GENERAL CABLE CORP /DE/
Form 10-K
February 25, 2011

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

(Mark One)

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

For the fiscal year ended December 31, 2010

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

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

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 Par Value	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation of S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

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

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o

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

The aggregate market value of the registrant s Common Stock held by non-affiliates of the registrant was $1,364.7 million at June 30, 2010 (based upon non-affiliate holdings of 51,209,652 shares and a market price of $26.65 per share).

As of February 18, 2011, there were 52,156,550 shares of the registrant s Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the definitive Proxy Statement for the registrant s Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission within 120 days after December 31, 2010 have been incorporated by reference into Part III of this Annual Report on Form 10-K.

GENERAL CABLE CORPORATION AND SUBSIDIARIES
INDEX TO ANNUAL REPORT
ON FORM 10-K

PART I.

ITEM 1. BUSINESS

General Cable Corporation (the Company) is a global leader in the development, design, manufacture, marketing and distribution of copper, aluminum and fiber optic wire and cable products for the energy, industrial, specialty and communications markets. The Company is a Delaware corporation and was incorporated in April 1994. The Company and its predecessors have served various wire and cable markets for over 150 years. The Company s immediate predecessor was a unit of American Premier Underwriters, Inc. (American Premier), previously known as The Penn Central Corporation. American Premier acquired the Company s existing wire and cable business in 1981 and significantly expanded the business between 1988 and 1991 by acquiring Carol Cable Company, Inc. and other wire and cable businesses and facilities. In June 1994, a subsidiary of Wassall PLC acquired the predecessor by purchase of General Cable s outstanding subordinated promissory note, the General Cable common stock held by American Premier and a tender offer for the publicly-held General Cable common stock. Between May and August 1997, Wassall consummated public offerings for the sale of all of its interest in General Cable s common stock. The Company has operated as an independent public company since completion of the offerings.

The Company has a strong market position in each of the segments in which it competes due to geographic, product, and customer diversity and its ability to operate as a low cost provider. Technical expertise and implementation of Lean Six Sigma (Lean) strategies have contributed to the Company s ability to maintain its position as a low cost provider. The Company sells a wide variety of copper, aluminum and fiber optic wire and cable products, which it believes represents one of the most diversified product lines in the industry. As a result, the Company is able to offer its customers a single source for most of their wire and cable requirements. As of December 31, 2010, the Company manufactures its product lines in 47 facilities including four facilities owned by companies in which the Company has an equity investment and sells its products worldwide through its global operations.

Business Segments

The Company s three external reportable segments include North America, Europe and Mediterranean, and Rest of World (ROW), which consists of operations in Latin America, Sub-Saharan Africa, Middle East and Asia Pacific. All three segments engage in the development, design, manufacture, marketing and distribution of copper, aluminum and fiber optic wire and cable products for the energy, industrial, specialty and communications markets. In addition to the above products, the ROW segment and the Europe and Mediterranean segment develop, design, manufacture, market and distribute construction products and the ROW segment manufactures and distributes rod mill wire and cable products. Additional financial information regarding the segments appears in Note 16 to the Consolidated Financial Statements.

North America

The North America segment engages in the development, design, manufacture, marketing and distribution of copper, aluminum and fiber optic wire and cable products for the energy, industrial, specialty and communications markets principally in the United States and Canada primarily to domestic customers for use in the electric utility, electrical infrastructure and communications industries. The North America segment contributed approximately 37%, 34%, and 35% of the Company s consolidated revenues for 2010, 2009 and 2008, respectively.

The economic conditions in the United States and Canada have continued to negatively affect demand and pricing in a broad spectrum of markets in North America. Demand for electric utility products in North America is well below levels experienced during the period coming out of the last recession and has resulted in a very competitive pricing environment; however, demand for electric utility products rebounded in the second half of 2010 after two years of declining demand, primarily due to transmission grid and terrestrial wind farm projects. Full year volumes are still the lowest we have experienced in a decade.

The electric utility market served by the Company is dependent on a variety of factors including housing and construction, governmental energy and tax policy, electricity demand, rate case decisions and the investment policies of electric utilities. The Company believes that the increase in electricity consumption in North America over the long-term has outpaced the rate of utility investment in North America s energy grid. As a result, the Company believes the average age of power transmission cables has increased and the current electric transmission infrastructure needs to be upgraded in order to alleviate transmission grid reliability and capacity issues. Investment in the energy grid stemming from historical power outages in the U.S. and Canada and published studies by the North American Electric Reliability Council emphasizing the need to upgrade the power transmission infrastructure used by electric utilities should over time result in an increase in demand for the Company s electric utility products. Improvements to the transmission grid infrastructure and reliability of power availability under energy legislation passed in the United States in 2005 have been difficult due to the complexities of interstate projects at the local, state and federal level. Investment in renewable energy has been a source of growth in the wire and cable industry over the last several years due, in part, to the availability of credit and tax incentives resulting from legislation passed in the United States in 2004. The investment tax credit portion of this legislation and subsequent legislation have generally provided for a relatively short investment time horizon which has caused volatility as it relates to the investment in alternative energy and the resulting demand for our products over the last several years. As the Company is a significant manufacturer of wire and cable used in wind farms, increased investment in alternative energy, while volatile, has resulted in an increase in demand for the Company s products in recent years. On December 16, 2010, the investment tax credit was renewed for alternative energy projects which are expected to continue to support demand for the Company s products in 2011. Additionally, the economic stimulus package passed by Congress in 2009 contained legislation which has increased investment in the electric transmission infrastructure, high-speed broadband infrastructure and alternative energy sources and over time may lead to further increase in demand for the Company s products.

The Company has strategic alliances in the United States and Canada with a number of major utility customers and is strengthening its market position through these agreements. The Company utilizes a network of direct sales and authorized distributors to supply bare overhead and low-, medium-, and high-voltage bare cable products. Approximately, 3,000 utility companies represent this market. A majority of the Company s electric utility customers have entered into written agreements with the Company for the purchase of wire and cable products. These agreements typically have one to four year terms and provide adjustments to selling prices to reflect fluctuations in the cost of raw materials. These agreements do not guarantee a minimum level of sales. Approximately 60% of the Company s 2010 electric utility business revenues in North America were under contract.

The market for electrical infrastructure cable products in North America has many niches. Sales in North America are heavily influenced by the level of industrial construction spending as well as the level of capital equipment investment and maintenance, factory automation and mining activity. In 2008, North America demand was influenced by industrial sector maintenance spending and high demand for products used in the mining, oil, gas, and petrochemical markets. Demand in 2009 decreased for these products due to the overall weak economic conditions and, in part, as a result of the significant decline in oil prices, which influenced drilling, coal mining activity and investment in alternatives energy sources. In 2010 the demand for the full year continued to remain weak despite improvement in the second half of 2010. The competitive pricing environment still presents a challenge compounded with rising raw material costs. The pricing environment has been and is expected to continue to be difficult due to excess capacity in the industry combined with weaker demand.

The strengthening demand in electrical infrastructure products in the latter part of 2010 was primarily due to specialty markets. Demand for oil, gas, and petrochemical products increased as land drilling increased due to shale gas exploration and steady gas prices. Additionally, new products were introduced in the original equipment manufacturer (OEM) solar and wind markets increasing overall demand.

Over the last several years, demand for outside plant telecommunications cables has experienced a significant decline from historical levels. Overall demand for telecommunications products from the Company s traditional Regional Bell Operating Company (RBOC) customers in North America has also declined over the last several years. Recent RBOC merger activity, declining broadband investment, allocation of capital to fiber-to-the-home initiatives, weakness in the United States housing market and budgetary constraints caused partially by higher copper costs have reduced both RBOC and distributor purchasing volumes in this segment.

The deployment of fiber optic products into the telephone network has negatively impacted telephone companies purchases of the Company s copper based telecommunications cable products. The Company believes the negative impact on the purchase of copper based products has been somewhat mitigated by some customers upgrading a portion of their copper network to support further investment in fiber broadband networks. Growth in the overall communications market, which is largely dependent upon housing starts and the level of information technology spending on network infrastructure, is expected to remain weak in the foreseeable future due to the current economic conditions in the United States.

Europe and Mediterranean

The Europe and Mediterranean segment engages in the development, design, manufacture, marketing and distribution of copper, aluminum and fiber optic wire and cable products for the energy, industrial, specialty and communications markets originating in Algeria, Angola, Egypt, France, Germany, Portugal and Spain, and services markets throughout Europe and the Mediterranean. This segment produces electric utility, electrical infrastructure, construction, and communications products. Additionally, the Europe and Mediterranean segment provides installation services for high-voltage and extra high-voltage electric utility projects around the world. The Europe and Mediterranean segment contributed approximately 31%, 36% and 35% of the Company s consolidated revenues for 2010, 2009 and 2008, respectively.

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This segment has expanded in recent years due to several key acquisitions. These acquisitions have broadened the Company s customer base and the product offering to expand its presence in the European and Mediterranean markets, which had previously been concentrated in the Iberian Peninsula. These acquisitions include the purchase of a majority ownership of BICC Egypt S.A.E. (Egypt) in October 2010, Enica Biskra (Algeria) in May 2008, Norddeutsche Seekabelwerke GmbH& Co. (NSW) in April 2007, E.C.N. Cable Group S.L. (ECN) in August 2006 and Silec Cable, S.A.S. (Silec) in December 2005. Egypt manufactures a wide variety of wire and cable products for the electrical markets including low-voltage insulated power and control cables, building wire, instrumentation cable, halogen-free power and control cables, and overhead power cables. Enica Biskra is a joint venture formed with an Algerian state-owned manufacturer of low- and medium-voltage power and construction cables. NSW is a global supplier of offshore communications, power and control cables as well as aerial cables for power utility communication and control networks. ECN s global sales consist mostly of sales of aluminum aerial high-voltage cables, low- and medium-voltage insulated power cables and bi-metallic products used in electric transmission and communications. Silec is a global leader in the design, engineering and installation of high- voltage underground links as well as cabling systems for energy transmission and distribution markets. These acquisitions demonstrate the Company s strategic initiative to expand its global geographic footprint and broaden its product diversity.

The ongoing weak economic conditions have affected a broad spectrum of markets throughout Europe, particularly in Spain and Portugal, where the recessionary conditions have had a significant impact on the domestic construction markets. Growth in European and Mediterranean electric utility markets is largely dependent on the investment policies of electric utilities, infrastructure improvement and the growing needs of emerging economies. The Company believes that the increase in electricity consumption in Europe has outpaced the rate of utility investment in Europe s energy grid, historically. As a result, the Company believes the average age of power transmission cables has increased and the current electric transmission infrastructure needs to be upgraded in order to alleviate transmission grid reliability and capacity issues. Similar to the economic stimulus in the United States focused on enhanced investment in electric transmission infrastructure, high-speed broadband infrastructure and alternative energy projects as discussed in the Company s North America segment, the Council of the European Union, as part of a broader economic recovery plan, recently earmarked funding for numerous projects in the field of energy, such as large grid interconnection projects.

In October 2010, NSW was awarded a complete turn-key solution project which includes the design, manufacture, supply and installation of high voltage export submarine cable, terrestrial underground transmission cable as well as associated accessories for the offshore wind farm, Baltic 2. The order value of the project is 195 million Euro. The project allows General Cable to gain momentum in the investment in grid interconnections and alternative energy such as offshore wind power which represents attractive long-term growth opportunities. Manufacturing of the cable is expected to occur throughout 2011 and into 2012 with installation in 2012 according to the current timeline.

The market for electrical infrastructure cable products has many niches. The level of construction spending heavily influences sales in Europe and Mediterranean. The Company experienced high demand prior to 2006 as a result of continuing strength in residential and non-residential construction spending in the region, particularly in Spain. However, demand for residential low-voltage cables and building wire has continued to decrease since 2007 and continued into 2010 in the Spanish domestic market.

Rest of World (ROW)

The ROW segment engages in the development, design, manufacture, marketing and distribution of copper, aluminum and fiber optic wire and cable products for the energy, industrial, specialty and communications markets as well as manufactures, and distributes rod mill wire and cable products. The ROW segment consists of sales, distribution and manufacturing facilities in Latin America, Sub-Saharan Africa, the Middle East and Asia Pacific that resulted from the acquisition of Phelps Dodge International Corporation (PDIC) in October 2007 and is managed in conjunction with the Company s historical operations in the Australia, China, India, Mexico, New Zealand, and the Pacific Islands. The ROW segment contributed approximately 32%, 30% and 30% of the Company s consolidated net sales in 2010, 2009 and 2008, respectively.

The PDIC acquisition was completed as part of the Company s strategy to expand globally into developing energy and electrical infrastructure markets. PDIC manufactures a full range of electric utility, electrical infrastructure, construction and communication products. PDIC serves developing countries and customers in sectors that are expected to offer better growth opportunity over time than the developed world. In addition to its manufacturing capabilities, the acquisition of PDIC provided a global network of management, development, design, distribution, marketing assistance, technical support and engineering and purchasing services to contractors, distributors, and public and private utilities. Current ROW operations and equity investments are located in Australia, Brazil, Chile, China, Colombia, Costa Rica, Ecuador, El Salvador, Fiji, Honduras, India, Mexico, New Zealand, Oman, Pakistan, Panama, Peru, the Philippines, South Africa, Thailand, Venezuela and Zambia.

Economic conditions appear to be improving across a broad spectrum of markets in ROW, particularly Brazil, Chile, and Zambia but ongoing weak economic conditions continue in Mexico and Central America. The socio-economic environment in Venezuela continues to create a challenging operating environment as well. Overall, this segment is expected to grow prospectively as a result of its leading market positions in Latin America, Sub-Saharan Africa and Asia Pacific. The countries in ROW are generally expected to offer better growth opportunities over time than the developed markets of North America and Western Europe due to growing population and wealth driving demand for consumer goods, housing and electricity. Additionally, the Company anticipates an expanded global product offering will provide greater accessibility to customers as it relates to investment in electrical infrastructure, construction and electric utilities throughout developing markets.

Overall growth was experienced in Brazil, Chile, and Zambia in the current year and this trend is expected to continue in the near future. In Brazil, demand for the Company s low- and medium- voltage distribution cables increased due to government plans to improve the infrastructure of the country. Government initiated projects include Lights for All , which is designed to provide power to remote locations throughout the country, and an urban mobility plan to improve infrastructure of airports, ports and railways. In the private sector, infrastructure spending in preparation for upcoming events such as the 2014 World Cup of Soccer and the 2016 Olympics, downstream investments in oil and gas industries, as well as bullet train infrastructure spending, have additionally increased demand. Although transmission projects were delayed in 2010, these projects began to ship in late 2010 and are expected to continue to ship in 2011 and 2012. In Chile, sales trends are positive as a result of reconstruction efforts following the Chilean earthquake in early 2010 as well as increased investment in infrastructure and mining sectors due to low interest rates and a stable political environment. In Zambia, growth has been caused by increased mining activities as a result of rising copper prices which are expected to result in investments by the government in electrical infrastructure projects in the next year.

The recent increase in demand was primarily offset by the challenges faced in Venezuela as the country continues to cope with complex exchange regulations that have caused disruptions in electrical infrastructure and construction projects across the country. Additionally, weak economic conditions continued to impact markets in Mexico and Central America throughout 2010. Mexico is experiencing high unemployment levels, tight credit conditions, violence and a low consumer confidence level, which have kept domestic demand at low levels. Generally in Central America, excluding the stable environment in Costa Rica, the political and democratic structures are fragile in most countries thus negatively impacting investments in infrastructure.

Products

The various wire and cable product lines are sold and manufactured by all geographic segments except for rod mill products, which are only manufactured and sold by the ROW segment, and construction products, which are only sold in the Europe and Mediterranean and ROW segments. Revenue by product line is included in Note 16 to the Consolidated Financial Statements. Products sold by the Company s three segments include the following:

Electric Utility products The primary products in this grouping include low- and medium-voltage distribution cable; high-and extra-high voltage power transmission cable products and underground installation; and bare overhead conductors. These products are sold to electric utility and power companies and contractors. The Company is a leader in the supply of electric utility cables in North America, Latin America, Western Europe, Oceania and Southeast Asia.

The Company manufactures low- and medium-voltage aluminum and copper distribution cable, bare overhead aluminum conductor and high-voltage transmission cable. Bare transmission cables are utilized by utilities in the transmission grid to provide electric power from the power generating stations to the distribution sub-stations. Medium-voltage cables are utilized in the primary distribution infrastructure to bring power from the distribution sub-stations to the transformers. Low-voltage cables are utilized in the secondary distribution infrastructure to take the power from the transformers to the end-user.

The Company provides installation services for high-voltage and extra-high-voltage transmission cables used in certain underground applications. The underground power cables are highly engineered cables and the installation of such requires specific expertise. To support these services, the Company has strengthened its materials science, power connectivity and systems integration expertise.

Electrical Infrastructure products This product group includes electrical infrastructure, portable cord products, transportation products and industrial harnesses. These products consist of wire and cable that are used for many applications: maintenance and repair; temporary power on construction sites; conduction of electrical current and signals for industrial original equipment manufacturers and commercial power, residential power, and control applications; and jacketed wire and cable products and harnesses for automotive and industrial applications.

These products include low- and medium-voltage industrial cables, rail and mass transit cables, shipboard cables, oil and gas cables and other industrial cables. Applications for these products include power generating stations, marine, mining, oil and gas, transit/locomotive, original equipment manufacturers, machine builders and shipboard markets. The Company s Polyrad® XT marine wire and cable products also provide superior properties and performance levels that are necessary for heavy-duty industrial applications to both onshore and offshore platforms, ships and oil rigs. Many wire and cable applications require cables with exterior armor and/or jacketing materials that can endure exposure to chemicals, extreme temperatures and outside elements. The Company offers products that are specifically designed for these applications.

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The portable cord products in this product group consist of a wide variety of rubber and plastic insulated cord products for power and control applications serving industrial, mining, entertainment, original equipment manufacturers and other markets. These products are used for the distribution of electrical power but are designed and constructed to be used in dynamic and severe environmental conditions where a flexible but durable power supply is required including both standard commercial cord and cord products designed to meet customer specifications. Portable rubber-jacketed power cord, the Company s highest volume selling cord product line, is typically manufactured without a connection device at either end and is sold in standard and customer-specified lengths. The cords are also sold to original equipment manufacturers for use as power cords on their products and in other applications, in which case the cord is made to the original equipment manufacturers specifications. The Company also manufactures portable cords for use with moveable heavy equipment and machinery. The Company s portable cord products are sold primarily through electrical distributors and electrical retailers to industrial customers, original equipment manufacturers, contractors and consumers.

The transportation products consist primarily of ignition wire sets for sale to the automotive aftermarket. These products are sold primarily to automotive parts retailers and distributors. The Company s automotive products are also sold on a private label basis to retailers and other automotive parts manufacturers. Other products include cable harnesses (assemblies) for use in industrial control applications as well as medical applications. These assemblies are used in such products as industrial machinery, diagnostic imaging and transportation equipment. These products are sold primarily to original equipment manufacturers and industrial equipment manufacturers.

Construction products This product group includes wire and cable products for construction markets. These products consist of construction cables, building wire and flexible cords. This grouping includes construction cables that meet low-smoke, zero-halogen requirements and flame retardant cables. The cables are used in the construction markets served by electrical distributors, contractors and retail home centers. The principal end users are electricians, distributors, installation and engineering contractors and do-it-yourself consumers.

Communication products The communication products include wire and cable products that transmit low-voltage signals for voice and data applications and electronic wire and cables.

A principal product category is data communication products that include high-bandwidth twisted copper and fiber optic cables and multi-conductor cables for customer premises, local area networks and telephone company central offices. Customer premise communication products are used for wiring at subscriber premises and include computer, riser rated and plenum rated wire and cable. Riser cable runs between floors and plenum cable runs in air spaces, primarily above ceilings in non-residential structures. Local area network cables run between computers along horizontal raceways and in backbones between servers. Central office products interconnect components within central office switching systems and public branch exchanges. The Company sells data communications products primarily through a direct sales force.

