

Loss on Extinguishment of Debt

In the first nine fiscal months of 2007, the Company recognized a pre-tax loss on the extinguishment of debt of approximately $25.1 million, consisting of a $20.5 million inducement premium, related fees and expenses and the write-off of approximately $4.6 million in unamortized fees and expenses due to the tender offer and redemption of approximately $280.2 million of the Company s $285.0 million in 9.5% Senior Notes. See the Debt and Other Contractual Obligations discussion below for additional information.

Tax Provision

The Company s effective tax rate for the first nine fiscal months of 2007 and 2006 was 32.7% and 33.5%, respectively. The effective tax rates for the first nine fiscal months of 2007 and 2006 were reduced by the release of approximately $5.7 million and $3.7 million, respectively, of state deferred tax asset valuation allowances as it became more likely than not that the deferred tax assets would be utilized in future years as a result of improved performance in the Company s U.S. operations. The difference in the effective tax rate for the first nine fiscal months of 2007 as compared to the first nine fiscal months of 2006 was mainly driven by the relative impact of the state deferred tax valuation allowance release, tax provision true-ups, and other discrete tax provision items.

Preferred Stock Dividends

The Company accrued and paid $0.3 million in dividends on its preferred stock in the first nine fiscal months of 2007 and 2006.

Liquidity and Capital Resources

In general, General Cable requires cash for working capital, capital expenditures, debt repayment, salaries and related benefits, interest, Series A preferred stock dividends and taxes. General Cable s working capital requirement increases when it experiences strong incremental demand for products and/or significant copper, aluminum and other raw material price increases. Based upon historical experience, the cash on its balance sheet and the expected availability of funds under its current credit facilities, the Company believes its sources of liquidity will be sufficient to enable it to meet the Company s cash requirements for working capital, capital expenditures, scheduled debt repayment, salaries and related benefits, interest, Series A preferred stock dividends and taxes for at least the next twelve months.

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 operations, in particular, the North American operations upon which it has historically depended the most. 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. The following table sets forth net cash flows of operating activities by geographic group for the following periods (in millions):

	Nine Fiscal Months Ended	
	Sept 28, 2007	Sept 29, 2006
Net Cash Flows of Operating Activities:		
North America	$ 34.8	$ 20.7
International	117.0	73.4
Total	$ 151.8	$ 94.1

Summary of Cash Flows

Cash flow provided by operating activities in the first nine fiscal months of 2007 was $151.8 million. This reflects an increase in accounts payable, accrued and other liabilities of $116.3 million, a $25.1 million loss on extinguishment of debt, and net income before depreciation and amortization, foreign currency exchange (gain) loss and loss on the disposal of property of $208.9 million. The increase in accounts payable, accrued and other liabilities is primarily due to an increase in accounts payable which reflects greater manufacturing activity and higher raw material costs as compared to December 2006. For information on the loss on extinguishment of debt, see the Debt and Other Contractual Obligations section below. These cash inflows were partially offset by $5.0 million related to deferred income tax, $10.4 million related to excess tax benefits on stock-based compensation recognized under SFAS No. 123(R), a $151.7 million increase in accounts receivable, a $23.0 million increase in inventories and a $8.4 million increase in other assets. The increase in accounts receivable reflects increased selling prices, increased sales volumes and the Company s normal seasonal trend. Inventory has increased, which is also part of normal seasonal trend, although less than historical increases for the nine months, partly due to increased inventories experienced near the end of fiscal 2006. The Company has adjusted its global manufacturing output during 2007 to maintain optimal inventory levels across its product groups. The Company believes its inventory levels leave it well positioned to capitalize on continuing broad-based market strength.

Cash flow used by investing activities was $53.3 million in the first nine fiscal months of 2007, principally reflecting $73.9 million of capital expenditures, partially offset by $18.1 million of net cash proceeds related to acquisitions. The Company anticipates capital spending to be approximately $125 million to $150 million in 2007, including capital expenditures required for the recently completed acquisitions in China, India and Germany. The Company continues to expand its capital program around the world to upgrade equipment, improve efficiency and throughput, and enhance productivity primarily in its electric utility and electrical infrastructure cable businesses.

Cash flow provided by financing activities in the first nine fiscal months of 2007 was $60.0 million. This reflects the issuance of new long-term debt and the redemption of the majority of the 9.5% Senior Notes as discussed in the Debt and Other Contractual Obligations section below. The Company also received $5.5 million from the exercise of stock options, $26.7 million net borrowings on other debt, and $10.4 million related to the excess tax benefit from stock-based compensation. These increases were partially offset by the payment of preferred stock dividends of $0.3 million.