Another principal product category includes outside plant telecommunications exchange cable, which is short haul trunk, feeder or distribution cable from a telephone company s central office to the subscriber premises. The product consists of multiple paired conductors (up to 4,200 pairs) and various types of sheathing, water-proofing, foil wraps and metal jacketing. Service wire is used to connect telephone subscriber premises to curbside distribution cable. The Company sells telecommunications products primarily to telecommunications system operators through its direct sales force under supply contracts of varying lengths and to telecommunications distributors. These supply contracts do not guarantee a minimum level of sales.

The Company s electronics products include multi-conductor, multi-pair, coaxial, hook-up, audio and microphone cables, speaker and television lead wire and high temperature and shielded electronic wire. Primary uses for these products are various applications within commercial, industrial instrumentation and control and residential markets. These markets require a broad range of multi-conductor products for applications involving programmable controllers, robotics, process control and computer integrated manufacturing, sensors and test equipment, as well as cable for fire alarm, smoke detection, sprinkler control, entertainment and security systems.

The Company produces and sells fiber-optic submarine communication cable systems and specialty cables for the offshore industry and other underwater and terrestrial applications. Products include fiber-optic submarine cables and hardware, low detection profile cables, turnkey submarine networks, and offshore systems integration.

Rod Mill products Rod Mill products include continuous cast copper and aluminum rod, which is sold to other wire and cable manufacturers. These products are only produced and sold by PDIC operations in our ROW segment and are generally produced and consumed internally. Copper and aluminum rod are the key material used in the manufacturing of wire and cable products. Customers in this segment rely on the Company to provide just-in-time delivery of this important component.

Industry and Market Overview

The wire and cable industry is competitive, mature and cost driven. For many product offerings, there is little differentiation among industry participants from a manufacturing or technology standpoint. The Company s end markets demonstrated recovery from the low points of demand experienced in 2003 over a number of years through the fourth quarter of 2007. However, beginning in the fourth quarter of 2007 and continuing into 2010, the ongoing weak global economic conditions and slow or negative growth in certain markets around the world have resulted in lower demand and more competitive pricing. In the past several years, there has been significant merger and acquisition activity which, the Company believes, has led to a reduction in inefficient, high cost capacity in the industry. Wire and cable products are relatively low value added, higher weight and therefore relatively expensive to transport and often subject to regional or country specifications. The wire and cable industry is raw materials intensive with copper and aluminum comprising the major cost components for cable products. At current metal prices raw material costs are approximately 85% of total product costs with copper and aluminum metal costs comprising of approximately 60% of total product cost for the year ended December 31, 2010. Changes in the cost of copper and aluminum are generally passed through to the customer, although there can be timing delays of varying lengths depending on the volatility in metal prices, the type of product, competitive conditions and particular customer arrangements.

Raw Materials Sources and Availability

The principal raw materials used by General Cable in the manufacture of its wire and cable products are copper and aluminum. The price of copper and aluminum as traded on the London Metal Exchange (LME) and COMEX has historically been subject to considerable volatility and, during the past few years, global copper prices have established new average record highs.

Average daily selling price: ($ per pound)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year to Date
Copper Cathode					
2010	3.28	3.19	3.30	3.93	3.43
2009	1.57	2.15	2.67	3.03	2.35
2008	3.53	3.80	3.45	1.75	3.13
Aluminum					
2010	1.04	1.02	1.01	1.13	1.05
2009	0.66	0.72	0.87	0.96	0.80
2008	1.28	1.38	1.31	0.87	1.21

The Company purchases copper and aluminum from various global sources, generally through annual supply contracts. Copper and aluminum are available from many sources, however, unanticipated problems with the Company s copper or aluminum rod suppliers could negatively affect the Company s business. In North America, the Company has centralized the purchasing of its copper, aluminum and other significant raw materials to capitalize on economies of scale and to facilitate the negotiation of favorable purchase terms from suppliers. In 2010, the Company s largest supplier of copper rod accounted for approximately 83% of its North American copper purchases while the largest supplier of aluminum rod accounted for approximately 77% of its North American aluminum purchases. The Company s European and Mediterranean operations purchase copper and aluminum rod from many suppliers or brokers with each generally providing a small percentage of the total copper and aluminum rod purchased. The Company s ROW segment internally produces the majority of its copper and aluminum rod production needs and obtains cathode and ingots from various suppliers with each supplier generally providing a small percentage.

Other raw materials utilized by the Company include nylon, polyethylene resin and compounds and plasticizers, fluoropolymer compounds, optical fiber and a variety of filling, binding and sheathing materials. The Company believes that all of these materials are available in sufficient quantities through purchases in the open market.

Patents and Trademarks

The Company believes that the success of its business depends more on the technical competence, creativity and marketing abilities of its employees than on any individual patent, trademark or copyright. Nevertheless, the Company has a policy of seeking patents when appropriate on inventions concerning new products and product improvements as part of its ongoing research, development and manufacturing activities.

The Company owns a number of U.S. and foreign patents and has patent applications pending in the U.S. and abroad. Through its acquisition of PDIC, the Company acquired registered trade names related to Phelps Dodge International Corporation and PDIC global marks and symbols in Brazil, Canada, China, India, Mexico, Taiwan, Thailand, and in the United States. Although in the aggregate, these patents are of considerable importance to the manufacturing and marketing of many of the Company s products, the Company does not consider any single patent or group of patents to be material to its business as a whole. While the Company occasionally obtains patent licenses from third parties, none are deemed to be material.

The Company also owns a number of U.S. and foreign registered trademarks and has many applications for new registrations pending. Although in the aggregate these trademarks are of considerable importance to the manufacturing and marketing of many of the Company s products, the Company does not consider any single trademark or group of trademarks to be material to its business as a whole with the exception of the PDIC related trademarks and trade names. Trademarks, which are considered to be generally important, are General Cable®, Anaconda®, BICC®, Carol®, GenSpeed®, Helix/HiTemp®, NextGen®, Silec®, Polyrad® Phelps Dodge International Corporation®, Phelps Dodge International Corporation global symbol and the Company s triad symbol. The Company believes that its products bearing these trademarks have achieved significant brand recognition within the industry.

The Company also relies on trade secret protection for its confidential and proprietary information. The Company routinely enters into confidentiality agreements with its employees. There can be no assurance, however, that others will not independently obtain similar information and techniques or otherwise gain access to the Company s trade secrets or that the Company will be able to effectively protect its trade secrets.

Seasonality

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

Competition

The markets for all of the Company s products are highly competitive and most markets include several competitors. The Company believes that it has developed strong customer relations as a result of its ability to supply customer needs across a broad range of products, its commitment to quality control and continuous improvement, its continuing investment in information technology, its emphasis on customer service and its substantial product and distribution resources.

Although the primary competitive factors for the Company s products vary somewhat across the different product categories, the principal factors influencing competition are generally price, quality, breadth of product line, inventory, delivery and customer service and the environmental impact of the products. Many of the Company s products are made to industry specifications, and are therefore functionally interchangeable with those of competitors. However, the Company believes that significant opportunities exist to differentiate all of its products on the basis of quality, consistent availability, conformance to manufacturer s specifications and customer service. Within some markets such as local area networking cables, conformance to manufacturer s specifications and technological superiority are also important competitive factors.

Advertising Expense

Advertising expense consists of expenses relating to promoting the Company s products, including trade shows, catalogs, and e-commerce promotions, and is charged to expense when incurred. Advertising expense was $12.0 million, $7.5 million and $11.1 million in 2010, 2009 and 2008, respectively.

Environmental Matters

The Company is subject to a variety of federal, state, local and foreign laws and regulations covering the storage, handling, emission and discharge of materials into the environment, including CERCLA, the Clean Water Act, the Clean Air Act (including the 1990 amendments) and the Resource Conservation and Recovery Act. While it is difficult to estimate future environmental liabilities accurately, the Company does not currently anticipate any material adverse effect on its consolidated results of operations, financial position or cash flows as a result of compliance with federal, state, local or foreign environmental laws or regulations or remediation costs of the sites as discussed below in Item 3 Legal Proceedings and Note 17 Commitments and Contingencies to the Consolidated Financial Statements.

Employees

At December 31, 2010, General Cable employed approximately 11,700 persons, and collective bargaining agreements covered approximately 5,800 employees, or 50% of total employees, at various locations around the world. Labor agreements at two locations that expire in 2010 continue to be negotiated by the Company. The Company expects that these agreements will be settled on satisfactory terms. Generally, labor agreements are negotiated on an annual or bi-annual basis. There were no major strikes at any of the Company s facilities during the five years ended December 31, 2010. In the fourth quarter of 2010, Thailand experienced labor union issues limiting the amount of working hours which decreased capacity production. The main product lines affected were those of power cables and building wires. The disputes were settled in December 2010. In Brazil, France, Germany, Mexico, New Zealand, Thailand, United States and Venezuela, union contracts will expire at three facilities in 2011 and eight facilities in 2012 representing approximately 9.3% and 22.4%, respectively, of total employees as of December 31, 2010. The Company believes it will successfully renegotiate these contracts as they come due.

Disclosure Regarding Forward-Looking Statements

Certain statements in the 2010 Annual Report on Form 10-K including, without limitation, statements regarding future financial results and performance, plans and objectives, capital expenditures, understanding of competition, projected sources of cash flow, potential legal liability, proposed legislation and regulatory action, and our management s beliefs, expectations or opinions, are forward-looking statements, and as such, we desire to take advantage of the safe harbor which is afforded such statements under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. You can generally identify forward-looking statements as statements containing the words believe, expect, may, anticipate, intend, estimate, project, plan, assume, seek to or other similar expressions, altho forward-looking statements contain these identifying words.

Actual results may differ materially from those discussed in forward-looking statements as a result of factors, risks and uncertainties over many of which we have no control. These factors include, without limitation, the following: (1) general economic conditions, particularly those in the construction, energy and information technology sectors; (2) changes in customer or distributor purchasing patterns in our business segments; (3) our ability to increase manufacturing capacity and productivity; (4) our ability to increase our selling prices during periods of increasing raw material costs; (5) domestic and local country price competition, particularly in certain segments of the power cable market and other competitive pressures; (6) economic and political consequences resulting from terrorist attacks, war and political and social unrest; increased exposure to political and economic developments, crises instability, terrorism, civil strife, expropriation and other risks of doing business in foreign markets; (7) the impact of technology; (8) our ability to successfully complete and integrate acquisitions and divestitures and our ability to realize expected cost savings or other perceived benefits of these transactions; (9) our ability to negotiate extensions of labor agreements on acceptable terms and to successfully deal with any labor disputes; (10) our ability to service, and meet all requirements under, our debt, and to maintain adequate domestic and international credit facilities and credit lines; (11) our ability to pay dividends on our preferred stock; (12) our ability to make payments of interest and principal under our existing and future indebtedness and to have sufficient available funds to effect conversions and repurchases from time to time; (13) lowering of one or more debt ratings issued by nationally recognized statistical rating organizations, and the adverse impact such action may have on our ability to raise capital and on our liquidity and financial conditions; (14) the impact of unexpected future judgments or settlements of claims and litigation; (15) our ability to achieve target returns on investments in our defined benefit plans; (16) our ability to avoid limitations on utilization of net losses for income tax purposes; (17) our ability to continue our uncommitted accounts payable confirming arrangement and our accounts receivable financing arrangement for our European operations, the cost and availability of raw materials, including copper, aluminum and petrochemicals; (18) economic consequences arising from natural disasters and other similar catastrophes, such as floods, earthquakes, hurricanes and tsunamis; (19) the impact of foreign currency fluctuations, (20) devaluations and changes in interest rates; (21) changes in the financial impact of any future plant closures; (22) and other material factors. See Item 1A, Risk Factors, for a more detailed discussion on some of these risks.

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

Available Information

The Company s principal executive offices are located at 4 Tesseneer Drive, Highland Heights, Kentucky 41076-9753 and its telephone number is (859) 572-8000. The Company s internet address is www.generalcable.com. General Cable s annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are made available free of charge at www.generalcable.com as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (SEC). In addition, the Company will provide, at no cost, paper or electronic copies of our reports and other filings made with the SEC. Requests should be directed to: Investor Relations, General Cable Corporation, 4 Tesseneer Drive, Highland Heights, KY 41076-9753.

The information on the website listed above is not and should not be considered part of this annual report on Form 10-K and is not incorporated by reference in this document. This website address is and is only intended to be an inactive textual reference.

The most recent certifications by our Chief Executive and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to our Form 10-K for the fiscal year ended December 31, 2010. We have also filed with the New York Stock Exchange the most recent Annual CEO certification as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual.

Executive Officers of the Registrant

The following table sets forth certain information concerning the executive officers of General Cable as of December 31, 2010.

Name	Age	Position
Gregory B. Kenny	58	President, Chief Executive Officer and Director
Brian J. Robinson	42	Executive Vice President, Chief Financial Officer and Treasurer
Robert J. Siverd	62	Executive Vice President, General Counsel and Secretary
Emmanuel Sabonnadiere	46	Executive Vice President, President and Chief Executive Officer, General Cable Europe and Mediterranean
Domingo Goenaga	69	Executive Vice President and Managing director, Grupo General Cable Sistemas, SA
Gregory J. Lampert	43	Executive Vice President, President and Chief Executive Officer, General Cable North America
Roderick Macdonald	62	Executive Vice President, Global Sales and Business Development
Mathias Sandoval	50	Executive Vice President, President and Chief Executive Officer, General Cable Rest of World

Mr. Kenny has been one of General Cable s directors since 1997 and has been President and Chief Executive Officer since August 2001. He served as President and Chief Operating Officer from May 1999 to August 2001. He served as Executive Vice President and Chief Operating Officer of General Cable from March 1997 to May 1999. From June 1994 to March 1997, he was Executive Vice President of General Cable s immediate predecessor. He is also a member of the Board of Directors of Corn Products International, Inc. (NYSE: CPO), Cardinal Health, Inc. (NYSE: CAH) and the Federal Reserve Bank of Cleveland (Cincinnati Branch).

Mr. Robinson has served as Executive Vice President, Chief Financial Officer and Treasurer since January 1, 2008. He served as Senior Vice President, Chief Financial Officer and Treasurer from January 2007 to December 2007. He served as Senior Vice President, Controller and Treasurer from March 2006 to December 2006. He served as General Cable Controller from 2000 to February 2006 and Assistant Controller from 1999 to 2000. From 1997 until 1999, he served as an Audit Manager focused on accounting services for global companies for Deloitte & Touche LLP, and from 1991 to 1997, he served in roles of increasing responsibility with the Deloitte & Touche LLP office in Cincinnati, Ohio.

Mr. Siverd has served as Executive Vice President, General Counsel and Secretary of General Cable since March 1997. From July 1994 until March 1997, he was Executive Vice President, General Counsel and Secretary of the predecessor company.

Mr. Sabonnadiere has served as Executive Vice President, President and Chief Executive Officer, Europe and Mediterranean since July 2010. He joined General Cable in June 2008 as Managing Director of the Silec operations in France and recently became Chairman of the Board of Directors of the Algerian business. Prior to General Cable, he served for 20 years in senior management positions in energy transmission and distribution related businesses.

Mr. Goenaga has served as Executive Vice President, President and Chief Executive Officer of Europe and Mediterranean since October 2007 and has been an employee of General Cable since 1963. He has been succeeded by Mr. Sabonnadiere as of June 2010 but will continue as Executive Vice President and Managing Director, Grupo General Sistemas.

Mr. Lampert has served as Executive Vice President, President and Chief Executive Officer for General Cable North America since August 1, 2008. Prior to that, Mr. Lampert was Executive Vice President and Group President, North America Electrical and Communications Infrastructure since October 2007. He served as Senior Vice President and General Manager Data Communications and Carol Brand Products from August 2005 until September 2007. He served as Vice President and General Manager Carol Brand Products from January 2004 until July 2005. He served as Vice President of Sales Electrical and Industrial Distribution from July 2000 until December 2003. He served as Product Manager Building Wire from April 1998 until June 2000. Prior to joining General Cable, Mr. Lampert spent eight years with The Dow Chemical Company in sales and marketing roles of increasing responsibility.

Mr. Macdonald has served as Executive Vice President of Global Sales and Business Development since October 2007. He was Senior Vice President, Sales and Business Development for General Cable since September 2001 to October 2007. He joined the Company as Senior Vice President and General Manager, Electrical Cables in December 1999. From the period 1994 to 1999, Mr. Macdonald served as Vice President, Human Resources, Information Technology and Corporate Secretary for Commonwealth Aluminum Corporation. In 1995, Mr. Macdonald was appointed to the position of Executive Vice President, Corporate Systems for Commonwealth, and in 1997, he assumed the role of President of Alflex Corporation, a subsidiary of Commonwealth that manufactures armored cable products. He served for 25 years as an officer in the British Armed Services. In 1983 he was made a Member of the Order of the British Empire for services leading commando forces in combat in the Falkland Islands and ended his distinguished military career in 1993 as a Brigadier General.

Mr. Sandoval has served as Executive Vice President and President and Chief Executive Officer of General Cable Rest of World and Phelps Dodge International Corporation (PDIC) since October 2007. He began his 27-year career with PDIC as a process engineer in Costa Rica and has held positions in engineering, operations and management, including General Manager of PDIC s Honduras-based business, President of their Venezuelan operations, Vice President of their Global Aluminum Business Segment and Vice President of PDIC s Global Energy Segment. He became President of PDIC in 2001. He has served on Boards of Directors for joint ventures between United States companies and private- and government-owned enterprises in China, Thailand, the Philippines, Zambia, South Africa, Mexico, Honduras, Costa Rica, Panama, Venezuela, Ecuador, Brazil and Chile. Mr. Sandoval is also a member of the Board of Directors of A.O. Smith Corporation (NYSE: AOS).

ITEM 1A. RISK FACTORS

Unless the context indicates otherwise, all references to we , us , our in this Item 1A, Risk Factors, refer to Company. We are subject to a number of risks listed below, which could have a material adverse effect on our financial condition, results of operations and value of our securities.

Certain statements in the 2010 Annual Report on Form 10-K including, without limitation, statements regarding future financial results and performance, plans and objectives, capital expenditures and our management s beliefs, expectations or opinions, are forward-looking statements, and as such, we desire to take advantage of the safe harbor which is afforded such statements under the Private Securities Litigation Reform Act of 1995. Our forward-looking statements should be read in conjunction with our comments in this report under the heading, Disclosure Regarding Forward-Looking Statements. Actual results may differ materially from those statements as a result of factors, risks and uncertainties over which we have no control. The risk factors discussed below are all of the known material risks and uncertainties that we know to exist. However, additional risks that are currently unknown to us may also impair our business or adversely affect our financial condition or results of operations.

Risks Related to Our Business

Our net sales, net income and growth depend largely on the economic strength of the geographic markets that we serve, and if these markets become weaker, we would suffer decreased sales and net income.

Many of our customers use our products as components in their own products or in projects undertaken for their customers. Our ability to sell our products is largely dependent on general economic conditions, including how much our customers and end-users spend on power transmission and distribution infrastructures, industrial manufacturing assets, new construction and building, information technology and maintaining or reconfiguring their communications networks. In periods of negative or no economic growth the Company would likely suffer a further decrease in sales and net income.

The markets for our products are highly competitive, and if we fail to invest in product development, productivity improvements and customer service and support, sales of our products could be adversely affected.

The markets for copper, aluminum and fiber optic wire and cable products are highly competitive, and some of our competitors may have greater financial resources than we have. We compete with at least one major competitor with respect to each of our business segments. Many of our products are made to common specifications and therefore, may be fungible with competitors products. Accordingly, we are subject to competition in many markets on the basis of price, quality, breadth of product line, inventory, delivery time, customer service and our ability to meet specific customer needs.