Debt and Other Contractual Obligations

On March 6, 2007, the Company commenced a cash tender offer (the Offer) to purchase, at $1,070.72 (per $1,000.00 9.5% Senior Note), any and all of the $285.0 million outstanding aggregate principal amount of the 9.5% Senior Notes that were issued in November 2003, bear interest at a fixed rate of 9.5% and mature in 2010. Also, in conjunction with the Offer, the Company received consent, on March 15, 2007, to effect certain amendments to the indenture governing the 9.5% Senior Notes that eliminated substantially all of the restrictive covenants. As of March 30, 2007, approximately 98% of the 9.5% Senior Notes were tendered, with the Company making total cash payments of approximately $280.0 million for the 9.5% Senior Notes, $9.3 million for accrued interest and $19.8 million for the inducement premium. The Company recognized a pre-tax loss on the extinguishment of debt of approximately $25.1 million, consisting of $20.5 million for the inducement premium and related tender fees and expenses and the write-off of approximately $4.6 million in unamortized fees and expenses. Since March 30, 2007, approximately $0.2 million of additional 9.5% Senior Notes have been purchased by the Company. General Cable Corporation and its U.S. wholly-owned subsidiaries continue to fully and unconditionally guarantee the remaining $4.8 million of 9.5% Senior Notes remaining on September 28, 2007 on a joint and several basis. The estimated fair value of the remaining 9.5% Senior Notes was approximately $5.1 million at September 28, 2007.

On March 21, 2007, the Company completed the issuance and sale of $325.0 million in aggregate principal amount of new 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). The Notes are jointly and severally guaranteed by the Company s U.S. subsidiaries. The Notes were offered and sold in private transactions in accordance with Rule 144A and Regulation S under the Securities Act of 1933, as amended (the Securities Act). A tender 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.

The Senior Floating Rate Notes bear interest at an annual rate equal to the 3-month LIBOR rate plus 2.375%. Interest on the Senior Floating Rate Notes is payable quarterly in arrears in cash on January 1, April 1, July 1 and October 1 of each year, commencing on July 1, 2007. The 7.125% Senior Notes bear interest at a rate of 7.125% per year and are payable semi-annually in arrears in cash on April 1 and October 1 of each year, commencing on October 1, 2007. The Senior Floating Rate Notes mature on April 1, 2015 and the 7.125% Senior Notes mature on April 1, 2017.

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

The Company may, at its option, redeem the Senior Floating Rate Notes and 7.125% Senior Notes on or after the following dates and at the following percentages plus accrued and unpaid interest:

Senior Floating Rate Notes		**7.125% Senior Notes**	
Beginning Date	**Percentage**	**Beginning Date**	**Percentage**
April 1, 2009	102.000%	April 1, 2012	103.563%
April 1, 2010	101.000%	April 1, 2013	102.375%
April 1, 2011	100.000%	April 1, 2014	101.188%
		April 1, 2015	100.000%

Proceeds from the Notes were principally used to extinguish approximately 98% of the 9.5% Senior Notes debt under the Offer mentioned previously. Proceeds from the Notes of $325.0 million, less approximately $7.7 million of cash payments for fees and expenses that will be amortized over the life of the Notes, were used to pay approximately $280.2 million for the 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 $7.3 million that will be used for general corporate purposes.

The Company s current senior secured revolving credit facility (Amended Credit Facility), as amended, is a five-year, $300.0 million asset based revolving credit agreement that includes an approximate $50.0 million sublimit for the issuance of commercial and standby letters of credit and a $20.0 million sublimit for swingline loans. Loans under the Amended Credit Facility bear interest at the Company s option, equal to either an alternate base rate (prime plus 0.00% to 0.50%) or an adjusted LIBOR rate plus an applicable margin percentage (LIBOR plus 1.00% to 1.75%). The applicable margin percentage is subject to adjustments based upon the excess availability, as defined. At September 28, 2007, the Company had no outstanding borrowings, had undrawn availability of $249.2 million under the Amended Credit Facility, and was in compliance with all covenants under the Amended Credit Facility. The Company had outstanding letters of credit related to this Amended Credit Facility of $31.4 million at September 28, 2007.

Indebtedness under the Amended Credit Facility is guaranteed by the Company s U.S. subsidiaries and is secured by a first priority security interest in tangible and intangible property and assets of the Company s U.S. subsidiaries. The lenders have also received a pledge of all of the capital stock of the Company s existing domestic subsidiaries and any future domestic subsidiaries.