We believe that competitors will continue to improve the design and performance of their products and to introduce new products with competitive price and performance characteristics. We expect that we will be required to continue to invest in product development, productivity improvements and customer service and support in order to compete in our markets. Furthermore, an increase in imports of competing products could adversely affect our sales on a region by region basis.

Our business is subject to the economic, political and other risks of maintaining facilities and selling products in foreign countries.

During the year ended December 31, 2010, approximately 63% of our sales and approximately 76% of our assets were in markets outside North America. Our operations outside North America generated approximately 58% of our cash flows from operations during this period. Our financial results may be adversely affected by significant fluctuations or devaluations in the value of the U.S. dollar against foreign currencies or by the enactment of exchange controls or foreign governmental or regulatory restrictions on the transfer of funds. In addition, negative tax consequences relating to the repatriation of certain foreign income may adversely affect our cash flows.

Furthermore, our foreign operations are subject to risks inherent in maintaining operations abroad, such as economic and political destabilization, international conflicts, restrictive actions by foreign governments, nationalizations or appropriations, changes in regulatory requirements, the difficulty of effectively managing diverse global operations, adverse foreign tax laws and the threat posed by potential pandemics in countries that do not have the resources necessary to deal with such outbreaks. Over time, we intend to continue to expand our foreign operations, which would serve to exacerbate these risks and their potential effect on our business, financial position and results of operations. In particular, with the acquisition of PDIC, we have significant operations in countries in Latin 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, any losses we may incur may not 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. These countries governments have been known to intervene in their respective economies, in the form of price controls, currency devaluations, capital controls and limits on imports.

Thailand recently experienced significant political and militant unrest in certain provinces. The country s elected government was overthrown in September 2006. In early 2010, the situation escalated further as the elected government opposition, the red shirts , held rallies resulting in numerous casualties. The unrest in the first half of 2010 has stabilized but the political environment remains uncertain. A general election will likely be held in 2011 and could have a significant effect on Thailand s stability based on the outcome of the election. Additionally, a previously stabilizing factor in Thailand s political conflict has been the role of the monarchy but due to health and recent succession, this also creates political uncertainty.

Venezuela continues to operate in a difficult economic environment with increased government regulations, which do not respond to macroeconomic fundamentals. Public investments have been postponed and private investment has diminished partly due to the uncertainty. The President of Venezuela has the authority to legislate certain areas by decree, and the Venezuelan government has nationalized or announced plans to nationalize certain industries and has sought to expropriate certain companies and property. See Item 7 Venezuela Operations for further detail.

Algeria has a tumultuous past, characterized by violence and terrorism. The country s government has been moderately successful in neutralizing these threats; however, a recent spread of protests has sparked a region-wide debate about the prospects for political change and the costs of political repression and economic stagnation increasing the uncertainty of the political environment.

Mass protests broke out across Egypt in January 2011 against the rule of President Hosni Mubarak. Mr. Mubarak resigned on February 11, 2011, ending 30 years of rule. Upon Mr. Mubarak s resignation, the Egyptian military assumed control over the government, dissolving Parliament and suspending the Constitution. The military has committed to overseeing a democratic transition and elections are expected to take place in September 2011. These events are expected to transform politics in Egypt as well as other countries in the region. Political uncertainty is expected to continue into 2011.

Many of these factors typically become more prevalent during periods of economic stress; therefore, current global economic conditions may exacerbate certain of these risks. For example, we are subject to foreign currency risk and economic and political instability which can lead to significant and unpredictable volatility in currency rates, including significant currency devaluations, which may negatively impact our revenues, gross margins, results of operations and financial position.

Volatility in the price of copper and other raw materials, as well as fuel and energy, could adversely affect our businesses.

The costs of copper and aluminum, the most significant raw materials we use, have been subject to considerable volatility over the past few years. At current metal prices raw material costs are approximately 85% of total product costs with copper and aluminum metal costs comprising approximately 60% of total product cost for the year ended December 31, 2010. Volatility in the price of copper, aluminum, polyethylene, petrochemicals, and other raw materials, as well as fuel, natural gas and energy, may in turn lead to significant fluctuations in our cost of sales. Additionally, sharp increases in the price of copper can also reduce demand if customers decide to defer their purchases of copper wire and cable products or seek to purchase substitute products. Although we attempt to recover copper and other raw material price changes either in the selling price of our products or through our commodity hedging programs, there is no assurance that we can do so successfully or at all in the future particularly during times of slow economic growth.

Compliance with foreign and U.S. laws and regulations applicable to our international operations, including the Foreign Corrupt Practices Act (FCPA) and other applicable anti-corruption laws, is difficult and may increase the cost of doing business in international jurisdictions.

Various laws and regulations associated with our current international operations are complex and increase our cost of doing business. Furthermore, these laws and regulations expose us to fines and penalties if we fail to comply with them. These laws and regulations include import and export requirements, U.S. laws such as the FCPA, and local laws prohibiting corrupt payments to governmental officials and other corrupt practices. Although we have implemented policies and procedures designed to ensure compliance with these laws, there can be no assurance that our employees, contractors and agents will not take actions in violation of our policies, particularly as we expand our operations through organic growth and acquisitions. Any such violations could subject us to civil or criminal penalties, including substantial fines or prohibitions on our ability to offer our wire and cable products in one or more countries, and could also materially damage our reputation, our brand, our international expansion efforts, our business and our operating results. In addition, if we fail to address the challenges and risks associated with our international expansion and acquisition strategy, we may encounter difficulties implementing our strategy, which could impede our growth or harm our operating results.

Failure to properly execute large customer projects, such as Baltic 2, may negatively impact our ability to obtain similar future contracts.

In recent years, primarily in Europe, General Cable has been awarded several large turn-key projects for specific customers. These projects involve numerous challenges associated with large long-term contracts. In 2010, General Cable s submarine cable manufacturing company was awarded a major order by 50Hertz Offshore GmbH to provide a complete turnkey cable system solution for the offshore wind farm Baltic 2. This includes the design, manufacture, supply and installation of 75 miles of submarine transmission cable and three single cores measuring 7.5 miles each of underground terrestrial transmission cable. The overall estimated value is approximately 195 million Euros, and manufacturing of the cable is expected to occur throughout 2011 and into 2012 with the installation in 2012 according to the current timeline. These projects, and other similar projects, are milestones for the Company as it works to increase market share through successful execution of medium-voltage infield array and high-voltage export projects as well as the Company s long history and technical leadership on projects for the underground terrestrial high-voltage market. The terrestrial and submarine transmission cable markets in Europe, which are being driven by large investments in grid interconnections and alternative energy such as offshore wind power, represent an attractive long-term opportunity for the Company. The success of the Company s execution of the project is important to long-term success in this market.

Interruptions of supplies from our key suppliers may affect our results of operations and financial performance.

Interruptions of supplies from our key suppliers, including as a result of catastrophes such as hurricanes, earthquakes, floods or terrorist activities, could disrupt production or impact our ability to increase production and sales. All copper and aluminum rod used in our North American operations is externally sourced, and our largest supplier of copper rod accounted for approximately 83% of our North American purchases in 2010 while our largest supplier of aluminum rod accounted for approximately 77% of our North American purchases in 2010. The Company s European operations purchase copper and aluminum rod from many suppliers with each supplier generally providing a small percentage of the total copper and aluminum rod purchased while operations in ROW internally produce the majority of their copper and aluminum rod production needs and obtain cathode and ingots from various sources with each supplier generally providing a small percentage of the total amount of raw materials purchased. Any unanticipated problems with our copper or aluminum rod suppliers could have a material adverse effect on our business. Additionally, we use a limited number of sources for most of the other raw materials that we do not produce. We do not have long-term or volume purchase agreements with most of our suppliers, and may have limited options in the short-term for alternative supply if these suppliers fail to continue the supply of material or components for any reason, including their business failure, inability to obtain raw materials or financial difficulties. Moreover, identifying and accessing alternative sources may increase our costs.

Failure to negotiate extensions of our labor agreements as they expire may result in a disruption of our operations.

As of December 31, 2010, approximately 50% of our employees were represented by various labor unions.

We are party to labor agreements with unions that represent employees at many of our manufacturing facilities. In Brazil, France, Germany, Mexico, New Zealand, Thailand, the United States and Venezuela, union contracts will expire at three facilities in 2011 and eight facilities in 2012 representing approximately 9.3% and 22.4%, respectively, of total employees as of December 31, 2010. Labor agreements are generally negotiated on an annual or bi-annual basis and the risk exists that labor agreements may not be renewed on reasonably satisfactory terms to the Company or at all. We cannot predict what issues may be raised by the collective bargaining units representing our employees and, if raised, whether negotiations concerning such issues will be successfully concluded. A protracted work stoppage could result in a disruption of our operations which could, in turn, adversely affect our ability to deliver certain products and our financial results.

Our inability to continue to achieve productivity improvements may result in increased costs.

Part of our business strategy is to increase our profitability by lowering costs through improving our processes and productivity. In the event we are unable to continue to implement measures improving our manufacturing techniques and processes, we may not achieve desired efficiency or productivity levels and our manufacturing costs may increase. In addition, productivity increases are related in part to factory utilization rates. Unanticipated decreases in utilization rates may adversely impact productivity.

Changes in industry standards and regulatory requirements may adversely affect our business.

As a manufacturer and distributor of wire and cable products for customers that operate in various industries, we are subject to a number of industry standard-setting authorities, such as Underwriters Laboratories, the Telecommunications Industry Association, the Electronics Industries Association, the International Electrotechnical Commission and the Canadian Standards Association. In addition, many of our products are subject to the requirements of federal, state and local or foreign regulatory authorities. Changes in the standards and requirements imposed by such authorities could have an adverse effect on us. In the event that we are unable to meet any such new or modified standards when adopted, our business could be adversely affected.

In addition, changes in the legislative environment could affect the growth and other aspects of important markets served by us. Legislation has been enacted, such as the renewal of the investment tax credit in December 2010, to increase alternative energy projects. Among other things the legislation provides tax credits and other incentives for the production of traditional sources of energy, as well as alternative energy sources, such as wind, wave, tidal and geothermal power generation systems. Although we believe legislative efforts overall have had a positive impact on us and our financial results, we cannot be certain that this impact will continue. Further, we cannot predict the impact, either positive or negative, that changes in laws or industry standards may have on our future financial results, cash flows or financial position.

Advancing technologies, such as fiber optic and wireless technologies, may continue to make some of our products less competitive.

Technological developments continue to have an adverse effect on elements of our business. For example, a continued increase in the rate of installations using fiber optic systems or an increase in the cost of copper-based systems may have an adverse effect on our business. While we do manufacture and sell fiber optic cables, any further acceleration in the erosion of our sales of copper cables due to increased market demand for fiber optic cables would most likely not be offset by an increase in sales of our fiber optic cables.

Also, advancing wireless technologies, as they relate to network and communications systems represent an alternative to certain copper cables we manufacture and may reduce customer demand for premise wiring. Traditional telephone companies are facing increasing competition within their respective territories from, among others, providers of Voice over Internet Protocol (VoIP) and wireless carriers. Wireless communications depend heavily on a fiber optic backbone and do not depend as much on copper-based systems. The increased acceptance and use of VoIP and wireless technology, and the continual introduction of new wireless or fiber-optic based technologies continues to have an adverse effect on the marketability of our products and our profitability. Our sales of copper premise cables currently face downward pressure from wireless and VoIP technology and the increased acceptance and use of these technologies has heightened this pressure and the potential negative impact on our future financial results, cash flows or financial position.

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We are substantially dependent upon distributors and retailers for non-exclusive sales of our products and they could cease purchasing our products at any time.

During 2010 and 2009, approximately 41% and 38% of our domestic net sales were made to independent distributors and seven of our ten largest U.S. customers were distributors. Distributors accounted for a substantial portion of sales of our communications- and industrial-related products. During 2010 and 2009, approximately 7% and 11%, respectively, of our domestic net sales were to retailers. These distributors and retailers are not contractually obligated to carry our product lines exclusively or for any period of time. Therefore, these distributors and retailers may purchase products that compete with our products or cease purchasing our products at any time. The loss of one or more large distributors or retailers could have a material adverse effect on our ability to bring our products to end users and on our results of operations. Moreover, a downturn in the business of one or more large distributors or retailers could adversely affect our sales and could create significant credit exposure.

In each of our markets, we face pricing pressures that could adversely affect our results of operations and financial performance.

We face pricing pressures in each of our markets as a result of significant competition or over-capacity. While we continually work toward reducing our costs to respond to the pricing pressures that may continue, we may not be able to achieve proportionate reductions in costs. While we generally were successful in raising prices to recover increased raw material costs in the period from the second quarter of 2004 through 2008, pricing pressures accelerated in 2009 and 2010, and price volatility is expected to continue for the foreseeable future. Further pricing pressures, without offsetting cost reductions, could adversely affect our financial results.

If either our uncommitted accounts payable confirming arrangements or our accounts receivable financing arrangements for our European operations is cancelled, our liquidity may be negatively impacted.

Our European operations participate in accounts payable confirming arrangements with several European financial institutions. We negotiate payment terms with suppliers of generally 180 days and submit invoices to the financial institutions with instructions for the financial institutions to transfer funds from our European operations accounts on the due date (on day 180) to the receiving parties to pay the invoices in full. At December 31, 2010, the arrangements had a maximum availability limit of the equivalent of approximately $451.3 million, of which approximately $330.8 million was drawn. Should the availability under these arrangements be reduced or terminated, we may be required to repay the outstanding obligations over 180 days and seek alternative arrangements. We also have approximately $113.7 million available under uncommitted, Euro-denominated facilities in Europe, which allow us to sell at a discount, with no or limited recourse, a portion of our accounts receivable to financial institutions. As of December 31, 2010, we have not drawn from these accounts receivable facilities. We do not have firm commitments from these institutions to purchase our accounts receivable. We cannot assure you that alternate arrangements will be available on favorable terms or at all. Failure to obtain alternative arrangements in such case would negatively impact our liquidity.

The Company is exposed to counterparty risk in our hedging arrangements.

The Company is exposed to counterparty risk in our hedging arrangements. A number of financial institutions similar to those that serve as counterparties to our hedging arrangements have been adversely affected by the global credit crisis. The failure of one or more counterparties to our hedging arrangements to fulfill or renew their obligations to us could adversely affect our results of operations. At times, depending on the extent of any unrealized loss position(s) on a derivative contract(s), certain counterparties may require us to post collateral to secure our derivative contract position.

As a result of market and industry conditions, we may be required to recognize impairment charges for our long-lived assets, including goodwill or in the event we close additional plants.

In accordance with generally accepted accounting principles, we periodically assess our assets including goodwill to determine if they are impaired. Significant negative industry or economic trends, disruptions to our business, unexpected significant changes or planned changes in use of the assets, divestitures and market capitalization declines may result in impairments to goodwill and other long-lived assets. Future impairment charges could significantly affect our results of operations in the period recognized.

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As a result of market and industry conditions, we may be required to reduce our recorded inventory values, which would result in charges against income.

If we are not able to recover the value of our inventory in a period when replacement costs are lower than the recorded value of the inventory, we would be required to take a charge to recognize an adjustment of our inventory to market value.

We are subject to certain asbestos litigation and unexpected judgments or settlements that could have a material adverse effect on our financial results.

There are 597 pending non-maritime asbestos cases involving our subsidiaries. The majority of these cases involve plaintiffs alleging exposure to asbestos-containing cable manufactured by our predecessors. In addition to our subsidiaries, numerous other wire and cable manufacturers have been named as defendants in these cases. Our subsidiaries have also been named, along with numerous other product manufacturers, as defendants in 28,438 suits in which plaintiffs alleged that they suffered an asbestos-related injury while working in the maritime industry. These cases are referred to as MARDOC cases and are currently managed under the supervision of the U.S. District Court for the Eastern District of Pennsylvania. On May 1, 1996, the District Court ordered that all pending MARDOC cases be administratively dismissed without prejudice and the cases cannot be reinstated, except in certain circumstances involving specific proof of injury. We cannot assure you that any judgments or settlements of the pending non-maritime and/or MARDOC asbestos cases or any cases which may be filed in the future will not have a material adverse effect on our financial results, cash flows or financial position. Moreover, certain of our insurers may become financially unstable and in the event one or more of these insurers enter into insurance liquidation proceedings, we will be required to pay a larger portion of the costs incurred in connection with these cases. While the cumulative average settlement through December 31, 2010 has been approximately $614 per case, the average settlement paid to resolve litigation has increased significantly above that amount, reaching $23,284 per case for litigation settled in 2010, as the mix of cases currently being listed for trial in state courts and those which may be listed in the future, which may need to be resolved, generally involve more serious claims of asbestos related injuries.

Environmental liabilities could potentially adversely impact us and our affiliates.

We are subject to federal, state, local and foreign environmental protection laws and regulations governing our operations and the use, handling, disposal and remediation of hazardous substances currently or formerly used by us and our affiliates. A risk of environmental liability is inherent in our and our affiliates current and former manufacturing activities in the event of a release or discharge of a hazardous substance generated by us or our affiliates. Under certain environmental laws, we could be held jointly and severally responsible for the remediation of any hazardous substance contamination at our current and former facilities and at third party waste disposal sites. We could also be held liable for any consequences arising out of human exposure to such substances or other environmental damage. We and our affiliates have been named as potentially responsible parties in proceedings that involve environmental remediation. There can be no assurance that the costs of complying with environmental, health and safety laws and requirements in our current operations or the liabilities arising from past releases of, or exposure to, hazardous substances, will not result in future expenditures by us that could materially and adversely affect our financial results, cash flows or financial condition.

Pending antitrust and competition law investigations relating to the cable industry could negatively impact our Company

The U.S. Department of Justice (DOJ), and the European Commission have been conducting antitrust and competition law investigations relating to the cable industry, which we believe relate primarily to the submarine and underground high-voltage cables businesses. We have not been engaged in the high-voltage submarine cable business prior to 2009. We only recently entered the submarine cable business in March 2009 through our German affiliate, Norddeutsche Seekabelwerke GmbH & Co., which we acquired in 2007. We have received requests for information from both the DOJ and the European Commission in connection with their investigations. We have provided documents to the DOJ and responded to their questions. With regard to the European investigation we completed our response to the request for information on February 16, 2011. We may receive further requests for information from the DOJ and the European Commission.

No wrongdoing by us or any of our subsidiaries has been alleged by the DOJ and the European Commission competition authorities. If any claims were to be made, defending them could involve us in lengthy proceedings. If we or our subsidiaries were found to have violated antitrust or competition regulations, we or our subsidiaries could be subject to fines and claims for damages, which could be substantial.

Growth through acquisition has been a significant part of our strategy and we may not be able to successfully identify or integrate acquisitions.

Growth through acquisition has been, and is expected to continue to be, a significant part of our strategy. We regularly evaluate possible acquisition candidates. We cannot assure you that we will be successful in identifying, financing and closing acquisitions at favorable prices and terms. Potential acquisitions may require us to issue additional shares of stock or obtain additional or new financing. The issuance of shares of our common or preferred stock in connection with potential acquisitions may dilute the value of shares held by our then existing equity holders. Further, we cannot assure you that we will be successful in integrating any such acquisitions that are completed. Integration of any such acquisitions may require substantial management, financial and other resources and may pose risks with respect to production, customer service and market share of our existing operations. In addition, we may acquire businesses that are subject to technological or competitive risks, and we may not be able to realize the benefits originally expected from such acquisitions.

Terrorist and other attacks or acts of war may adversely affect the markets in which we operate and our profitability.

Terrorists attacks and other military actions have caused and may continue to cause instability in our markets and have led and may continue to lead to, further armed hostilities or further acts of terrorism worldwide, which could cause further disruption in our markets. Acts of terrorism and those of guerilla groups or drug cartels may impact any or all of our facilities and operations, or those of our customers, suppliers or distributors and may further limit or delay purchasing decisions of our customers. Depending on their magnitude, these or similar acts could have a material adverse effect on our business, financial results, cash flows and financial position.

We carry insurance coverage on our facilities of types and in amounts that we believe are consistent with coverage customarily obtained by owners of similar properties. We continue to monitor the state of the insurance market in general and the scope and cost of coverage for acts of terrorism and similar acts in particular, but we cannot anticipate what coverage will be available on commercially reasonable terms in future policy years. Currently, we do not carry terrorism insurance coverage. If we experience a loss that is uninsured or that exceeds policy limits, we could lose the capital invested in the damaged facilities, as well as the anticipated future net sales from those facilities. Depending on the specific circumstances of each affected facility, it is possible that we could be liable for indebtedness or other obligations related to the facility. Any such loss could materially and adversely affect our business, financial results, cash flows and financial position.

If we fail to attract and retain our key employees, our business may be harmed.

Our success has been largely dependent on the skills, experience and efforts of our key employees and the loss of the services of any of our executive officers or other key employees, without a properly executed transition plan, could have an adverse effect on us. The loss of our key employees who have intimate knowledge of our manufacturing process could lead to increased competition to the extent that those employees are hired by a competitor and are able to recreate our manufacturing process. Our future success will also depend in part upon our continuing ability to attract and retain highly qualified personnel, who are in great demand.

Declining returns in the investment portfolio of our defined benefit pension plans and changes in actuarial assumptions could increase the volatility in our pension expense and require us to increase cash contributions to the plans.

We sponsor defined benefit pension plans around the world. Pension expense for the defined benefit pension plans sponsored by us is determined based upon a number of actuarial assumptions, including an expected long-term rate of return on assets and discount rate. The use of these assumptions makes our pension expense and our cash contributions subject to year-to-year volatility. As of December 31, 2010, 2009 and 2008, the defined benefit pension plans were underfunded by approximately $99.6 million, $103.4 million and $122.2 million, respectively, based on the actuarial methods and assumptions utilized for purposes of the applicable accounting rules and interpretations. We have experienced volatility in our pension expense and our cash contributions to our defined benefit pension plans. In 2010, pension expense was $11.1 million a decrease of approximately $5.2 million from 2009 and cash contributions were $20.9 million, an increase of approximately $7.0 million from 2009. We estimate our 2011 pension expense for our defined benefit plans will decrease to approximately $6.0 million. In the event that actual results differ from the actuarial assumptions or the actuarial assumptions are changed, the funded status of our defined benefit pension plans may change and any such deficiency could result in additional charges to equity and an increase in our future pension expense and cash contributions.

Risks Related to Our Debt

Our substantial indebtedness could adversely affect our business and financial condition.

We have a significant amount of debt. As of December 31, 2010, we had $985.5 million of debt outstanding, $72.9 million of which was secured indebtedness, and $371.5 million of additional borrowing capacity available under our amended senior secured credit facility (Amended Credit Facility), $73.5 million of additional borrowing capacity under our Spanish subsidiary s revolving credit facility (Spanish Credit Facility), $38.9 million of additional borrowing capacity under agreements related to ECN, $13.0 million of additional borrowing capacity under other various European credit facilities, and approximately $279.3 million of additional borrowing capacity under our various credit agreements related to ROW, subject to certain conditions. As of December 31, 2010, we had $10.6 million 1.00% Senior Convertible Notes, $355.0 million in 0.875% Senior Convertible Notes and $429.5 million Subordinated Convertible Notes and $200.0 million of fixed-rate 7.125% Senior Notes and $125.0 million of Senior Floating Rate Notes outstanding. Subject to the terms of the Amended Credit Facility, our Spanish subsidiary s term loan (Spanish Term Loan) and Spanish Credit Facility and the indentures governing our 1.00% Senior Convertible Notes, 0.875% Convertible Notes, Subordinated Convertible Notes, 7.125% Senior Notes and Senior Floating Rate Notes, we may also incur additional indebtedness, including secured debt, in the future. See Item 7 of this document for details on the various debt agreements.

The degree to which we are leveraged could have important adverse consequences to us, limiting management s choices in responding to business, economic, regulatory and other competitive conditions. In addition, our ability to generate cash flow from operations sufficient to make scheduled payments on our debts as they become due will depend on our future performance, our ability to successfully implement our business strategy and our ability to obtain other financing, which may be influenced by economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Our indebtedness could also adversely affect our financial position.

We may not have sufficient cash to pay, or may not be permitted to pay, the cash portion of the required consideration that we may need to pay if the 1.00% Senior Convertible Notes, the 0.875% Convertible Notes or the Subordinated Convertible Notes are converted. We will be required to pay to the holder of a note a cash payment equal to the lesser of the principal amount of the notes being converted or the principal portion of the conversion value of those notes. This part of the payment must be made in cash, not in shares of our common stock. As a result, we may be required to pay significant amounts in cash to holders of the notes upon conversion. A failure to pay the required cash consideration would be an event of default under the indenture governing the 1.00% Senior Convertible Notes, the 0.875% Convertible Notes and the Subordinated Convertible Notes, which could lead to cross-defaults under our other indebtedness.

In connection with the incurrence of indebtedness under our Amended Credit Facility, the lenders under that facility have received a pledge of all of the capital stock of our existing domestic and Canadian subsidiaries and any future domestic and Canadian subsidiaries. Additionally, these lenders have a lien on substantially all of our domestic assets, including our existing and future accounts receivable, cash, general intangibles, investment property and real property. As a result of these pledges and liens, if we fail to meet our payment or other obligations under our Amended Credit Facility, the lenders with respect to this facility would be entitled to foreclose on substantially all of our domestic and Canadian assets and to liquidate these assets.

The agreements that govern our secured indebtedness, our 7.125% Senior Notes and Senior Floating Rate Notes contain various covenants that limit our discretion in the operation of our business.

The agreements and instruments that govern certain of our indebtedness contain various restrictive covenants that, among other things, require us to comply with or maintain certain financial tests and ratios and restrict our and our subsidiaries ability to:

- incur or guarantee additional debt;
- create liens;
- make certain investments and payments;

- pay dividends, purchase company stock or make other distributions;
- enter into transactions with affiliates;
- make acquisitions;
- merge or consolidate; and
- transfer or sell assets.

Our ability and the ability of our subsidiaries to comply with these covenants is subject to various risks and uncertainties. In addition, events beyond our control could affect our ability to comply with and maintain the financial tests and ratios required by this indebtedness. Any failure by us or our subsidiaries, as applicable, to comply with and maintain all applicable financial tests and ratios and to comply with all applicable covenants could result in an event of default with respect to, the acceleration of the maturity of, and the termination of the commitments to make further extension of credit under, a substantial portion of our debt. Even if we or our subsidiaries, as applicable, are able to comply with all applicable covenants, the restrictions on our ability to operate our business in our sole discretion could harm our business by, among other things, limiting our ability to take advantage of financing, mergers, acquisitions and other corporate opportunities.

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Failure to comply with covenants and other provisions in our existing or future financing agreements could result in cross-defaults under some of our financing agreements, which cross-defaults could jeopardize our ability to satisfy our obligations.

Various risks, uncertainties and events beyond our control could affect our ability or the ability of our subsidiaries to comply with the covenants, financial tests and ratios required by the instruments governing our and their financing arrangements, including, without limitation, the requirement that no final judgment or judgments of a court of competent jurisdiction have been rendered against us or our subsidiaries in excess of stated amounts. Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit lenders to cease to make further extensions of credit, accelerate the maturity of the debt under these agreements and foreclose upon any collateral securing that debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. In addition, the limitations imposed by financing agreements on our ability and the ability of our subsidiaries to incur additional debt and to take other actions might significantly impair our and their ability to obtain other financing. We may also amend the provisions and limitations of our credit facilities from time to time.

Certain portions of our debt contain prepayment or acceleration rights at the election of the holders upon a covenant default, change in control or fundamental change, which prepayment or acceleration rights, if exercised, could constitute an event of default under other portions of our debt. It is possible that we would be unable to fulfill all of these obligations simultaneously.

Our ability to pay principal and interest on outstanding indebtedness depends upon our receipt of dividends or other intercompany transfers from our subsidiaries.

We are a holding company and substantially all of our properties and assets are owned by, and all our operations are conducted through, our subsidiaries. As a result, we are dependent upon cash dividends and distributions or other transfers from our subsidiaries to meet our debt service obligations, including payment of the interest on and principal of our indebtedness when due, and other obligations. The ability of our subsidiaries to pay dividends and make other payments to us may be restricted by, among other things, applicable corporate, tax and other laws and regulations in the United States and abroad and agreements made by us and our subsidiaries, including under the terms of our existing and potentially future indebtedness.

In addition, claims of creditors, including trade creditors, of our subsidiaries will generally have priority with respect to the assets and earnings of such subsidiaries over the claims of our creditors, except to the extent the claims of our creditors are guaranteed by these subsidiaries. Certain of our indebtedness may be guaranteed by only some of our subsidiaries. In the event of our dissolution, bankruptcy, liquidation or reorganization, the holders of such indebtedness will not receive any amounts from our non-guarantor subsidiaries with respect to such indebtedness until after the payment in full of the claims of the creditors of those subsidiaries.

If we fail to meet our payment or other obligations under our secured indebtedness, the lenders under this indebtedness could foreclose on, and acquire control of, substantially all of our assets.

The lenders under our senior secured credit facility have a pledge of all of the capital stock of our existing domestic and Canadian subsidiaries and any future domestic and Canadian subsidiaries. Additionally, the lenders under our senior secured credit facility have a lien on substantially all of our domestic and Canadian assets, including our existing and future accounts receivable, cash, general intangibles, investment property and real property. We also have incurred secured debt in connection with some of our European and ROW operations. The lenders under these European and ROW secured credit facilities also have liens on assets of certain of our European and ROW subsidiaries. As a result of these pledges and liens, if we fail to meet our payment or other obligations under any of our secured indebtedness, the lenders under the applicable credit agreement would be entitled to foreclose on substantially all of our assets and liquidate these assets. Under those circumstances, we may not have sufficient funds to pay our obligations.

A downgrade in our financial strength or credit ratings could limit our ability to conduct our business or offer and sell additional debt securities.

Nationally recognized rating agencies currently rate our debt. Ratings are not recommendations to buy or sell our securities. We may, in the future, incur indebtedness with interest rates that may be affected by changes in or other actions associated with our credit ratings. Each of the rating agencies reviews its ratings periodically, and previous ratings for our debt may not be maintained in the future. Rating agencies may also place us under review for potential downgrade in certain circumstances or if we seek to take certain actions. A downgrade of our debt ratings or other negative action, such as a review for a potential downgrade, could affect the market price of our existing 0.875% Convertible Notes, 1.00% Senior Convertible Notes or our Subordinated Convertible Notes. Furthermore, these events may negatively affect our ability to raise additional debt with terms and conditions similar to our current debt, and accordingly, likely increase our cost of capital. In addition, a downgrade of these ratings, or other negative action, could make it more difficult for us to raise capital to refinance any maturing debt obligations, to support business growth and to maintain or improve the current financial strength of our business and operations.

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Risks Related to Our Securities

Future issuances of shares of our common stock may depress its market price.

Sales or issuances of substantial numbers of additional shares of common stock, including shares of common stock underlying the 0.875% Convertible Notes, 1.00% Senior Convertible Notes, Subordinated Convertible Notes and shares of our outstanding Series A preferred stock, as well as sales of shares that may be issued in connection with future acquisitions, or the perception that such sales could occur, may have a harmful effect on prevailing market prices for our common stock and our convertible securities and our ability to raise additional capital in the financial markets at a time and price favorable to us. Our amended and restated certificate of incorporation, provides that we have authority to issue 200 million shares of common stock. As of December 31, 2010, there were approximately 52.1 million shares of common stock outstanding (net of treasury shares), approximately 0.6 million shares of common stock issuable upon the exercise of currently outstanding stock options and approximately 0.4 million shares of common stock issuable upon conversion of our outstanding Series A preferred stock. In addition, a maximum of approximately 0.2 million and 14.3 million shares of our common stock could be issuable upon conversion of our 1.00% Senior Convertible Notes and Subordinated Convertible Notes, respectively. Similarly, a maximum of approximately 9.0 million shares of common stock could be issuable upon conversion of our 0.875% Convertible Notes and approximately 7.0 million shares of common stock could be issuable due to the issuance of warrants we issued in connection with the offering of our 0.875% Convertible Notes. All of the shares of our common stock that could be issued pursuant to the conversion of our 0.875% Convertible Notes and 1.00% Senior Convertible Notes and Subordinated Convertible Notes by holders who are not our affiliates would be freely tradable by such holders.

Our convertible note hedge and warrant transactions may affect the trading price of our common stock.

In connection with the issuance of our 0.875% Convertible Notes, we entered into convertible note hedge transactions with one or more of the participating underwriters or their affiliates, which we refer to as the counterparties. The convertible note hedge transactions are comprised of purchased call options and sold warrants. The purchased call options are expected to reduce our exposure to potential dilution upon the conversion of the 0.875% Convertible Notes. We also entered into warrant transactions with such counterparties. The sold warrants have an exercise price that is approximately 92.4% higher than the closing price of our common stock on the date the 0.875% Convertible Notes were priced. The warrants are expected to provide us with some protection against increases in our stock price over the conversion price per share. In connection with these transactions, the counterparties, or their affiliates:

- may enter into various over-the-counter derivative transactions or purchase or sell our common stock in secondary market transactions; and
- may enter into, or may unwind, various over-the-counter derivatives or purchase or sell our common stock in secondary market transactions, including during any conversion reference period with respect to a conversion of 0.875% Convertible Notes.

These activities may have the effect of increasing, or preventing a decline in, the market price of our common stock. In addition, any hedging transactions by the counterparties, or their affiliates, including during any conversion reference period, may have an adverse impact on the trading price of our common stock. The counterparties, or their affiliates, are likely to modify their hedge positions from time to time prior to conversion or maturity of the 0.875% Convertible Notes by purchasing and selling shares of our common stock, other of our securities, or other instruments, including over-the-counter derivative instruments, that they may wish to use in connection with such hedging. In addition, we currently intend to exercise our purchased call options whenever 0.875% Convertible Notes are converted, although we are not required to do so. In order to unwind any hedge positions with respect to our exercise of the purchased call options, the counterparties or their affiliates would expect to sell shares of common stock in secondary market transactions or unwind various over-the-counter derivative transactions with respect to our common stock during the conversion reference period for any 0.875% Convertible Notes that may be converted.

The effect, if any, of these transactions and activities in connection with the 0.875% Convertible Notes on the market price of our common stock will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the trading price of our common stock and, as a result, the number of shares and value of the common stock received upon conversion of our 0.875% Convertible Notes, 1.00% Senior Convertible Notes and Subordinated Convertible Notes.

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Issuances of additional series of preferred stock could adversely affect holders of our common stock.

Our Board of Directors is authorized to issue additional series of preferred stock without any action on the part of our stockholders. Our Board of Directors also has the power, without stockholder approval, to set the terms of any such series of preferred stock that may be issued, including voting rights, conversion rights, dividend rights, preferences over our common stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue preferred stock in the future that has preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding-up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company s principal manufacturing facilities are listed below. The Company owns the building at its global headquarters located in Highland Heights, Kentucky and leases various distribution centers and sales and administrative offices around the world. The Company believes that its properties are generally well maintained and are adequate for the Company s current level of operations.

Manufacturing properties by country		Square Feet	Owned or Leased
United States	13	5,383,200	10 owned, 3 leased
Spain	4	1,373,000	4 owned
France	2	1,169,000	2 owned
Venezuela	2	1,058,400	2 owned
Brazil	3	951,800	3 owned
Germany	1	830,000	1 owned
Algeria	1	807,300	1 owned
Thailand	2	640,000	2 owned
Chile	1	516,700	1 owned
Philippines	1	470,000	1 owned
India	1	389,900	1 owned
Mexico	3	321,400	2 leased, 1 owned
New Zealand	1	314,000	1 owned
Canada	2	285,000	2 owned
China	1	280,000	1 owned
Portugal	1	255,000	1 owned
Angola	1	248,000	1 owned
Egypt	1	237,000	1 owned
Costa Rica	1	213,000	1 owned
Zambia	1	187,900	1 owned
South Africa	1	160,000	1 owned
Honduras	1	76,300	1 owned
Fiji	1	69,000	1 owned
Peru	1	67,000	1 owned

ITEM 3. LEGAL PROCEEDINGS

General Cable is subject to numerous federal, state, local and foreign laws and regulations relating to the storage, handling, emission and discharge of materials into the environment, including CERCLA, the Clean Water Act, the Clean Air Act (including the 1990 amendments) and the Resource Conservation and Recovery Act.

General Cable subsidiaries have been identified as potentially responsible parties with respect to several sites designated for cleanup under CERCLA or similar state laws, which impose liability for cleanup of certain waste sites and for related natural resource damages without regard to fault or the legality of waste generation or disposal. General Cable does not own or operate any of the waste sites with respect to which it has been named as a potentially responsible party by the government. Based on its review and other factors, management believes that costs relating to environmental clean-up at these sites will not have a material adverse effect on the Company s results of operations, cash flows or financial position.

American Premier Underwriters, Inc., in connection with the 1994 Wassall PLC transaction, agreed to indemnify General Cable against liabilities (including all environmental liabilities) arising out of General Cable or its predecessors ownership or operation of the Indiana Steel & Wire Company and Marathon Manufacturing Holdings, Inc. businesses (which were divested by the predecessor prior to the 1994 Wassall transaction), without limitation as to time or amount. American Premier also agreed to indemnify General Cable against 662/3% of all other environmental liabilities arising out of General Cable or its predecessors ownership or operation of other properties and assets in excess of $10 million but not in excess of $33 million, which were identified during the seven-year period ended June 2001. Indemnifiable environmental liabilities through June 2001 were substantially below that threshold. In addition, General Cable also has claims against third parties with respect to some of these liabilities. While it is difficult to estimate future environmental liabilities accurately, the Company does not currently anticipate any material adverse effect on results of operations, financial condition or cash flows as a result of compliance with federal, state, local or foreign environmental laws or regulations or cleanup costs of the sites discussed above.

General Cable has also agreed to indemnify Southwire Company against certain environmental liabilities arising out of the operation of the business it sold to Southwire prior to its sale. The indemnity is for a ten year period from the closing of the sale, which 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.

As part of the acquisition of Silec, SAFRAN SA agreed to indemnify General Cable against environmental losses arising from breach of representations and warranties on environmental law compliance and against losses arising from costs General Cable could incur to remediate property acquired based on a directive of the French authorities to rehabilitate property in regard to soil, water and other underground contamination arising before the closing date of the purchase. These indemnities are for a six-year period ending in 2011 while General Cable operates the businesses subject to sharing of certain losses (with SAFRAN covering 100% of losses in year one, 75% in years two and three, 50% in year four, and 25% in years five and six). The indemnities are subject to an overall limit of 4.0 million Euros. As of December 31, 2010, there were no claims outstanding under this indemnity.

In 2007, the Company acquired the worldwide wire and cable business of Freeport-McMoRan Copper and Gold Inc., which operates as PDIC. As part of this acquisition, the seller agreed to indemnify the Company for certain environmental liabilities existing at the date of the closing of the acquisition. The seller s obligation to indemnify the Company for these particular liabilities generally survives four years from the date the parties executed the definitive purchase agreement unless the Company has properly notified the seller before the expiry of the four year period. The seller also made certain representations and warranties related to environmental matters and the acquired business and agreed to indemnify the Company for breaches of those representation and warranties for a period of four years from the closing date. Indemnification claims for breach of representations and warranties are subject to an overall indemnity limit of approximately $105 million with a deductible of $5.0 million, which generally applies to all warranty and indemnity claims for the transaction.