During the first quarter of 2007, the Company further amended the Amended Credit Facility. The amendment permitted the Company to issue senior notes of up to $350.0 million on an unsecured basis, to enter into certain hedging agreements to exchange up to $100.0 million of any fixed rate of interest on the senior notes for a floating rate and extend or replace existing hedging agreements, to effect a cash tender offer to purchase at least a majority of the $285.0 million outstanding aggregate principal balance of the 9.5% Senior Notes, to pay fees and expenses related to the tender offer, and to replenish a basket which would allow the Company to repurchase up to $125.0 million of its outstanding shares of common stock. This basket had previously been used to purchase the note hedges discussed below. No other terms or conditions of the Amended Credit Facility have changed from those terms and conditions disclosed in the Company s 2006 Annual Report on Form 10-K.

The Company s 0.875% Convertible Notes were issued in November of 2006 in the amount of $355.0 million, pursuant to the Company s effective Registration Statement on Form S-3. The 0.875% Convertible Notes bear interest at a fixed rate of 0.875%, payable semi-annually in arrears, and mature in 2013. The 0.875% Convertible Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by the Company s wholly-owned U.S. subsidiaries. The estimated fair value of the 0.875% Convertible Notes was approximately $528.7 million at September 28, 2007.

The 0.875% Convertible Notes are convertible at the option of the holder into the Company s common stock at an initial conversion price of $50.36 per share (approximating 19.856 shares per $1,000 principal amount of the 0.875% Convertible Notes), upon the occurrence of certain events, including (i) during any calendar quarter commencing after March 31, 2007 in which the closing price of the Company s common stock is greater than or equal to 130% of the conversion price for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter (establishing a contingent conversion price of $65.47 per share); (ii) during any five business day period after any five consecutive trading day period in which the trading price per $1,000 principal amount of 0.875% Convertible Notes for each day of that period is less than 98% of the product of the closing sale price of the Company s common stock and the applicable conversion rate; (iii) distributions to holders of the Company s common stock are made or upon specified corporate transactions including a consolidation or merger; and (iv) at any time during the period beginning on October 15, 2013 and ending on the close of business on the business day immediately preceding the stated maturity date. In addition, upon events defined as a fundamental change under the 0.875% Convertible Note indenture, holders of the 0.875% Convertible Notes may require the Company to repurchase the 0.875% Convertible Notes. If upon the occurrence of such events in which the holders of the 0.875% Convertible Notes exercise the conversion provisions, the Company may need to remit the principal balance of the 0.875% Convertible Notes to the holders in cash. As such, the Company would be required to classify the entire amount outstanding of the 0.875% Convertible Notes as a current liability in the following quarter. The evaluation of the classification of amounts outstanding associated with the 0.875% Convertible Notes will occur every quarter.

Upon conversion, a holder will receive, in lieu of common stock, an amount of cash equal to the lesser of (i) the principal amount of an 0.875% Convertible Note, or (ii) the conversion value, determined in the manner set forth in the indenture governing the 0.875% Convertible Notes, of a number of shares equal to the conversion rate. If the conversion value exceeds the principal amount of the 0.875% Convertible Note on the conversion date, the Company will also deliver, at the Company s election, cash or common stock or a combination of cash and common stock with respect to the conversion value upon conversion. If conversion occurs in connection with a fundamental change as defined in the 0.875% Convertible Notes indenture, the Company may be required to repurchase the 0.875%

Convertible Notes for cash at a price equal to the principal amount plus accrued but unpaid interest. In addition, if conversion occurs in connection with certain changes in control, the Company may be required to deliver additional shares of the Company s common stock (a make whole premium) by increasing the conversion rate with respect to such notes, under this scenario the maximum aggregate number of shares that the Company would be obligated to issue upon conversion of the 0.875% Convertible Notes is 8,987,322. Under almost all other conditions, as disclosed in the 2006 Annual Report on Form 10-K, the Company may be obligated to issue additional shares up to a maximum of 7,048,880 upon conversion in full of the 0.875% Convertible Notes. No terms and conditions of the 0.875% Convertible Notes have changed from those terms and conditions disclosed in the Company s 2006 Annual Report on Form 10-K.

Pursuant to Emerging Issues Task Force (EITF) 90-19, Convertible Bonds with Issuer Option to Settle for Cash upon Conversion, EITF 00-19, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company s Own Stock (EITF 00-19), and EITF 01-6, The Meaning of Indexed to a Company s Own Stock (EITF 01-6), the 0.875% Convertible Notes are accounted for as convertible debt in the accompanying Condensed Consolidated Balance Sheet and the embedded conversion option in the 0.875% Convertible Notes has not been accounted for as a separate derivative. For a discussion of the effects of the 0.875% Convertible Notes and the bond hedges and warrants discussed below on earnings per share, see Note 14.

Concurrent with the sale of the 0.875% Convertible Notes, the Company purchased note hedges that are designed to mitigate 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 by reason of any election by the Company 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.

In addition, 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 (European style). 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, pursuant to EITF 00-19 and EITF 01-6, the note hedges and warrants are accounted for as equity transactions. Therefore, the payment associated with the issuance of the note hedges and the proceeds received from the issuance of the warrants were recorded as a charge and an increase, respectively, in additional paid-in capital in shareholders equity as separate equity transactions.

For income tax reporting purposes, the Company has elected to integrate the 0.875% Convertible Notes and the note hedges. Integration of the note hedges with the 0.875% Convertible Notes creates an original issue discount (OID) debt instrument for income tax reporting purposes. Therefore, the cost of the note hedges will be accounted for as interest expense over the term of the 0.875% Convertible Notes for income tax reporting purposes. The associated income tax benefits that are recognized for financial reporting purposes will be recognized as a reduction in the income tax provision in the periods that the deductions are taken for income tax reporting purposes.

Proceeds from the offering were used to pay down $87.8 million outstanding, including accrued interest, under the Company s Amended Credit Facility, to pay $124.5 million for the cost of the note hedges, and to pay approximately $9.4 million in debt issuance costs that are being amortized to interest expense over the term of the 0.875% Convertible Notes. 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 is being used by the Company for general corporate purposes including acquisitions.

The Spanish Term Loan of 50 million was issued in December 2005 and was available in up to three tranches, with an interest rate of Euribor plus 0.8% to 1.5% depending on certain debt ratios. Two of the tranches have expired. The remaining tranche of the Spanish Term Loan is repayable in fourteen semi-annual installments, maturing seven years following the draw down. As of September 28, 2007, the U.S. dollar equivalent of $33.6 million was drawn under this term loan facility and no availability remains under the Spanish Term Loan.

The Spanish Credit Facility of 25 million was issued in December 2005, matures at the end of five years and carries an interest rate of Euribor plus 0.6% to 1.0% depending on certain debt ratios. No funds are currently drawn under the Spanish Credit Facility, leaving undrawn availability of approximately the U.S. dollar equivalent of $35.6 million as of September 28, 2007. Commitment fees ranging from 15 to 25 basis points per annum on any unused commitments under the Spanish Credit Facility will be assessed to Grupo General Cable Sistemas, S.A., and are payable on a quarterly basis.

The Spanish Term Loan and Spanish Credit Facility are subject to certain financial ratios of the Company s European subsidiaries, the most restrictive of which is net debt to EBITDA (earnings before interest, taxes, depreciation and amortization). At September 28, 2007, the Company was in compliance with all covenants under these facilities. In addition, the indebtedness under the combined facilities is guaranteed by the Company s Portuguese subsidiary and by Silec Cable, S.A.

On August 31, 2006, the Company acquired ECN Cable and assumed the U.S. dollar equivalent of $38.6 million (at prevailing exchange rates during that period) of mostly short-term ECN Cable debt as a part of the acquisition. On December 15, 2006, approximately $6.9 million (at the prevailing exchange rate on that date) of debt was paid and cancelled. As of September 28, 2007, ECN Cable s debt was the U.S. dollar equivalent of $29.9 million. The debt consisted of approximately $2.3 million relating to an uncommitted accounts receivable facility and approximately $27.6 million of short-term financing agreements at various interest rates. In addition, ECN Cable has an 11 million ($15.7 million US dollar equivalent) debt facility that charges interest at Euribor plus 0.5%. No funds are currently drawn under this facility.

In addition to the Spanish Term Loan and Spanish Credit Facility, the Company has approximately $135.2 million of uncommitted facilities in Europe, which are secured by the respective company s accounts receivable. At September 28, 2007, $49.0 million (including $2.3 million at ECN Cable, mentioned above) of these debt facilities were drawn.

As of December 31, 2006, the defined benefit pension plans were underfunded by approximately $35.7 million based on the actuarial methods and assumptions utilized for purposes of the applicable accounting rules and interpretations. An additional unfunded pension obligation was assumed in conjunction with the purchase of NSW on April 30, 2007. In 2007, pension expense is expected to decrease approximately $3.2 million from 2006, principally due to plan asset returns and the settlement of the SERP as discussed in Note 10. Cash contributions are expected to decrease up to approximately $1.3 million from 2006.