General Cable has been a defendant in asbestos litigation for approximately 20 years. As of December 31, 2010, General Cable was a defendant in 29,035 lawsuits. Also, 28,438 of these lawsuits have been brought on behalf of plaintiffs by a single admiralty law firm (MARDOC) and seek unspecified damages. Plaintiffs in the MARDOC cases generally allege that they formerly worked in the maritime industry and sustained asbestos-related injuries from products that General Cable ceased manufacturing in the mid-1970s. The MARDOC cases are managed and supervised by a federal judge in the United States District Court for the Eastern District of Pennsylvania (District Court) by reason of a transfer by the judicial panel on Multidistrict Litigation (MDL).

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In the MARDOC cases in the MDL, the District Court in May 1996 dismissed all pending cases filed without prejudice and placed them on an inactive administrative docket. To reinstate a MARDOC case from the inactive docket, plaintiffs counsel must show that the plaintiff not only suffered from a recognized asbestos-related injury, but also must produce specific product identification evidence to proceed against an individual defendant. During 2010 the MDL Court ordered Plaintiffs to identify the defendants against whom they intended to proceed in the Maritime cases. General Cable was not named as a defendant against whom the plaintiffs intended to proceed. As such it is now anticipated that General Cable will be dismissed from all Maritime related law suits.

For cases outside the MDL as of December 31, 2010, plaintiffs have asserted monetary damages in approximately 246 cases. In 112 of these cases, plaintiffs allege only damages in excess of some dollar amount (about $230 thousand per plaintiff); in these cases there are no claims for specific dollar amounts requested as to any defendant. In 132 other cases pending in state and federal district courts (outside the MDL), plaintiffs seek approximately $277 million in damages from as many as 110 defendants. In two cases, plaintiffs have asserted damages related to General Cable in the amount of $11 million. In addition, in relation to these 246 cases, there are claims of $110 million in punitive damages from all of the defendants. However, many of the plaintiffs in these cases allege non-malignant injuries.

Based on our experience in this litigation, the amounts pleaded in the complaints are not typically meaningful as an indicator of the Company s potential liability because (1) the amounts claimed usually bear no relation to the level of plaintiff s injury, if any; (2) complaints nearly always assert claims against multiple defendants (a typical complaint asserts claims against some 50 different defendants); (3) damages alleged are not attributed to individual defendants; (4) the defendants share of liability may turn on the law of joint and several liability; (5) the amount of fault to be allocated to each defendant is different depending on each case; (6) many cases are filed against General Cable, even though the plaintiff did not use any of General Cable s products, and ultimately are withdrawn or dismissed without any payment; (7) many cases are brought on behalf of plaintiffs who have not suffered any medical injuries, and ultimately are resolved without any payment to that plaintiff; and (8) with regard to claims for punitive damages, potential liability generally is related to the amount of potential exposure to asbestos from a defendant s products. General Cable s asbestos-containing products contained only a minimal amount of fully encapsulated asbestos.

Further, as indicated above, General Cable has approximately 20 years of experience in this litigation, and has, to date, resolved the claims of approximately 11,414 plaintiffs. The cumulative average settlement through December 31, 2010 has been approximately $614 per case. However, the average settlements paid to resolve litigation in 2010 and 2009 have increased significantly above that amount as the mix of cases currently being listed for trial in state courts and those which may be listed in the future, which may need to be resolved, involve more serious asbestos related injuries. As of December 31, 2010 and 2009, the Company had accrued on its balance sheet, on a gross basis, a liability of $5.1 million for asbestos-related claims and had recorded insurance recoveries of approximately $0.5 million. The net amount of $4.6 million as of December 31, 2010 and 2009 represents the Company s best estimate in order to cover resolution of future asbestos-related claims.

In January 1994, General Cable entered into a settlement agreement with certain principal primary insurers concerning liability for the costs of defense, judgments and settlements, if any, in all of the asbestos litigation described above. Subject to the terms and conditions of the settlement agreement, the insurers are responsible for a substantial portion of the costs and expenses incurred in the defense or resolution of this litigation. In recent years, one of the insurers participating in the settlement that was responsible for a significant portion of the contribution under the settlement agreement entered into insurance liquidation proceedings. As a result, the contribution of the insurers has been reduced and the Company has had to bear a larger portion of the costs relating to these lawsuits. Moreover, certain of the other insurers may be financially unstable, and if one or more of these insurers enter into insurance liquidation proceedings, General Cable will be required to pay a larger portion of the costs incurred in connection with these cases. During 2006, the Company reached an approximately $3.0 million settlement in cash for the resolution of one of these insurers obligations that effectively exhausted the limits of the insurance company s policies that were included in the 1994 settlement agreement.

Based on (1) the terms of the insurance settlement agreement; (2) the relative costs and expenses incurred in the disposition of past asbestos cases; (3) reserves established on our books which are believed to be reasonable; and (4) defenses available to us in the litigation, the Company believes that the resolution of the present asbestos litigation will not have a material adverse effect on the Company s consolidated financial results, consolidated cash flows or consolidated financial position. However, since the outcome of litigation is inherently uncertain, the Company cannot give absolute assurance regarding the future resolution of the asbestos litigation. Liabilities incurred in connection with asbestos litigation are not covered by the American Premier indemnification.

General Cable is also involved in various routine legal proceedings and administrative actions. In the opinion of the Company s management, these proceedings and actions should not, individually or in the aggregate, have a material adverse effect on its consolidated results of operations, cash flows or financial position.

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ITEM 4. RESERVED

PART II.

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Holders

General Cable s common stock is listed on the New York Stock Exchange under the symbol BGC . As of February 18, 2011, there were approximately 1,762 registered holders of the Company s common stock. The following table sets forth the high and low daily sales prices for the Company s common stock as reported on the New York Stock Exchange during the years ended December 31:

	2010		2009	
	High	Low	High	Low
First Quarter	$ 33.45	$ 22.77	$ 23.64	$ 12.77
Second Quarter	34.33	25.31	41.69	21.02
Third Quarter	28.64	21.68	42.73	32.13
Fourth Quarter	35.93	24.14	40.68	27.89

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, the indentures governing the 1.00% Senior Convertible Notes, the 0.875% Convertible Notes, Subordinated Convertible Notes, the 7.125% Senior Notes and the Senior Floating Rate 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.

Securities Authorized for Issuance under Equity Compensation Plans

Information related to the Company s securities authorized for issuance under equity compensation plans, including the tabular disclosure, is presented in Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

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Performance Graph

The graph below compares the annual percentage change in cumulative total shareholder return on General Cable stock in relation to cumulative total return of the Standard & Poor s 500 Stock Index, and a peer group of companies (2010 Peer Group). The data shown are for the period beginning May 16, 1997, the date that General Cable (BGC) common stock began trading on the NYSE, through December 31, 2010.

	May 1997	Dec. 1997	Dec. 1998	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Dec 2008	Dec 2009	Dec 2010
General Cable	100	167	143	53	32	97	29	62	105	149	331	555	134	223	266
2010 Peer Group	100	124	95	160	133	112	52	95	107	118	236	277	104	162	206
S&P 500	100	117	148	177	159	138	106	134	146	150	171	177	109	134	152

(1) Assumes the value of the investment in General Cable common stock and each index was 100 on May 16, 1997. The 2010 Peer Group consists of Belden CDT Inc. (NYSE: BDC), CommScope, Inc. (NYSE: CTV), Draka Holding, N.V. (Euronext Amsterdam Stock Exchange) and Nexans (Paris Stock Exchange). The Peer Group has consisted of the same basic companies since 2005. Returns in the 2010, 2009 and 2008 Peer Group are weighted by capitalization.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

During the fourth quarter of 2007, the Company issued $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. The Notes were sold to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended and related information has been previously provided on the Current Report on Form 8-K as filed on October 2, 2007 (incorporated by reference herein to Exhibit 4.9). Subsequently, on April 16, 2008, the Company completed an automatic shelf registration statement (Registration) of securities of well-known seasoned issuers on Form S-3ASR. The Registration was used by the selling security holders to resell their Notes and common stock issuable upon conversion of their Notes. The Company did not receive any of the proceeds from the sale of the Notes or the common stock issuable upon conversion of the Notes.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Company was authorized by its Board of Directors on October 29, 2008 to institute a stock repurchase program for up to $100 million of common stock (incorporated by reference herein to Exhibit 10.52). The Company purchased approximately $11.7 million or 1.0 million of common shares at an average price of $11.65 per share under terms of this program during the fourth quarter of 2008. The stock repurchase program was effective for one year and expired on October 29, 2009. The Company did not repurchase any of its stock during 2009. In 2010, the Company did not have a stock repurchase program and as a result, did not repurchase any of its common stock. The employees of the Company do have the right to surrender to the Company shares in payment of minimum tax obligations upon the vesting of grants of common stock under the Company s equity compensation plans. For the year ended December 31, 2010 and 2009, 20,367 and 13,989 total shares were surrendered to the Company by employees in payment of minimum tax obligations upon the vesting of nonvested stock under the Company s equity compensation plans, and the average price paid per share was $28.52 and $24.29, respectively. Minimal shares were surrendered during 2008.

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ITEM 6. SELECTED FINANCIAL DATA

The selected financial information for the last five years ended December 31 and as of December 31, 2010, 2009, 2008, 2007 and 2006 was derived from audited consolidated financial statements. The following selected financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statement and related notes thereto, especially as the information pertains to 2010, 2009 and 2008 activity.

	Year Ended December 31,				
	2010	2009	2008	2007[(2)]	2006
	(in millions, except metal price and share data)				
Net sales	$ 4,864.9	$ 4,385.2	$ 6,230.1	$ 4,614.8	$ 3,665.1
Gross profit	554.0	519.5	780.5	672.3	636.2
Operating income	222.4	179.9	399.5	375.7	401.1
Other income (expense)	(28.1)	7.0	(27.2)	(3.4)	(0.1)
Interest expense, net	(71.6)	(83.0)	(91.8)	(48.5)	(36.7)
Loss on extinguishment of debt		(7.6)		(25.3)	
Income before income taxes	122.7	96.3	280.5	298.5	364.3
Income tax provision	(47.2)	(32.7)	(96.7)	(100.8)	(126.4)
Equity in net earnings of affiliated companies	1.4	0.9	4.6	0.4	
Net income including noncontrolling interest	76.9	64.5	188.4	198.1	237.9
Less: preferred stock dividends	0.3	0.3	0.3	0.3	0.3
Less: Net income attributable to noncontrolling interest	7.4	7.9	13.1	0.2	
Net income attributable to Company common shareholders	$ 69.2	$ 56.3	$ 175.0	$ 197.6	$ 237.6
Earnings per common share-basic	$ 1.33	$ 1.08	$ 3.33	$ 3.78	$ 4.66
Earnings per common share-assuming dilution	$ 1.31	$ 1.07	$ 3.28	$ 3.62	$ 4.58
Weighted average shares outstanding-basic	52.1	52.0	52.6	52.2	51.0
Weighted average shares outstanding-assuming dilution	53.1	52.8	53.4	54.6	52.0
Other Data:					
Depreciation and amortization	$ 105.5	$ 105.8	$ 97.3	$ 63.5	$ 50.9
Capital expenditures	$ 116.4	$ 143.6	$ 217.8	$ 153.6	$ 71.1
Average daily COMEX price per pound of copper cathode	$ 3.43	$ 2.35	$ 3.13	$ 3.22	$ 3.09
Average daily price per pound of aluminum rod	$ 1.05	$ 0.80	$ 1.21	$ 1.23	$ 1.22

	December 31,				
	2010	2009	2008	2007	2006
Balance Sheet Data:					
Working capital [(1)]	$ 1,385.5	$ 1,375.3	$ 1,208.6	$ 1,008.3	$ 892.4
Total assets	4,327.7	4,014.1	3,987.9	3,952.0	2,395.7
Total debt	985.5	922.3	1,254.0	1,168.9	617.7

Dividends to common shareholders					
Total equity	1,605.3	1,509.8	1,140.6	1,102.2	711.0

1) Working capital means current assets less current liabilities.

2) Includes operating results of the acquisition of the worldwide wire and cable business of Freeport-McMoRan Copper and Gold, Inc., which operated as PDIC since October 31, 2007.

ITEM 7. 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 condition, and results of operations. MD&A is provided as a supplement to the Company s Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements (Notes) and should be read in conjunction with these Consolidated Financial Statements and Notes.

Certain statements in this report including, without limitation, statements regarding future financial results and performance, plans and objectives, capital expenditures and the Company s or management s beliefs, expectations or opinions, are forward-looking statements, and as such, General Cable desires to take advantage of the safe harbor which is afforded such statements under the Private Securities Litigation Reform Act of 1995. The Company s forward-looking statements should be read in conjunction with the Company s comments in this report under the heading, Disclosure Regarding Forward-Looking Statements. Actual results may differ materially from those statements as a result of factors, risks and uncertainties over which the Company has no control. For a list of some of these factors, risks and uncertainties, see Item 1A.

Overview

General Cable is a global leader in the development, design, manufacture, installation, marketing and distribution of copper, aluminum and fiber optic wire and cable products. The Company s operations are divided into three reportable segments: North America, Europe and Mediterranean and ROW.

The Company has a strong market position in each of the segments in which it competes due to product, geographic, and customer diversity and the Company s ability to operate as a low cost provider. The Company sells a wide variety of copper, aluminum and fiber optic wire and cable products, which it believes represents one of the most diversified product lines in the industry. As a result, the Company is able to offer its customers a single source for most of their wire and cable requirements. As of December 31, 2010, the Company manufactures its product lines in 47 facilities and sells its products worldwide through its global operations.

General Cable analyzes its worldwide operations based on three geographical reportable segments: 1) North America, 2) Europe and Mediterranean and 3) ROW. The following table sets forth net sales and operating income by geographic group for the periods presented, in millions of dollars:

	Year Ended December 31		
(in millions)	2010	2009	2008
Net sales:			
North America	$ 1,785.0	$ 1,484.6	$ 2,178.7
Europe and Mediterranean	1,498.6	1,562.7	2,175.3
ROW	1,581.3	1,337.9	1,876.1
Total	$ 4,864.9	$ 4,385.2	$ 6,230.1
Operating income:			
North America	$ 96.9	$ 19.8	$ 111.5
Europe and Mediterranean	36.8	70.2	147.1
ROW	88.7	89.9	140.9
Total	$ 222.4	$ 179.9	$ 399.5

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 as traded on the London Metal Exchange (LME) and COMEX has historically been subject to considerable volatility and, during the past few years, global copper prices have established new average record highs as demonstrated in the table at Item 1 Raw Materials Sources and Availability .

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. Therefore, in the short-term, during periods of escalating raw material cost inputs, to the extent the Company is able to raise prices in the market to recover the higher current cost of metals, the Company will generally experience a benefit from the sale of its relatively lower value inventory as computed under the weighted average inventory costing method. If the Company is unable to raise prices with the rise in the raw material market prices due to low levels of demand or a competitive price market, the Company will experience lower operating income. Conversely, during periods of declining raw material cost inputs, to the extent the Company has to decrease prices in the market due to competitive pressure as the current cost of metals declines, the Company will generally experience downward pressure on its gross profit due to the sale of relatively higher value inventory as computed under the weighted average inventory costing method. If the Company is able to maintain price levels in an environment in which raw material prices are declining due to high levels of demand, the Company will experience higher operating income. The Company hedges a portion of its metal purchases but does not engage in speculative metals trading.

The Company has historically experienced volatility 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. Generally, the Company attempts to adjust selling prices in most of its markets in order to offset the impact of this raw material price and other cost volatility on reported earnings. The Company s ability to execute and ultimately realize price adjustments is influenced by competitive conditions in its markets, including manufacturing capacity utilization.

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

Current Business Environment

The wire and cable industry is competitive, mature and cost driven with minimal differentiation for many product offerings among industry participants from a manufacturing or technology standpoint. The Company continues to experience historically low demand and pricing across a broad spectrum of the Company s products as a result of the effects of the global financial crisis and economic downturn that began in late 2007.

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

- Slow global growth, mixed economic indicators and in many markets, continuing recessionary conditions;
- Low levels of demand for construction products in Europe, particularly in the Spanish construction and electrical infrastructure markets;
- Low levels of demand and low pricing across a broad spectrum of product lines as a result of the macroeconomic and heightened competitive environment;
- Continued political uncertainty and currency volatility in certain developing markets;
- Worldwide underlying long-term growth trends in electric utility and infrastructure markets;
- Continuing demand for natural resources, such as oil and gas, and alternative energy initiatives; and
- Population growth in developing countries with growing middle classes which influence demand for wire and cable.

The Company s overall financial results discussed in this section of the Company s annual report demonstrate the diversification of the Company s product offering. In addition to the aforementioned macro-level trends, the Company anticipates that the following trends may affect the financial results of the Company during 2011. The Company s working capital requirements have been and are expected to be impacted by continued volatile raw materials costs, including metals and insulating materials as well as freight and energy costs. Raw material costs, particularly copper and aluminum prices, have been and will likely continue to be volatile. Certain currencies around the world have been and are anticipated to remain volatile, particularly in developing markets. Additionally, credit markets in certain regions around the world remain relatively restrictive compared to recent years due to economic conditions and as a result access to capital may be more difficult, as more fully discussed below.

As part of General Cable s ongoing efforts to reduce total operating costs, the Company continuously evaluates its ability to more efficiently utilize existing manufacturing capacity. Such evaluation includes the costs associated with and benefits to be derived from the combination of existing manufacturing assets into fewer plant locations and the possible outsourcing of certain manufacturing processes. The Company may idle manufacturing facilities in the future from time to time depending on market conditions and expected demand. There were no material permanent facility closures during the year ended December 31, 2010 or December 31, 2009.

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General Cable believes its global 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 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.

As more fully discussed below in the Liquidity and Capital Resources section, the Company s current business environment encompasses credit markets in certain regions around the world that have grown increasingly restrictive in recent years. The Company has access to various credit facilities around the world and believes that it can adequately fund its global working capital requirements through both internal operating cash flow and use of the various credit facilities. Overall, the capital structure changes made in the recent years including the exchange of convertible debt during the fourth quarter of 2009, which effectively extended the maturity of the largest tranche of debt by 20 years, should allow the Company to maintain financial flexibility. The Company anticipates upward pressure on interest rates on certain of its credit facilities outside of North America at the time of renewal in 2011. Additionally, as a result of the rapid and significant volatility in metal prices, the Company s working capital requirements are expected to be variable for the foreseeable future.

Acquisitions and Divestitures

General Cable actively seeks to identify key trends in the industry to capitalize on expanding markets and new niche markets or exit declining or non-strategic markets in order to achieve better returns. The Company also sets aggressive performance targets for its business and intends to refocus or divest those activities which fail to meet targets or do not fit long-term strategies. We have completed several acquisitions, equity investments, and joint ventures in Egypt, France, Oman, Pakistan, and South Africa in the year ended December 31, 2010. The results of operations of the acquired businesses have been included in the Consolidated Financial Statements since the respective dates of the acquisition and have been determined to be individually and collectively immaterial for disclosure purposes. No material divestitures were made in the year ended December 31, 2010.

Critical Accounting Policies and Estimates

The Company s Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America. A summary of significant accounting policies is provided in Note 2 to the Consolidated Financial Statements. The application of these policies requires management to make estimates and judgments that affect the amounts reflected in the consolidated financial statements. Management bases its estimates and judgments on historical experience, information that is available to management about current events and actions the Company may take in the future and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The most critical judgments impacting the financial statements include those policies described below. In addition, significant estimates and judgments include allowances for accounts receivable and deferred income taxes; legal, environmental, and asbestos liabilities; inventory costing and valuation; share-based compensation; uncertain tax positions; assets and obligations related to pension and other postretirement benefits; business combination accounting and related purchase accounting valuations; goodwill and intangible valuations; financial instruments; and revenue recognized under the percentage-of-completion method. There can be no assurance that actual results will not differ from these estimates.