A cross currency and interest rate swap was entered into in 2005 by the Company to hedge the effects of the changes in spot exchange rates on the value of its investment in its European operations. Under the swap, the Company is required to make future payments, at a fixed interest rate of 7.5%, on the Euro-denominated balance of its cross currency and interest rate swap to the parties involved in the swap. The Company is also required, at the end of the swap s life in the fourth quarter of 2007, to swap the original Euro-denominated principal balance that was equivalent to approximately $178.5 million as of September 28, 2007. However, the Company, in return, receives payments from the parties involved in the swap, at a fixed rate of 9.5%, on the dollar-denominated balance of its cross currency and interest rate swap, and the Company will receive, at the end of the swap s life in the fourth quarter of 2007, a payment on the original dollar-denominated principal balance of $150.0 million.

The principal U.S. operating subsidiary has unconditionally guaranteed the payments required to be made to the parties involved in the swap. The guarantee continues until the commitment under the swap has been paid in full, including principal plus interest, with the final amount due in November 2007. This subsidiary s maximum exposure under this guarantee was approximately $181.9 million as of September 28, 2007, and the net exposure position was an unfavorable $24.8 million. As of September 28, 2007, no significant liability was recorded on the Company s condensed consolidated balance sheet for this guarantee.

The Company s Spanish operating company, Grupo General Cable Sistemas (Grupo General), participates in accounts payable confirming arrangements with several European financial institutions. Grupo General negotiates payment terms with suppliers of generally 180 days and submits invoices to the financial institutions with instructions for the financial institutions to transfer funds from Grupo General s accounts on the due date (on day 180) to the receiving parties to pay the invoices in full. The banks may, at their discretion, negotiate directly with the suppliers for earlier payment terms at a discount, and the discount is kept by the banks. The suppliers may also decline to participate in an early payment arrangement. At September 28, 2007, these arrangements had a maximum availability limit of the equivalent of $373.6 million, of which approximately $242.6 million was drawn. If these arrangements were reduced or terminated, Grupo General would have to pay its suppliers directly.

Summarized information about the Company s contractual obligations and commercial commitments as of September 28, 2007 is as follows (in millions of dollars):

		Payments Due by Period			
	Total	Less than 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Contractual obligations[1]:					
Total debt	$ 821.5	$ 97.4	$ 14.4	$ 17.6	$ 692.1
Interest payments on 9.5% Senior Notes	1.6	0.5	1.0	0.1	
Interest payments on 7.125% Senior Notes	149.6	14.2	28.5	28.5	78.4
Interest payments on Senior Floating Rate Notes	83.2	10.1	20.2	20.2	32.7
Interest payments on 0.875% Convertible Notes	20.2	3.1	6.2	6.2	4.7
Operating leases	25.0	4.5	10.1	6.1	4.3
Defined benefit pension obligations[2]	7.0	7.0			
Postretirement benefits	12.4	1.7	3.2	2.9	4.6
Commodity futures and forward pricing agreements[3]	274.5	270.1	4.4		
Foreign currency contracts[3]	369.9	296.0	69.6	4.3	
Cross currency and interest rate swap	181.9	181.9			
Total	$ 1,946.8	$ 886.5	$ 157.6	$ 85.9	$ 816.8

[1] This table does not include interest payments on some of General Cable s variable rate debt because the future amounts are based on variable interest rates and the amount of the borrowings under the Amended Credit Facility and Spanish Credit Facility fluctuate depending upon the Company s working capital requirements.

(2) Defined benefit pension obligations reflect the Company s estimates of contributions that will be required in 2007 to meet current law minimum funding requirements. Amounts beyond one year have not been provided because they are not determinable.

(3) Information on these items is provided under Item 7A, Quantitative and Qualitative Disclosures About Market Risk.

In connection with the January 1, 2007 adoption of FIN 48, the Company recognized an $18.8 million decrease in opening retained earnings. As of January 1, 2007, the Company had total unrecognized tax benefits of $45.6 million, of which $37.2 million would have a favorable impact on the effective tax rate if recognized. For the first nine months of 2007, $5.7 million of additional unrecognized tax benefits have been accrued for uncertain tax positions recorded in the opening balance sheet of acquired entities and tax positions likely to be taken for the current year, all of which would have a favorable impact on the effective tax rate if recognized. It is reasonably possible that approximately $2.0 million of unrecognized tax benefits related to various foreign and multi-state tax positions could change within the next twelve months due to the expiration of the statute of limitations.