Inventory Costing and Valuation

Effective January 1, 2010, the Company changed its method of accounting for its North American inventories and non-North American metal inventories from the LIFO method to the average cost method. Inventories valued using the LIFO method represented approximately 57% of total inventories as of December 31, 2009. The Company believes the change is preferable because the average cost method improves financial reporting by better matching sales and expenses, particularly during periods of metal and petrochemical price volatility or reductions in inventory quantities and enhances comparability with industry peers. The Company applied this change in accounting principle retrospectively to all prior periods presented herein in accordance with ASC 250 *Accounting Changes and Error Corrections.* As a result of the accounting change, retained earnings as of January 1, 2009 increased from $597.9 million to $749.7 million. The Company converted its accounting systems on January 1, 2010, which effectively eliminated its LIFO pools prospectively. Approximately 84% of the Company s inventories are valued using the average cost method and all remaining inventories are valued using the first-in, first-out (FIFO) method. All inventories are stated at the lower of cost or market value. See Note 2 for information on this change in accounting principle.

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Pension Accounting

General Cable provides retirement benefits through contributory and non-contributory 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. 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. General Cable s non-qualified unfunded U.S. defined benefit pension plans include a plan that provides defined benefits to select senior management employees beyond those benefits provided by other programs. The Company s non-qualified unfunded non-U.S. defined benefit pension plans include plans that provide retirement indemnities to employees within the Company s European and ROW business. Pension obligations for the non-qualified unfunded defined benefit pension plans are provided for by book reserves and are based on local practices and regulations of the respective countries. General Cable makes cash contributions for the costs of the non-qualified unfunded defined benefit pension plans as the benefits are paid.

Benefit costs for the defined benefit pension plans sponsored by General Cable are determined based principally upon certain actuarial assumptions, including the discount rate and the expected long-term rate of return on plan assets. The weighted-average discount rate used to determine the net pension cost for 2010 was 6.00% for the U.S. defined benefit pension plans. The weighted-average discount rate as of December 31, 2010 that was used to determine benefit obligations was 5.50% for the U.S. defined benefit pension plans, and was determined based on a review of long-term bonds that receive one of the two highest ratings given by a recognized rating agency which are expected to be available during the period to maturity of the projected pension benefit obligations and based on information received from actuaries. The weighted-average discount rate used to determine the net pension cost for 2010 was 6.20% for the non-U.S. defined benefit pension plans. Non-U.S. defined benefit pension plans followed a similar evaluation process based on financial markets in those countries where General Cable provides a defined benefit pension plan, and the weighted-average discount rate used to determine benefit obligations for General Cable s non-U.S. defined benefit pension plans was 5.40% as of December 31, 2010. General Cable s expense under both U.S. and non-U.S. defined benefit pension plans is determined using the discount rate as of the beginning of the fiscal year, so 2010 expense for the defined benefit pension plans will be based on the weighted-average discount rate of 6.00% for U.S. plans and 6.20% for non-U.S. plans.

The weighted-average long-term expected rate of return on assets is based on input from actuaries, including their review of historical 10-year, 20-year, and 25-year rates of inflation and real rates of return on various broad equity and bond indices in conjunction with the diversification of the asset portfolio. The Company s overall investment strategy is to diversify its investments for the qualified U.S. defined benefit pension plan based on an asset allocation assumption of 65% allocated to equity investments, with an expected real rate of return of 8%, and 35% to fixed-income investments, with an expected real rate of return of 2%, and an assumed long-term rate of inflation of 3%. Equity investments primarily include investments in large-cap and mid-cap companies primarily located in the United States. The actual asset allocations were 68% of equity investments and 32% of fixed-income investments at December 31, 2010 and 69% of equity investments and 31% of fixed-income investments at December 31, 2009. Approximately 27% and 26% of plan assets were concentrated in two mutual funds as of December 31, 2010 and 2009, respectively. The expected long-term rate of return on assets for qualified non-U.S. defined benefit plans is based on a weighted-average asset allocation assumption of 51% allocated to equity investments, 47% to fixed-income investments and 2% to other investments. The actual weighted-average asset allocations were 47% of equity investments, 51% of fixed-income investments and 2% of other investments at December 31, 2010 and 53% of equity investments, 45% of fixed-income investments and 2% of other investments at December 31, 2009. Management believes that long-term asset allocations on average and by location will approximate the Company s assumptions and that the long-term rate of return used by each country that is included in the weighted-average long-term expected rate of return on assets is a reasonable assumption.

The determination of pension expense for the qualified defined benefit pension plans is based on the fair market value of assets as of the measurement date. Investment gains and losses are recognized in the measurement of assets immediately. Such gains and losses will be amortized and recognized as part of the annual benefit cost to the extent that unrecognized net gains and losses from all sources exceed 10% of the greater of the projected benefit obligation or the market value of assets.

General Cable evaluates its actuarial assumptions at least annually, and adjusts them as necessary. The Company uses a measurement date of December 31 for all of its defined benefit pension plans. In 2010, pension expense for the Company s defined benefit pension plans was $11.1 million. Based on a weighted-average expected rate of return on plan assets of 7.83%, a weighted-average discount rate of 5.90% and various other assumptions, the Company estimates its 2011 pension expense for its defined benefit pension plans will decrease to approximately $6.0 million. A 1% decrease in the assumed discount rate would increase pension expense by approximately $3.3 million. Future pension expense will depend on future investment performance, changes in future discount rates and various other factors related to the populations participating in the plans. In the event that actual results differ from the actuarial assumptions, the funded status of the defined benefit pension plans may change and any such change could result in a charge or credit to equity and an increase or decrease in future pension expense and cash contributions.

The Company s investment policies and strategies, categories of plan assets, fair value measurements of plan assets, and significant concentrations of risk are described in further detail in Note 12 to the Consolidated Financial Statements.

Income Taxes

Deferred tax assets and liabilities are determined based on the differences between the financial statement basis and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records a valuation allowance to reduce deferred tax assets to the amount that it believes is more likely than not to be realized. The valuation of deferred tax assets is dependent on, among other things, the ability of the Company to generate a sufficient level of future taxable income. In estimating future taxable income, the Company has considered both positive and negative evidence, such as historical and forecasted results of operations, including prior losses, and has considered the implementation of prudent and feasible tax planning strategies. At December 31, 2010, the Company had recorded a net deferred tax liability of $158.4 million ($32.7 million net current deferred tax asset less $191.1 million net long term deferred tax liability). The Company has and will continue to review on a quarterly basis its assumptions and tax planning strategies, and, if the amount of the estimated realizable deferred tax assets is less than the amount currently on the balance sheet, the Company would reduce its deferred tax asset, recognizing a non-cash charge against reported earnings. Likewise, if the Company determines that a valuation allowance against a deferred tax asset is no longer appropriate, the adjustment to the valuation allowance would reduce income tax expense.

ASC 740 *Income Taxes* also 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.

The Company recognizes interest and penalties related to unrecognized tax benefits within the income tax expense line in the accompanying consolidated statement of operations. Accrued interest and penalties are included within the related tax liability line item in the consolidated balance sheet.

Revenue Recognition

The majority of the Company s revenue is recognized when goods are shipped to the customer, title and risk of loss are transferred, pricing is fixed or determinable and collectability is reasonably assured. Most revenue transactions represent sales of inventory. A provision for payment discounts, product returns, warranty and customer rebates is estimated based upon historical experience and other relevant factors and is recorded within the same period that the revenue is recognized. The Company has a portion of long-term product installation contract revenue that is recognized based on the percentage-of-completion method generally based on the cost-to-cost method if there are reasonably reliable estimates of total revenue, total cost, and the extent of progress toward completion; and there is an enforceable agreement between parties who can fulfill their contractual obligations. Management reviews contract price and cost estimates periodically as the work progresses and reflects adjustments proportionate to the percentage-of-completion to income in the period when those estimates are revised. For these contracts, if a current estimate of total contract cost indicates a loss on a contract, the projected loss is recognized in full when determined.

Business Combination Accounting

Acquisitions entered into by the Company are accounted for using the purchase method of accounting. The purchase method requires management to make significant estimates. Management must measure the identifiable assets acquired, liabilities assumed and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. In addition, management must identify and estimate the fair values of intangible assets that should be recognized as assets apart from goodwill as well as the fair value of tangible property, plant and equipment and intangible assets acquired.

Long-Lived Assets, Goodwill and Impairment

The valuation and classification of long-lived assets and the assignment of useful depreciable lives and salvage values involve significant judgments and the use of estimates. The testing of these long-lived assets for impairment also requires a significant amount of judgment and assumptions, particularly as it relates to identification of asset groups and the determination of fair market value. The Company periodically evaluates the recoverability of the carrying amount of long-lived assets 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.

The carrying value of goodwill and other intangible assets with indefinite lives are reviewed annually for possible impairment. The impairment review incorporates both a market and income valuation approach. The income approach relies on a discounted cash flow model that requires significant management judgment with respect to sales, gross margin and expense growth rates, and selection and use of an appropriate discount rate. The use of different assumptions would increase or decrease estimated discounted future cash flows and could increase or decrease an impairment charge. The occurrence of unexpected events or changes in circumstances, such as adverse business conditions or other economic factors, would determine the need for impairment testing between annual impairment tests.

Our annual goodwill impairment analysis, which was completed during the fourth quarter, did not result in an impairment charge in 2010. A decrease of 10% in the estimated fair value of any of the Company s reporting units would have no impact on the carrying value of goodwill.

Share-Based Compensation

There are certain employees with various forms of share-based payment awards for which the Company recognizes compensation costs for these awards based on their fair values. The fair values of certain awards are estimated on the grant date using the Black-Scholes option pricing formula, which incorporates certain assumptions regarding the expected term of an award and expected stock price volatility. The Company will develop the expected term assumptions based on the vesting period and contractual term of an award, historical exercise and post-vesting cancellation experience, stock price history, plan provisions that require exercise or cancellation of awards after employees terminate, and the extent to which currently available information indicates that the future is reasonably expected to differ from past experience. The Company develops the expected volatility assumptions based on the monthly historical price data from the Company s common stock and other economic data trended into future years. After calculating the aggregate fair value of an award, the Company uses an estimated forfeiture rate to discount the amount of share-based compensation costs to be recognized in the operating results over the service period of the award. The Company develops the forfeiture assumption based on its historical pre-vesting cancellation experience. Key assumptions are described in further detail in Note 14 to the Consolidated Financial Statement.

New Accounting Standards

A discussion of recently issued accounting pronouncements is described in Note 2, Summary of Significant Accounting Policies, of the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report, and we incorporate such discussion in this MD&A by reference and make it a part hereof.

Venezuelan Operations

On January 8, 2010, the Venezuelan government announced the devaluation of its currency, the Venezuelan Bolivar (BsF) and established a two-tier foreign exchange structure. The official exchange rate for essential goods (food, medicine and other essential goods) was adjusted from 2.15 BsF per U.S. dollar to 2.60 BsF per U.S. dollar. The official exchange rate for non-essential goods was adjusted from 2.15 BsF per U.S. dollar to 4.30 BsF per U.S. dollar. The Company remeasures the financial statements of its Venezuelan subsidiary at the rate at which the Company expects to remit dividends, which is 4.30 BsF per U.S dollar.

Due to the impact of the devaluation of its currency by the Venezuelan government, the Company recorded a pre-tax charge of $29.8 million in the first quarter of 2010 related to the remeasurement of the local balance sheet on the date of the devaluation at the official non-essential rate.

The functional currency of the Company s subsidiary in Venezuela is the U.S. dollar; therefore, gains and losses for transactions at a rate other than the official exchange rate for non-essential goods are recorded in the statement of operations. For the first five months of 2010, purchases of dollars to import copper and other raw materials were completed at a parallel rate of about 6.88 BsF per U.S. dollar. In 2010, the Company recorded $10.7 million in foreign exchange losses related to copper imports at this parallel rate. The foreign exchange gain (loss) related to the other imported materials at this parallel rate was immaterial in 2010.

In the second quarter, the Company received authorization to purchase dollars to import copper at the official exchange rate for essential goods of 2.60 BsF per U.S. dollar. Beginning in June of 2010, the Company recorded $16.6 million in foreign exchange gains related to transactions completed at the 2.60 BsF per U.S. dollar essential rate. The Company purchased 12.4 million pounds of copper in 2010 at the essential rate.

On June 9, 2010, the Venezuelan government closed down the parallel market thereby declaring it illegal and imposing volume restrictions on each entity s trading activity through a newly regulated system, the Sistema de Transacciones con Titulos en Moneda Extranjera (SITME). SITME provides entities with another legal alternative to obtaining foreign currency through the Commission for the Administration of Foreign Exchange (CADIVI). Currently, the Company is not using the SITME system to make purchases as non-copper materials are purchased domestically.

At December 31, 2010 and 2009, the Company s total assets in Venezuela were $225.2 million and $280.8 million and total liabilities were $36.2 million and $82.4 million, respectively. At December 31, 2010 and 2009, included within total assets were BsF denominated monetary assets of $88.9 million and $128.2 million, which consisted primarily of $50.9 million and $95.5 million of cash, and $35.6 million and $29.1 million of accounts receivable, respectively. At December 31, 2010 and 2009, included within total liabilities were BsF denominated monetary liabilities of $26.3 million and $82.4 million, which consisted primarily of $15.8 million and $47.7 million of accounts payable and other accruals, respectively. All monetary assets and liabilities were remeasured at 4.30 BsF per U.S. dollar at December 31, 2010.

The Company s sales in Venezuela were 3.3% and 5.3% of our consolidated net sales for the year ended December 31, 2010 and 2009, respectively. Operating income in Venezuela was 16.0% and 41.1% of our consolidated operating income for the year ended December 31, 2010 and 2009, respectively. For the year ended December 31, 2010, Venezuela s sales and cost of goods sold were approximately 87% and 29% BsF denominated and approximately 13% and 71% U.S. dollar denominated, respectively. For the year ended December 31, 2009, Venezuela s sales and cost of goods sold were approximately 92% and 45% BsF denominated and approximately 8% and 55% U.S. dollar denominated, respectively. A 10% increase (decrease) in each of the official exchange rates would decrease (increase) Venezuela s sales and cost of goods sold on an annual basis by approximately $12.7 million and approximately $3.1 million, respectively.

During the years ended December 31, 2010 and 2009, the Company settled $62.1 million and $48.2 million of U.S. dollar denominated intercompany payables and accounts payable in Venezuela, respectively. For the year ended December 31, 2010, approximately 68% was settled at the essential rate of 2.60 BsF per U.S. dollar and 32% was settled at the parallel rate which averaged 6.88 BsF per U.S. dollar between January 1, 2010 and June 8, 2010, the legal period of operation. At December 31, 2010, $2.4 million of requests of U.S. dollars to settle U.S. dollar denominated liabilities remained pending with CADIVI, which we expect will be settled at the 4.30 BsF per U.S. dollar rate. Approximately $0.7 million of the requested settlements have been pending up to 180 days and $1.7 million have been pending over one year. Currency exchange controls in Venezuela continue to limit our ability to remit funds from Venezuela. We do not consider the net assets of Venezuela to be integral to our ability to service our debt and operational requirements.

As a result of government restrictions, Venezuela continues to operate in a difficult economic environment. We have historically taken steps to address operational challenges including obtaining approval of copper imports at the 2.60 essential BsF per U.S. dollar rate, purchasing other raw material products domestically, and adjusting prices to reflect raw material cost and adherence to government price controls.

On December 30, 2010, the Central Bank of Venezuela and the Ministry of Finance published an amendment to Convenio Cambiario No. 14 (the Exchange Law), whereby the official exchange rate was set at 4.30 BsF per U.S.

dollar effective January 1, 2011 thereby eliminating the 2.60 BsF per U.S. dollar rate. We will continue to monitor the political and economic situation and will take steps to remain competitive including adjusting price and local production, and pursuing necessary government approvals for import licenses.

Results of Operations

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

	Year Ended December 31,					
	2010		2009		2008	
	Amount	%	Amount	%	Amount	%
Net sales	$ 4,864.9	*100.0%*	$ 4,385.2	*100.0%*	$ 6,230.1	*100.0%*
Cost of sales	4,310.9	*88.6%*	3,865.7	*88.2%*	5,449.6	*87.5%*
Gross profit	554.0	*11.4%*	519.5	*11.8%*	780.5	*12.5%*
Selling, general and administrative expenses	331.6	*6.8%*	339.6	*7.7%*	381.0	*6.1%*
Operating income	222.4	*4.6%*	179.9	*4.1%*	399.5	*6.4%*
Other income (expense)	(28.1)	*(0.6)%*	7.0	*0.2%*	(27.2)	*(0.4)%*
Interest expense, net	(71.6)	*(1.5)%*	(83.0)	*(1.9)%*	(91.8)	*(1.5)%*
Loss on extinguishment of debt			(7.6)	*(0.2)%*		*%*
Income before income taxes	122.7	*2.5%*	96.3	*2.2%*	280.5	*4.5%*
Income tax provision	(47.2)	*(1.0)%*	(32.7)	*(0.7)%*	(96.7)	*(1.6)%*
Equity in net earnings of affiliated companies	1.4	*%*	0.9	*%*	4.6	*0.1%*
Net income including noncontrolling interest	76.9	*1.6%*	64.5	*1.5%*	188.4	*3.0%*
Less: preferred stock dividends	0.3	*%*	0.3	*%*	0.3	*%*
Less: net income attributable to noncontrolling interest	7.4	*0.2%*	7.9	*0.2%*	13.1	*0.2%*
Net income attributable to Company common shareholders	$ 69.2	*1.4%*	$ 56.3	*1.3%*	$ 175.0	*2.8%*

Year Ended December 31, 2010 Compared with Year Ended December 31, 2009

The net income attributable to Company common shareholders was $69.2 million in 2010 compared to net income attributable to Company common shareholders of $56.3 million in 2009. Generally, the increase in net income is attributable to relatively higher market price of metals compared to the cost of the lower value inventory in the year ended December 31, 2010. Due to the escalating raw material cost inputs the Company was able to raise prices in the market to recover lower value inventory. Additionally the Company benefitted from ongoing LEAN initiatives and targeted cost reduction efforts made in the prior year, which include, among other actions, a focus on reducing discretionary spending and personnel reductions.

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 2009 have been adjusted to reflect the 2010 copper COMEX average price of $3.43 per pound (a $1.08 increase compared to the prior period) and the aluminum rod average price of $1.05 per pound (a $0.25 increase compared to the prior period). Metal-adjusted net sales, a non-GAAP financial measure, are provided herein in order to eliminate the effect of metal price volatility from the comparison of revenues from one period to another. The comparable GAAP financial measure is set forth above. See previous discussion of metal price volatility in the Overview section.