The Company anticipates being able to meet its obligations as they come due based on historical experience and the expected availability of funds under its current credit facilities.

Off Balance Sheet Assets and Obligations

As part of the BICC plc acquisition, BICC agreed to indemnify General Cable against environmental liabilities existing at the date of the closing of the purchase of the business. In the sale of the businesses to Pirelli, General Cable indemnified Pirelli against any environmental liabilities on the same basis as BICC plc indemnified the Company in the earlier acquisition. However, the indemnity the Company received from BICC plc related to the European business sold to Pirelli terminated upon the sale of those businesses to Pirelli. In addition, General Cable has agreed to indemnify Pirelli against any warranty claims relating to the prior operation of the business. General Cable has also agreed to indemnify Southwire Company against certain liabilities arising out of the operation of the business sold to Southwire prior to its sale.

The Company had outstanding letters of credit related to its Amended Credit Facility of approximately $31.4 million as of September 28, 2007 and December 31, 2006. These letters of credit are primarily renewed on an annual basis, and the majority of the amount relates to risks associated with an outstanding industrial revenue bond, with self insurance claims and with defined benefit plan obligations. The Company also had approximately $59.3 million in letters of credit related to Silec to cover risks associated with performance on some of its contracts as of September 28, 2007.

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

Environmental Matters

In a letter dated July 13, 2007, the U.S. Environmental Protection Agency (the EPA) notified one of the Company s U.S. subsidiaries that it has been identified as a potentially responsible party with respect to the Newark Bay Study Area (the Area) of the Diamond Alkali Superfund Site. According to this letter, the EPA is presently overseeing a multi-year remedial investigation/feasibility study (the Study) with respect to the Area under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA).

CERCLA imposes liability for the study and cleanup of certain waste sites and for related natural resource damages without regard to fault or the legality of waste generation or disposal. Persons liable for such costs and damages generally include the site owner or operator and persons that disposed or arranged for the disposal of hazardous substances found at those sites. Although CERCLA imposes joint and several liability on all potentially responsible parties, in application, the potentially responsible parties typically allocate the investigation and cleanup costs based upon, among other things, the volume of waste contributed by each potentially responsible party. The Area may also be subject to similar state environmental regulations and proceedings. Settlements can often be achieved through negotiations with the appropriate environmental agency or the other potentially responsible parties. Potentially responsible parties that contributed small amounts of waste (typically less than 1% of the waste) are often given the opportunity to settle as de minimis parties, resolving their liability for a particular site.

Based on the Company s preliminary investigation of the information provided in the EPA s letter, the Company at this time has no reason to believe that it would have material liability for the costs and expenses of the Study or any remediation of the Area or that it has substantially contributed to any activity which would require remediation in the Area. However, the Company is presently unable to determine, based upon such preliminary investigation, the amount of any costs or expenses that may be incurred by it related to the Study or any required environmental remediation of the Area.

The Company s expenditures for environmental compliance and remediation amounted to an insignificant amount for the nine fiscal months ended September 28, 2007 and $0.7 million for all of 2006. In addition, certain of General Cable s subsidiaries have been named as potentially responsible parties in proceedings that involve environmental remediation. The Company had accrued $1.9 million at September 28, 2007 for all environmental liabilities. In the Wassall acquisition of General Cable from American Premier Underwriters, American Premier indemnified the Company against certain environmental liabilities arising out of General Cable or its predecessors ownership or operation of properties and assets, which were identified during the seven-year period, ended June 2001. As part of the 1999 acquisition, BICC plc agreed to indemnify General Cable against environmental liabilities existing at the date of the closing of the purchase of the business. The Company has agreed to indemnify Pirelli and Southwire Company against certain environmental liabilities arising out of the operation of the divested businesses prior to the sale. However, the indemnity the Company received from BICC plc related to the business sold to Pirelli terminated upon the sale of those businesses to Pirelli. 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

General Cable is exposed to various market risks, including changes in interest rates, foreign currency exchange rates and raw material (commodity) prices. To manage risk associated with the volatility of these natural business exposures, General Cable enters into interest rate, commodity and foreign currency derivative agreements related to both transactions and its net investment in its European operations as well as copper and aluminum forward purchase 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.

The notional amounts and fair values of the Company s designated cash flow and net investment hedge financial instruments at September 28, 2007 and December 31, 2006 are shown below (in millions). The net carrying amount of the designated cash flow and net investment hedge financial instruments was a net liability of $(40.5) million at September 28, 2007 and $(31.1) million at December 31, 2006.