	Net Sales Year Ended December 31,			
	2010		2009	
	Amount	%	Amount	%
North America	$ 1,785.0	*37%*	$ 1,484.6	*34%*
Europe and Mediterranean	1,498.6	*31%*	1,562.7	*36%*
ROW	1,581.3	*32%*	1,337.9	*30%*
Total net sales	$ 4,864.9	*100%*	$ 4,385.2	*100%*

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	Metal-Adjusted Net Sales Year Ended December 31,			
	2010		2009	
	Amount	%	Amount	%
North America	$ 1,785.0	*37%*	$ 1,720.5	*33%*
Europe and Mediterranean	1,498.6	*31%*	1,783.9	*35%*
ROW	1,581.3	*32%*	1,632.4	*32%*
Total metal-adjusted net sales	$ 4,864.9	*100%*	$ 5,136.8	*100%*
Metal adjustment			(751.6)	
Total net sales	$ 4,864.9		$ 4,385.2	

	Metal Pounds Sold Year Ended December 31,			
	2010		2009	
	Pounds	%	Pounds	%
North America	300.7	*32%*	304.7	*32%*
Europe and Mediterranean	279.1	*30%*	295.9	*31%*
ROW	352.5	*38%*	349.3	*37%*
Total metal pounds sold	932.3	*100%*	949.9	*100%*

Net sales increased $479.7 million, or 10.9%, to $4,864.9 million in 2010 from 2009 while metal-adjusted net sales decreased $271.9 million, or 5.3%, in 2010 from 2009. The decrease in metal-adjusted net sales of $271.9 million reflects lower sales volume of $51.9 million, unfavorable foreign currency exchange rate changes of $52.0 million and unfavorable selling price/product mix of $207.6 million. These decreases in metal-adjusted net sales have been partially offset by the incremental net sales of $39.6 million attributable to acquisitions. Volume, as measured by metal pounds sold, decreased by 17.6 million pounds or 1.9% in 2010 compared to 2009. Sales volume was lower due to the ongoing weak global economic conditions which resulted in lower demand across a broad spectrum of the Company s products. Metal pounds sold is provided herein as the Company believes this metric to be a consistent year over year measure of sales volume since it is not impacted by metal prices or foreign currency exchange rate changes. Generally, the Company has attempted to recover higher metal costs and inflation on non-metals raw materials used in cable manufacturing, such as insulating compounds and steel and wood reels, as well as increased freight and energy costs through increased selling prices.

Metal-adjusted net sales in the North America segment increased $64.5 million, or 3.7% principally due to favorable selling price/product mix of $7.6 million, favorable foreign currency exchange rate changes of $29.1 million, principally related to the Canadian dollar, and incremental net sales of $29.9 million attributable to acquisitions partially offset by lower sales volume of $2.1 million. Volume, as measured by metal pounds sold, remained relatively flat in 2010 compared to 2009. Volume remained low, similar to 2009, due to the weak demand for the Company s electric utility distribution and transmission cables, and telecommunication and electrical infrastructure products in the first six months of 2010. This decrease in volume was offset by volume improvement in the electrical utility market, primarily related to transmission grid projects and terrestrial wind projects in the second half of 2010, as well as volume improvement in early cycle products, such as cables for maintenance and repairs, original equipment manufacturers and networking applications during the year ended December 31, 2010.

Metal-adjusted net sales in the Europe and Mediterranean segment decreased $285.3 million, or 16.0%, in 2010 compared to 2009 due to lower sales volume of $51.1 million, unfavorable foreign currency exchange rate changes of $72.1 million, primarily due to a weaker Euro relative to the U.S. dollar, and unfavorable selling price/product mix of $169.4 million which have been partially offset by incremental net sales attributable to the results of acquired businesses of $7.3 million. Volume, as measured by metal pounds sold, decreased by 16.8 million pounds, or 5.7%, in 2010 compared to 2009. The decrease in sales volume is the result of weak economic conditions in Europe and weakness in demand across a broad spectrum of products, particularly low-voltage cables and building wire products in the Spanish domestic construction and electrical infrastructure markets, which have been partially offset to a lesser extent by regional demand for medium-voltage and high- voltage cables in France, projects involving submarine energy cables in Germany and other alternative energy projects.

Metal-adjusted net sales in the ROW segment decreased $51.1 million, or 3.1% due to unfavorable foreign currency exchange rate changes of $9.0 million, primarily due to the devaluation of the Venezuelan bolivar offset by favorable foreign exchange rate changes in most of the other ROW locations, and an unfavorable selling price/product mix of $45.8 million which have been partially offset by higher sales volume of $1.3 million. Despite the decrease in metal adjusted sales, volume, as measured by metal pounds sold, remained relatively flat in 2010 as compared to 2009. Volume demand increased in the second half of 2010 for low-voltage distribution cable in Brazil related to its Lights for All program, investments in the Brazilian infrastructure in preparation for upcoming events such as the 2014 World Cup of Soccer and the 2016 Olympics, an increase in domestic demand in Chile primarily due to reconstruction efforts after the Chilean earthquake in early 2010, and related to market expansions in Mexico and Peru. These increases were offset by the challenges faced in Venezuela as the country continues to cope with complex exchange regulations that have caused disruptions in the electrical and construction projects across the country and lower volume in Thailand due to the socio-political crises resulting in delayed infrastructure projects in the first half of 2010.

Gross Profit

Gross profit increased $34.5 million, or 6.6%, in 2010 from 2009. Gross profit as a percentage of net sales was 11.4% for 2010 and was 11.8% for 2009. The increase in gross profit was primarily due to a relatively higher market price of metals compared to the cost of the lower value inventory in the year ended December 31, 2010 as well as the current year benefit of ongoing LEAN initiatives and targeted costs reduction efforts made in the prior year, which include, among other actions, a focus on reducing discretionary spending and personnel reductions. These benefits were offset by $19.5 million in charges related to the substantial completion of negotiations with the works councils of various operations in Europe to permanently reduce manufacturing personnel.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased $8.0 million, or 2.4%, in 2010 from 2009. The decrease in SG&A was primarily a result of the Company s LEAN initiatives and targeted cost reduction efforts including, among other actions, lower variable selling expenses in Europe and Mediterranean and ROW, a focus on reducing discretionary spending and personnel reductions. SG&A as a percentage of metal-adjusted net sales was 6.8% and 6.6% for 2010 and 2009, respectively.

Operating Income

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

	Operating Income Year Ended December 31,			
	2010		2009	
	Amount	%	Amount	%
North America	$ 96.9	*44%*	$ 19.8	*11%*
Europe and Mediterranean	36.8	*16%*	70.2	*39%*
ROW	88.7	*40%*	89.9	*50%*
Total operating income	$ 222.4	*100%*	$ 179.9	*100%*

The increase in operating income for the North America segment of $77.1 million is primarily attributable to a greater benefit from the relatively higher average market price of metals compared to the cost of the lower value inventory in 2010 as compared to 2009 and lower SG&A of $8.1 million as a result of the Company s LEAN initiatives.

The decrease in operating income for the Europe and Mediterranean segment of $33.4 million was primarily attributable to the weak demand and pricing for residential and low-voltage cable and building wire due to the economic slowdown in the Spanish construction and electrical infrastructure related markets, which resulted in lower plant utilization. As a result, the Company completed negotiations with the works councils of the various operations in Europe to permanently reduce manufacturing personnel that resulted in a charge of $19.5 million. In addition, value added pricing remained weak primarily due to historically low levels of overall demand in many European end markets. The challenge of pricing in this difficult operating environment was compounded during 2010 by the volatile

and generally rising price of copper.
The operating income for the ROW segment was relatively flat. The Company generally benefited from the relatively higher average market price of metals compared to the cost of the lower value inventory in 2010 as compared to 2009; primarily in Central America, Zambia, the Philippines and Oceania, as the Company was able to successfully transfer the increase in metal price to the customers. Also, in Brazil and Chile, the Company benefited from penetration of more profitable product segments and concentrated on product lines carrying higher margins. This increase was offset by the decline in operating profit in Venezuela as sales prices in 2010 have returned to a more normal level as compared to the elevated sales prices in 2009 due to challenges faced with complex exchange regulations as well as a decrease in operating income out of Thailand due to the social unrest. In addition operating income decreased $31.9 million due to unfavorable foreign currency exchange rate changes.

Other Income (Expense)

Other income (expense) includes foreign currency transaction gains or losses, which result from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated as well as unrealized gains and losses on derivative instruments that are not designated as cash flow hedges. During 2010 and 2009, the Company recorded other expense of $28.1 million and other income of $7.0 million, respectively. For 2010, other expense of $28.1 million was attributable to the $29.8 million Venezuelan currency devaluation, as discussed below, other income of $7.7 million resulting primarily from foreign currency transaction gains and losses, and other expense of $6.0 million related to unrealized losses on derivative instruments of which $7.9 million was due to the dedesignation of cash flow hedges as a result of the deferral of raw material purchases related to changes in the anticipated timing of a specific project in Brazil. During 2009, the Company recorded other income (expense) primarily related to foreign currency transaction gains and losses.

On January 8, 2010, the Venezuelan government announced the devaluation of its currency, BsF, and established a two-tier foreign exchange structure. Due to the impact of the devaluation of its currency by the Venezuelan government, the Company recorded a pre-tax charge of $29.8 million in the first quarter of 2010 related to the remeasurement of the local balance sheet on the date of the devaluation at the official non-essential rate. The functional currency of the Company s subsidiary in Venezuela is the U.S. dollar. See Item 7 Venezuela Operations for additional information.

Interest Expense

Net interest expense decreased from $83.0 million in 2009 to $71.6 million in 2010 primarily as a result of completing the convertible debt exchange offer in the fourth quarter of 2009. The interest expense related to amortization of the debt discount as a result of the bifurcation of the Company s convertible debt instruments resulted in lower non-cash interest expense principally due to the longer dated maturity of the Company s subordinated convertible notes as discussed in Note 2 and Note 9 to the Consolidated Financial Statements.

Loss on Extinguishment of Debt

In December 2009, the Company completed an offer to exchange $925 principal amount of Subordinated Convertible Notes due in 2029 for each $1,000 principal amount of the 1.00% Senior Convertible Notes due in 2012 which resulted in the issuance of $429.5 million aggregate principal amount of Subordinated Convertible Notes due in 2029 in exchange for approximately 97.8% or $464.4 million aggregate principal amount of the 1.00% Senior Convertible Notes due in 2012. An aggregate principal amount of $10.6 million of the 1.00% Senior Convertible Notes due in 2012 remain outstanding after the exchange. The exchange was treated as an extinguishment of the 1.00% Senior Convertible Notes due in 2012 and issuance of subordinated debt due in 2029. The Company recorded a non-cash loss on debt extinguishment of $7.6 million which included the write-off of $4.9 million of unamortized debt issuance costs related to the 1.00% Senior Convertible Notes due in 2012. See the Debt and Other Contractual Obligations discussion for additional information.

Tax Provision

The Company s effective tax rate for 2010 and 2009 was 38.5% and 34.0%, respectively. The Company s 2010 effective tax rate was adversely impacted by the nondeductible Venezuelan devaluation loss and valuation allowances recorded against deferred tax assets in certain foreign jurisdictions, partially offset by the recognition of tax benefits related to uncertain tax positions that was primarily due to statute of limitations expirations and tax audit settlements.

Preferred Stock Dividends

During 2010 and 2009, the Company accrued and paid $0.3 million in dividends on its Series A preferred stock.

Year Ended December 31, 2009 Compared with Year Ended December 31, 2008

The net income attributable to Company common shareholders was $56.3 million in 2009 compared to net income attributable to Company common shareholders of $175.0 million in 2008. Generally, the decrease in net income attributable to Company common shareholders is due to lower demand across a broad spectrum of the Company s products, higher raw material costs particularly in the second half of the year and the globally competitive pricing environment particularly in North America and Europe and Mediterranean due to ongoing weak economic conditions. The net income attributable to Company common shareholders for 2009 included pre-tax non-cash interest of $38.9 million on the Company s convertible debt instruments as a result of bifurcating the convertible notes into their debt and equity components in accordance with *Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion,* a pre-tax loss on extinguishment of debt of $7.6 million which includes the write-off of $4.9 million of deferred debt issuance costs as a result of the convertible debt exchange completed during the fourth quarter of 2009, and a one-time charge of $6.5 million as a result of a change in Mexican tax code that required the Company to retroactively adjust certain tax benefits previously recognized under tax consolidation laws in Mexico. Partially offsetting the decrease in net income attributable to common shareholders are the results of acquired businesses particularly Phelps Dodge Philippines acquired in the third quarter of 2008. In comparison, net income attributable to the Company s common shareholders for 2008 included pre-tax non-cash interest of $36.0 million on the Company s convertible debt instruments as a result of bifurcating the convertible notes into their debt and equity components in accordance with ASC 470 and a pre-tax $27.2 million charge related to foreign currency transaction adjustments resulting principally from the sudden devaluation of certain emerging market currencies in South America and Sub-Sahara Africa.

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 2008 have been adjusted to reflect the 2009 copper COMEX average price of $2.35 per pound (a $0.78 decrease compared to the prior period) and the aluminum rod average price of $0.80 per pound (a $0.41 decrease compared to the prior period). Metal-adjusted net sales, a non-GAAP financial measure, are provided herein in order to eliminate the effect of metal price volatility from the comparison of revenues from one period to another. The comparable GAAP financial measure is set forth above. See previous discussion of metal price volatility in the Overview section.

	Net Sales Year Ended December 31,			
	2009		2008	
	Amount	%	Amount	%
North America	$ 1,484.6	*34%*	$ 2,178.7	*35%*
Europe and Mediterranean	1,562.7	*36%*	2,175.3	*35%*
ROW	1,337.9	*30%*	1,876.1	*30%*
Total net sales	$ 4,385.2	*100%*	$ 6,230.1	*100%*

	Metal-Adjusted Net Sales Year Ended December 31,			
	2009		2008	
	Amount	%	Amount	%
North America	$ 1,484.6	*34%*	$ 1,907.3	*35%*
Europe and Mediterranean	1,562.7	*36%*	1,942.7	*36%*
ROW	1,337.9	*30%*	1,605.2	*29%*
Total metal-adjusted net sales	$ 4,385.2	*100%*	$ 5,455.2	*100%*
Metal adjustment			774.9	
Total net sales	$ 4,385.2		$ 6,230.1	

	Metal Pounds Sold Year Ended December 31,			
	2009		2008	
	Pounds	%	Pounds	%
North America	304.7	*32%*	366.8	*33%*
Europe and Mediterranean	295.9	*31%*	346.5	*32%*
ROW	349.3	*37%*	388.0	*35%*
Total metal pounds sold	949.9	*100%*	1,101.3	*100%*

Net sales decreased $1,844.9 million, or 29.6%, to $4,385.2 million in 2009 from 2008 while metal-adjusted net sales decreased $1,070.0 million, or 19.6%, in 2009 from 2008. The decrease in metal-adjusted net sales of $1,070.0 million reflects lower sales volume of $330.1 million, unfavorable foreign currency exchange rate changes of $303.6 million and unfavorable selling price/product mix of $521.6 million. These decreases in metal-adjusted net sales were partially offset by the incremental net sales of $85.3 million attributable to acquired businesses. Volume, as measured by metal pounds sold, decreased by 151.4 million pounds, or 13.7%, in 2009 compared to 2008 due primarily to ongoing weak global economic conditions which resulted in lower demand across a broad spectrum of the Company s products. Excluding the impact of acquisitions, metal pounds sold decreased by 173.8 million pounds or 15.8% as more fully described below. Metal pounds sold is provided herein as the Company believes this metric to be a consistent year over year measure of sales volume since it is not impacted by metal prices or foreign currency exchange rate changes. Generally, the Company has attempted to recover higher metal costs and inflation on non-metals raw materials used in cable manufacturing, such as insulating compounds and steel and wood reels, as well as increased freight and energy costs through increased selling prices.

Metal-adjusted net sales in the North America segment decreased $422.7 million, or 22.2% principally due to lower sales volume of $128.8 million, unfavorable selling price/product mix of $273.1 million and unfavorable foreign currency exchange rate changes of $32.3 million, principally related to the Canadian dollar. The decrease in sales volume was primarily the result of weak economic conditions in the United States and Canada which affected demand for a large number of the Company s principal products. Volume, as measured by metal pounds sold, decreased by 62.1 million pounds, or 16.9%, in 2009 compared to 2008. Weak demand for the Company s electric utility distribution and transmission cables resulted in a decrease in metal pounds sold of 27.9 million pounds or 14.8%. Similarly, the overall decrease in demand for copper intensive outside plant telecommunications cable from the Regional Bell Operating Companies (RBOCs) and communications distribution products resulted in a decrease in metal pounds sold of 8.7 million pounds or 22.7%.

The following additional trends in 2009 also affected the results of North America. Weakness in the residential and non-residential construction markets in the United States and Canada continued to negatively impact the demand for low-voltage and smaller gauge size cables used in electric power distribution. Recent energy and tax legislation supports the Company s view that the overall long-term trend in demand for electric utility products remains positive, however, the Company believes that utilities have cut capital investment and maintenance budgets due to weak economic conditions, complexities at the local, state and federal levels which have delayed meaningful progress on many interstate transmission projects and the demand for electricity and the availability of credit which declined in the United States as compared to recent years. As a result of this weak-end market demand, the Company implemented plans to temporarily idle certain manufacturing facilities from one week up to 90 days by extending planned shutdowns in an effort to balance inventory, production and expected demand. The Company expects that over time growth rates for electric utility products in North America will be highly variable depending on related product business cycles and the approval and funding cycle times for large utility projects. Demand for alternative energy products as well as products used for energy exploration in the mining, oil, gas, and petrochemical markets, is expected to continue over the long-term partly as a result of volatile energy prices and federal government economic stimulus plans. Demand trends for telecommunication products from the RBOCs continue to decline due to the RBOCs broadband investment, weakness in the U.S. housing market, fiber-to-the-home initiatives, and budgetary constraints caused partially by volatile copper costs, which have reduced both RBOC and distributor purchasing volume in this segment.

Metal-adjusted net sales in the Europe and Mediterranean segment decreased $380.0 million, or 19.6%, in 2009 compared to 2008 due to lower sales volume of $112.6 million, unfavorable foreign currency exchange rate changes of $117.3 million, primarily due to a weaker Euro relative to the U.S. dollar, and unfavorable selling price/product mix of $187.3 million which has been partially offset by incremental net sales attributable to the results of acquired businesses of $37.2 million. Volume, as measured by metal pounds sold excluding the results of acquired business, decreased by 61.3 million pounds, or 17.7%, in 2009 compared to 2008. The decrease in sales volume is the result of ongoing weak economic conditions in Europe and weakness in demand across a broad spectrum of products, particularly low-voltage cables and building wire products in the Spanish domestic construction markets which have been partially offset to a lesser extent by demand for high-voltage and extra-high-voltage cables to upgrade the electricity grid as well as projects involving submarine energy cables and other alternative energy projects. Similar to the economic stimulus focused on enhanced investment in electric transmission infrastructure, high-speed broadband infrastructure and offshore wind-energy projects as discussed in the Company s North America segment, the Council of the European Union, as part of a broader economic recovery plan, recently earmarked funding for numerous projects in the field of energy which may over time lead to an increase in demand for the Company s products.

Metal-adjusted net sales in the ROW segment decreased $267.3 million, or 16.7% due to lower sales volume of $88.7 million, unfavorable foreign currency exchange rate changes of $154.0 million, primarily due to the weakening of certain currencies in Central and South America relative to the U.S. dollar, and an unfavorable selling price/product mix of $61.2 million which has been partially offset by incremental net sales attributable to the results of acquired businesses of $36.6 million. Volume, as measured by metal pounds sold excluding the results of acquired businesses, decreased by 49.5 million pounds, or 12.8%, in 2009 compared to 2008. Broadly, economic conditions in certain markets in the Company s ROW segment, particularly in Central and South America, have been negatively impacted by slowing global growth, credit restrictions, investment curtailment and commodity volatility resulting in lower than expected demand for the Company s construction and electrical infrastructure products. Prospectively, in addition to a broader economic recovery, there were catalysts for growth in Sub-Saharan Africa where investment continued to occur as a result of the 2010 Africa Cup of Nations and in Brazil where the government plans for the infrastructure needs as a result of the 2014 World Cup of Soccer and the 2016 Olympics as well as other transmission investment projects such as Lights for All which is designed to provide power to remote locations throughout the country which may over time lead to an increase in demand for the Company s products. Similarly, in Venezuela, 2009 power shortages resulted in the government issuing an emergency plan to be implemented in order to upgrade the electrical infrastructure which has resulted in an increased demand for the Company s medium-voltage electric utility products during the latter part of the fourth quarter of 2009.