	September 28, 2007		December 31, 2006	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Cash flow hedges:				
Interest rate swap	$ 9.0	$ (0.4)	$ 9.0	$ (0.4)
Foreign currency forward exchange	369.9	(22.6)	152.0	(5.6)
Commodity futures	163.2	10.2	217.6	(10.8)
Net investment hedges:				
Cross currency and interest rate swap	150.0	(27.7)	150.0	(14.3)
		$ (40.5)		$ (31.1)

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 exemption of SFAS No. 133 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 September 28, 2007 and December 31, 2006, General Cable had $111.3 million and $165.4 million, respectively, of future copper and aluminum purchases that were under forward pricing agreements. At September 28, 2007 and December 31, 2006, the fair value of these arrangements were $118.7 million and $155.3 million, respectively, and General Cable had an unrealized gain (loss) of $7.4 million and $(10.1) million, respectively, related to these transactions. General Cable expects the unrealized losses, if any, under these agreements to be offset as a result of firm sales price commitments with customers.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure 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. The Company periodically evaluates the design and effectiveness of its disclosure controls and internal control over financial reporting. The Company makes modifications to improve the design and effectiveness of its disclosure controls and internal control structure, and may take other corrective action, if its evaluations identify a need for such modifications or actions. The Company s disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

In connection with the preparation of this Quarterly Report on Form 10-Q, as of September 28, 2007, 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). During the evaluation, management noted progress towards the remediation of the material weakness identified in the Company s 2006 Annual Report on Form 10-K, however since the remediation activities have not been completed and fully tested, a material weakness still exists at the Silec Cable, SAS subsidiary, and because management considers its internal controls over financial reporting to intersect with its disclosure controls, the Company s CEO and CFO concluded that the Company s disclosure controls and procedures were not effective as of September 28, 2007.

Changes in Internal Control over Financial Reporting

Management, with oversight from the Audit Committee, has been addressing the material weakness disclosed in the Company s 2006 Annual Report on Form 10-K and is committed to its remediation. To address the identified material weakness, the Company has implemented certain remediation plans, including the following:

In February 2007, a significant portion of Silec s financial systems were migrated to the Company s existing European financial system. Silec s remaining systems are expected to be migrated to independent systems, with appropriate controls in place, by December 31, 2007.

To ensure successful transition to a formal control structure and to address the related internal control implementation issues, Silec has added several resources with experience operating in a Sarbanes-Oxley compliance environment to its financial reporting function including a Chief Accountant, a Treasurer and an IT Director.

Management believes the changes described above, when fully implemented, will remediate the material weakness at Silec and serve to strengthen the Company s internal control over financial reporting. However, control weaknesses will not be considered remediated until new internal controls over financial reporting are implemented and operational for a period of time and are tested, and management and its independent registered public accounting firm conclude that these controls are operating effectively.

Except for the remediation plans with respect to the material weakness described above, there have been no changes in the Company s internal control over financial reporting that occurred during the quarter ended September 28, 2007, that have materially affected, or are reasonably likely to materially affect, our 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 2006 Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

Other than the items discussed below, there have been no material changes in the Company s risk factors from those disclosed in General Cable s 2006 Annual Report on Form 10-K.

The current accounting treatment applicable to our convertible notes may be rescinded.

The FASB recently proposed FASB staff position (FSP) APB 14-a, *Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement) (FSP 14-a)*. The proposed FSP specifies that issuers of such instruments should separately account for the liability and equity components of the instrument in a manner that will reflect the entity s nonconvertible debt borrowing rate on the instrument s issuance date when interest cost is recognized in subsequent periods. The Company has issued Convertible Notes that are within the scope of FSP APB 14-a; therefore, we would be required to record the debt portions of our Convertible Notes at their fair value on the date of issuance and amortize the resulting discount into interest expense over the life of the debt. However, there would be no effect on our cash interest payments. As currently proposed, FSP APB 14-a will be effective for financial statements issued for fiscal years beginning after December 15, 2007, and will be applied retrospectively to all periods presented. If adopted as proposed, these changes would be reflected in our financial statements beginning with the first quarter of 2008. We are currently evaluating the impact of this proposed change on our financial statements, and believe that the change, if adopted as proposed, may result in a significant increase in our reported interest expense.

The Company will face the risk of political and economic developments, crises, instability, terrorism, civil strife, expropriation and other risks of doing business in foreign markets.

With the acquisition of PDIC, the Company will have significant operations in countries in Central and South America, Africa and Asia. Economic and political developments in these countries, including future economic changes or crises (such as inflation, currency devaluation or recession), government deadlock, political instability, civil strife, international conflicts, changes in laws and regulations and expropriation or nationalization of property or other resources, could impact our operations or the market value of our common stock and have an adverse effect on our business, financial condition and results of operations. Although PDIC and its subsidiaries maintain political risk insurance related to its operations in a number of countries, we cannot assure that any losses we may incur would be covered by this insurance and, even if covered, such insurance may not fully cover such losses. In addition to these general risks, there are significant country specific risks including:

> Brazil and other Latin American countries have historically experienced uneven periods of economic growth as well as recession, high inflation, currency devaluation and economic instability. The countries governments have been known to intervene in their respective economies which has involved price controls, currency devaluations, capital controls and limits on imports.
>
> Thailand has recently experienced significant political and militant unrest in certain provinces. The country s elected government was overthrown in September of 2006, with no assurance that democracy will be restored.
>
> In recent years Venezuela has experienced difficult economic conditions, relatively high levels of inflation, and foreign exchange and price controls. The President of Venezuela has the authority to legislate certain areas by decree, and the government has nationalized or announced plans to nationalize certain industries and to expropriate certain companies and property.

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

Dividends

The Company currently does not pay dividends on its common stock. The future payment of dividends on common stock is subject to the discretion of General Cable s Board of Directors, restrictions under the Series A preferred stock, restrictions under the Company s current Amended Credit Facility, 7.125% Senior Notes, Senior Floating Rate Notes and 0.875% Convertible Notes and the requirements of Delaware General Corporation Law, and will depend upon general business conditions, financial performance and other factors the Company s Board of Directors may consider relevant. General Cable does not expect to pay cash dividends on common stock in the foreseeable future.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Company currently has no share repurchase program approved by the Board of Directors, and therefore, repurchased no shares under such a program during the first nine fiscal months of 2007. However, 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 and upon distributions from the Company s deferred compensation plan. During the third quarter of 2007, specifically the fiscal months ended August 24, and September 28, 2007, 24,706 shares and 586 shares, respectively, were surrendered to the Company by employees in payment of minimum tax obligations, and the average price paid per share was $53.90.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None during the nine fiscal months ended September 28, 2007.

ITEM 5. OTHER INFORMATION

None during the nine fiscal months ended September 28, 2007.

ITEM 6. EXHIBITS

The following exhibits are filed herewith or incorporated herein by reference. Documents indicated by an asterisk (*) are filed herewith; documents indicated by a double asterisk (**) identify each management contract or compensatory plan. Documents not indicated by an asterisk are incorporated by reference to the document indicated.

a) Exhibits

1.2	Purchase Agreement for the $475.0 million 1.00% Senior Convertible Notes Due 2012, dated September 26, 2007, by and among General Cable Corporation, the subsidiary guarantors named therein, Merrill Lynch & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to Exhibit 1.1 to the Form 8-K as filed on October 2, 2007).
4.7	Indenture for the $475.0 million 1.00% Senior Convertible Notes Due 2012, dated October 2, 2007, by and among General Cable Corporation, the subsidiary guarantors named therein, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Form 8-K as filed on October 2, 2007).
10.107	Stock Purchase Agreement, dated as of September 12, 2007, by and among Freeport-McMoRan Copper & Gold Inc., Phelps Dodge Corporation, Phelps Dodge Industries, Inc., Habirshaw Cable and Wire Corporation and General Cable Corporation (incorporated by reference to Exhibit 2.1 to the form 8-K as filed on September 12, 2007).
10.108	Third Amended and Restated Credit Agreement, dated October 31, 2007, by and among GCI, as Borrower, the Company and those certain other subsidiaries of the Company party thereto, as Guarantors, the Issuing Banks, the Lenders and Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as Administrative Agent for the Lenders, Collateral Agent and Security Trustee (incorporated by reference to Exhibit 10.1 to the Form 8-K as filed on November 1, 2007).
*10.109	Letter Agreement, dated October 29, 2007, to the Stock Purchase Agreement, dated as of September 12, 2007, by and among Freeport-McMoRan Cooper & Gold Inc., Phelps Dodge Corporation, Phelps Dodge Industries, Inc., Habirshaw Cable and Wire Corporation and General Cable Corporation.
*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.

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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: November 7, 2007

By: /s/ BRIAN J. ROBINSON
Brian J. Robinson
Senior Vice President, Chief
Financial Officer and Treasurer (Chief
Accounting Officer)

Exhibit Index

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