Gross Profit

Gross profit decreased $261.0 million, or 33.4%, in 2009 from 2008. Gross profit as a percentage of net sales was 11.8% for 2009 and was 12.5% for 2008. The reduction in gross profit margin is principally related to lower plant utilization, weak end user demand and an unfavorable pricing environment across a broad spectrum of the Company s products as well as relatively lower market price of metals compared to the cost of the higher value inventory in the year ended December 31. 2009. Partially offsetting this decrease were the Company s LEAN initiatives and targeted costs reduction efforts which include, among other actions, the temporary idling of certain manufacturing facilities, a focus on reducing discretionary spending, personnel reductions and salary freezes.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased $41.4 million, or 10.9%, in 2009 from 2008. The decrease in SG&A is a result of the Company s LEAN initiatives, targeted cost reduction efforts, foreign currency exchange rate changes of $12.5 million and lower variable costs related to commissions and royalties of $15.7 million due to declining sales volume. Cost reductions of $25.7 million include, among other actions, a focus on reducing discretionary spending, personnel reductions and salary freezes. SG&A as a percentage of metal-adjusted net sales was 7.7% and 7.0% for 2009 and 2008, respectively.

Operating Income

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

	Operating Income Year Ended December 31,			
	2009		2008	
	Amount	%	Amount	%
North America	$ 19.8	*11%*	$ 111.5	*28%*
Europe and Mediterranean	70.2	*39%*	147.1	*37%*
ROW	89.9	*50%*	140.9	*35%*
Total operating income	$ 179.9	*100%*	$ 399.5	*100%*

Operating income decreased $219.6 million or 55.0% to $179.9 million in 2009 from $399.5 million in 2008. This decrease is attributable to weak volume as a result of decreased demand across a broad spectrum of the Company s products resulting in lower plant utilization, a highly competitive pricing environment in many of the Company s end markets and unfavorable foreign currency exchange rate changes of $20.7 million. These decreases were partially offset by lower selling, general and administrative expenses of $41.4 million as a result of the Company s LEAN initiatives and targeted costs reduction efforts which include, among other actions, the temporary idling of certain manufacturing facilities, a focus on reducing discretionary spending, personnel reductions and salary freezes. The decreases were partially offset by the incremental operating income generated in Venezuela which as a percentage of consolidated operating income increased to 41.1% in 2009 from 9.7% in 2008, as discussed below.

The decrease in operating income for the North America segment of $91.7 million or 82.2% was largely the result of lower volume due to continued softness in demand and significantly weaker pricing in many of the segment s end markets particularly electric infrastructure and electric utility products as a result of the weak economy and competitive environment. Persistent softness in the housing market continues to have a negative impact on the demand for low-voltage and smaller gauge size cables used in electric power distribution as well as copper-based telecommunication products used by RBOCs in new housing starts.

Operating income for the Europe and Mediterranean segment decreased $76.9 million or 52.3% in 2009 from 2008. This decrease was largely the result of lower volume due to continued softness in demand for residential and low-voltage cable and building wire due to the economic slowdown in the Spanish construction related markets and a broader contraction of Eurozone economic activity resulting in lower plant utilization, weaker pricing due to heightened competition in many of the segment s end markets, and unfavorable foreign currency exchange rate changes of $8.8 million. These decreases were partially offset by lower selling, general and administrative expenses of

$25.6 million in 2009 as compared to 2008.

Operating income for the ROW segment decreased $51.0 million or 36.2% in 2009 from 2008. This decrease was largely the result of lower volume due to continued softness in demand and pricing pressure in many of the segment s end markets particularly in Central and South America and Southeast Asia and unfavorable foreign currency exchange rate changes of $12.9 million. These decreases were partially offset by lower selling, general and administrative expenses of $12.1 million in 2009 as compared to 2008. In the second half of 2009, the Company experienced significant growth in demand in Venezuela as the government began to heavily invest in its electrical infrastructure in order to address its power generation deficiencies and to improve its grid reliability. As a result of this significant and rapid action, Venezuela has generated, in 2009, an uncharacteristically high proportion of consolidated operating profit compared to 2008, as noted above.

Other Income (Expense)
Other income of $7.0 million in 2009 and other expense of $27.2 million in 2008 primarily consist of foreign currency transaction gains and losses that resulted from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated. Certain emerging market currencies, principally in South America and to a lesser extent Sub-Saharan Africa, have experienced considerable volatility and the change year over year reflects the recovery of these currencies after the rapid and significant devaluation experienced in a short period during the second half of 2008.
Interest Expense
The Company recorded net interest expense of $83.0 million and $91.8 million in 2009 and 2008, respectively, which includes $38.9 million and $36.0 million for 2009 and 2008, respectively, of incremental pre-tax non-cash interest expense attributable to the amortization of the debt discount as a result of the bifurcation of the Company s convertible debt instruments as discussed in Note 2 and Note 9 to the Consolidated Financial Statements. Excluding the impact of the Company s convertible debt instruments, net interest expense decreased $11.7 million to $44.1 million in 2009 from $55.8 million in 2008. This decrease was primarily due to lower average debt levels in 2009 as compared to 2008, particularly as it relates to the Company s Amended Credit Facility and the PDIC credit facilities supporting operations in the Company s ROW segment as well as lower interest rates on the Company s Senior Floating Rate Notes, Spanish Term Loans and ROW credit facilities.
Loss on Extinguishment of Debt
In December 2009, the Company completed an offer to exchange $925 principal amount of Subordinated Convertible Notes due in 2029 for each $1,000 principal amount of the 1.00% Senior Convertible Notes due in 2012 which resulted in the issuance of $429.5 million aggregate principal amount of Subordinated Convertible Notes due in 2029 in exchange for approximately 97.8% or $464.4 million aggregate principal amount of the 1.00% Senior Convertible Notes due in 2012. An aggregate principal amount of $10.6 million of the 1.00% Senior Convertible Notes due in 2012 remain outstanding after the exchange. The exchange was treated as an extinguishment of the 1.00% Senior Convertible Notes due in 2012 and issuance of subordinated debt due in 2029. The Company recorded a non-cash loss on debt extinguishment of $7.6 million which included the write-off of $4.9 million of unamortized debt issuance costs related to the 1.00% Senior Convertible Notes due in 2012. See the Debt and Other Contractual Obligations discussion below for additional information.
Tax Provision
The Company s effective tax rate for 2009 and 2008 was 34.0% and 34.5%, respectively. The Company s annual effective tax rate is influenced by the global mix of income earned in numerous countries with varying income tax rates.
Preferred Stock Dividends
During 2009 and 2008, the Company accrued and paid $0.3 million in dividends on its Series A preferred stock.

Liquidity and Capital Resources

In general, the Company requires cash for working capital, capital expenditures, investment in internal product development, debt repayment, salaries and related benefits, interest, Series A preferred stock dividends, repurchase of common shares and taxes.
Capital structure improvements made in December 2009 as the result of the convertible debt exchange offer pursuant to which the Company issued $429.5 million aggregate principal amount of new Subordinated Convertible Notes due in 2029 in exchange for approximately 97.8% or $464.4 million aggregate principal amount of the 1.00% Senior Convertible Notes due in 2012 provided the Company with financial and strategic flexibility by extending the maturity of a portion of the Company s total debt represented by the Company s 1.00% Senior Convertible Notes due in 2012. There were no proceeds generated as a result of the exchange.
The Company s working capital requirement decreases when it experiences softening incremental demand for products and/or a significant reduction in the price of copper, aluminum and/or other raw material cost inputs. 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, debt repayment, salaries and related benefits, interest, Series A

preferred stock dividends and taxes for the next twelve months and foreseeable future. As discussed below under Debt and Other Contractual Obligations, the Company maintains approximately $889.9 million of excess availability under its various credit facilities around the world.

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General Cable Corporation is a holding Company with no operations of its own. All of the Company s operations are conducted, and net sales are generated, by its subsidiaries and investments. Accordingly, the Company s cash flow comes from the cash flows of its global operations. The Company s ability to use cash flow from its international operations, if necessary, has historically been adversely affected by limitations on the Company s ability to repatriate such earnings tax efficiently. See Item 1A Risk Factors for additional information. In particular, Venezuela has foreign exchange and price controls which have historically limited the Company s ability to convert Bolivars to U.S. dollar and transfer funds out of Venezuela.

Summary of Cash Flows

Operating cash inflow of $98.9 million in 2010 reflects a net working capital use of $144.2 million driven principally by increases in inventories, receivables, and other assets of $170.8 million, $95.0 million and $34.6 million respectively, which were partially offset by increases in accounts payable, accrued and other liabilities of $156.2 million. The increase in accounts receivable primarily reflects the increase in selling prices due to the increase in raw material costs as well as increased volume in the months leading up to year end compared to the equivalent period in 2009. The increase in inventory is primarily due to the increase in metal prices throughout the year. The Company continues to adjust its production in order to balance inventory levels. These negative cash flows have been partially offset by increases in accounts payable, accrued and other liabilities which were primarily the result of incremental manufacturing activity due to an increase in demand and higher raw material cost inputs. More than offsetting this net working capital use of cash in the twelve fiscal months of 2010 was $243.1 million of overall net cash inflows related to net income adjusted for depreciation and amortization, amortization on restricted stock awards, foreign currency loss, deferred income tax income, excess tax benefits from stock based compensation, convertible debt instrument non cash interest charges, and the gain on the disposal of property.

In Venezuela, government restrictions on the transfer of cash out of the country have limited the Company s ability to immediately repatriate cash. Approximately 11% and 19% of the consolidated cash balance as of December 31, 2010 and December 31, 2009, respectively, was held in Venezuela. The proportion of operating cash flows attributable to Venezuela in 2010 as compared to total Company operating cash flows is 4% for the year ended December 31, 2010.

Cash flow used by investing activities was $133.8 million in 2010, principally reflecting $116.4 million of capital expenditures. The Company continued to focus its capital program on completing greenfield projects in India and Peru as well as projects around the world to upgrade equipment, improve efficiency and throughput and enhance productivity. The Company anticipates capital spending to be approximately $100 million to $120 million in 2011.

Financing activities in 2010 generated $37.3 million of cash inflows primarily related to borrowings on various short-term credit facilities in the Company s ROW segment. See the Debt and Other Contractual Obligations section below for details.

Debt and Other Contractual Obligations

The Company s outstanding debt obligations were $985.5 million as of December 31, 2010 consisting of $9.5 million of 1.00% Senior Convertible Notes due in 2012 (net of debt discount), $295.5 million of 0.875% Convertible Notes due in 2013 (net of debt discount), $163.9 million of Subordinated Notes due in 2029 (net of debt discount), $200.0 million of 7.125% Senior Notes due in 2017, $125.0 million of Senior Floating Rate Notes due in 2015, $38.1 million drawn on Europe and Mediterranean credit facilities, $50.1 million of Spanish Term Loans, $79.1 million drawn on ROW credit facilities and $24.3 million of various other short-term loans. A separate description of our various borrowings is provided below and additional discussion is included at Note 9 to the Consolidated Financial Statements.

On December 15, 2009, the Company completed an offer to exchange $925 principal amount of the Subordinated Convertible Notes due in 2029 for each $1,000 principal amount of the 1.00% Senior Convertible Notes due in 2012 which resulted in the issuance of $429.5 million aggregate principal amount of Subordinated Convertible Notes due in 2029 in exchange for approximately 97.8% or $464.4 million aggregate principal amount of the 1.00% Senior Convertible Notes due in 2012. An aggregate principal amount of $10.6 million of the 1.00% Senior Convertible Notes due in 2012 was outstanding as of December 15, 2009. The exchange was treated as an extinguishment of the 1.00% Senior Convertible Notes due in 2012 and issuance of subordinated debt due in 2029. The Company recorded a non-cash loss on debt extinguishment of $7.6 million which included the write-off of $4.9 million of unamortized debt issuance costs related to the 1.00% Senior Convertible Notes due in 2012.

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

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As a result of the aforementioned exchange offer, approximately 97.8% of $464.4 of the Company s 1.00% Senior Convertible Notes were validly tendered. As of December 15 2009, there were $10.6 million of the 1.00% Senior Convertible Notes outstanding. Beginning January 1, 2009, as discussed in Note 2, the Company separately accounted for the liability and equity components of the instrument, retrospectively, based on the Company s nonconvertible debt borrowing rate on the instrument s issuance date of 7.5%. At issuance, the liability and equity components were $348.2 million and $126.8 million, respectively. At the exchange date December, 15, 2009, the liability and equity components were $389.7 million and $74.7 million, respectively. The equity component (debt discount) is being amortized to interest expense based on the effective interest method. The Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by the Company s wholly-owned U.S. and Canadian subsidiaries.

The Company s 0.875% Convertible Notes were issued in November of 2006 in the amount of $355.0 million. The 0.875% Convertible Notes bear interest at a fixed rate of 0.875%, payable semi-annually in arrears, and mature in 2013. Beginning January 1, 2009, as discussed in Note 2, the Company separately accounted for the liability and equity components of the instrument, retrospectively, based on the Company s nonconvertible debt borrowing rate on the instrument s issuance date of 7.35%. At issuance, the liability and equity components were $230.9 million and $124.1 million, respectively. The equity component (debt discount) is being amortized to interest expense based on the effective interest method. The Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by the Company s wholly-owned U.S. and Canadian subsidiaries

The Company s convertible debt instruments outstanding as of December 31, 2010 and 2009 are as follows:

	Subordinated Notes due in 2029		1.00% Senior Convertible Notes		0.875% Convertible Notes	
	December 31,		December 31,		December 31,	
(in millions)	2010	2009	2010	2009	2010	2009
Face value	$ 429.5	$ 429.5	$ 10.6	$ 10.6	$ 355.0	$ 355.0
Debt discount	(265.6)	(266.6)	(1.1)	(1.7)	(59.5)	(77.0)
Book value	163.9	162.9	9.5	8.9	295.5	278.0
Maturity date	November 2029		October 2012		November 2013	
Stated annual interest rate	4.50% until Nov 2019 2.25% until Nov 2029		1.00% until Oct 2012		0.875% until Nov 2013	
Interest payments	Semi-annually: May 15 & November 15		Semi-annually: April 15 & October 15		Semi-annually: May 15 & November 15	

As of December 31, 2010 the fair value of the Company s Subordinated Convertible Notes, 1.00% Senior Convertible Notes and 0.875% Convertible Notes was $521.0 million, $9.7 million and $350.6 million, respectively. As of December 31, 2009 the fair value of the Company s Subordinated Convertible Notes, 1.00% Senior Convertible Notes and 0.875% Convertible Notes was $574.5 million, $8.0 million and $287.6 million, respectively. The Company completed the issuance and sale of $325.0 million in aggregate principal amount of senior unsecured notes, comprised of $200.0 million of 7.125% Senior Fixed Rate Notes due 2017 (the 7.125% Senior Notes) and $125.0 million of Senior Floating Rate Notes due 2015 (the Senior Floating Rate Notes and together with the 7.125 Senior Notes , the Notes) on July 26, 2007 to replace the unregistered Notes with registered Notes with like terms pursuant to an effective Registration Statement on Form S-4.

	7.125% Senior Notes		Senior Floating Rate Notes	
(in millions)	Dec 31, 2010	Dec 31, 2009	Dec 31, 2010	Dec 31, 2009
Face value	$ 200.0	$ 200.0	$ 125.0	$ 125.0
Fair value	197.5	196.0	114.4	111.3
Interest rate	7.125%	7.125%	2.7%	2.7%
			3-month LIBOR rate plus 2.375%	

Interest payment	Semi-annually: Apr 1 & Oct 1	Quarterly: Jan 1, Apr 1, Jul 1 & Oct 1
Maturity date	April 2017	July 2015
Guarantee	Jointly and severally guaranteed by the Company s wholly-owned U.S. and Canadian subsidiaries	

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The Company s current senior secured revolving credit facility (Amended Credit Facility), as amended, is a five-year, $400.0 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. The Company under the Amended Credit Facility has the option (subject to certain limitations and conditions) to elect whether loans under the Amended Credit Facility will be LIBOR loans or alternative base rate loans. Eurodollar loans bear interest at a rate equal to an adjusted LIBOR rate plus an applicable margin percentage (which margin has a range of 1.125% to 1.875%) and alternative base rate loans bear interest at a rate equal to an alternative base rate plus an applicable margin percentage (which margin has a range of 0.00% to 0.625%). The applicable margin percentage is subject to adjustments based upon the excess availability, as defined in the Amended Credit Facility. Indebtedness under the Amended Credit Facility is guaranteed by the Company s U.S. and Canadian subsidiaries and is secured by a first priority security interest in tangible and intangible property and assets of the Company s U.S. and Canadian 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.

	Amended Credit Facility	
(in millions)	Dec 31, 2010	Dec 31, 2009
Outstanding borrowings	$	$
Undrawn availability	371.5	293.6
Interest rate	See above	See above
Outstanding letters of credit	18.5	28.2
Original issuance	November 2003	
Maturity date	July 2012	

The table below provides a summary of the Spanish Term Loans and corresponding fixed interest rate swaps. The proceeds from the Spanish Term Loans were used to partially fund the acquisition of Enika Biskra in 2008 and for general working capital purposes. There is no remaining availability under these Spanish Term Loans.

	Spanish Term Loans(1)	
(in millions)	Dec 31, 2010	Dec 31, 2009
Outstanding borrowings	$ 50.1	$ 72.5
Interest rate weighted average(2)	3.7%	4.1%

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

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

(2)

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

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

	Europe and Mediterranean credit facilities	
(in millions)	Dec 31, 2010	Dec 31, 2009
Outstanding borrowings	$ 38.1	$ 31.4
Undrawn availability	125.4	147.7
Interest rate weighted average	3.1%	4.6%
Maturity date	Various	

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

	Uncommitted accounts receivable facilities	
(in millions)	Dec 31, 2010	Dec 31, 2009
Outstanding borrowings	$	$ 1.1
Undrawn availability	113.7	125.4
Interest rate weighted average		1.7%
Maturity date	Various	

The Spanish Term Loans and certain credit facilities held by the Company s Spanish subsidiaries are subject to certain financial ratios of the Company s European subsidiaries, which includes minimum net equity and net debt to EBITDA (earnings before interest, taxes, depreciation and amortization). At December 31, 2010 and 2009, the Company was in compliance with all covenants under these facilities.

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

	ROW credit facilities	
(in millions)	Dec 31, 2010	Dec 31, 2009
Outstanding borrowings	$ 79.1	$ 16.3
Undrawn availability	279.3	361.4
Interest rate weighted average	3.4%	2.3%
Maturity date	Various	

The Company s ROW credit facilities are short term loans utilized for working capital purposes. Certain credit facilities are subject to financial covenants. The Company was in compliance with all covenants under these facilities as of December 31, 2010 and 2009.

Failure to comply with any of the covenants, financial tests and ratios required by the Company s existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions, as defined in the Company s Amended Credit Facility, 1.0% Senior Convertible Notes, 0.875% Convertible Notes, Subordinated Convertible Notes, 7.125% Senior Notes, Senior Floating Rate Notes and various other credit facilities maintained by the Company s restricted subsidiaries. A default would permit lenders to cease to make further extensions of credit, accelerate the maturity of the debt under these agreements and foreclose upon any collateral securing that debt. The lenders under the Company s Amended Credit Facility have a pledge of all of the capital stock of existing domestic and Canadian subsidiaries and any future domestic and Canadian subsidiaries. The lenders under the Company s senior secured credit facility have a lien on substantially all of the Company s domestic and Canadian assets, including existing and future accounts receivable, cash, general intangibles, investment property and real property. The Company also has incurred secured debt in connection with some of its European and ROW operations. The lenders under these European and ROW secured credit facilities also have liens on assets of certain of our European and ROW subsidiaries. As a result of these pledges and liens, if the Company fails to meet its payment or other obligations under any of its secured indebtedness, the lenders under the applicable credit agreement would be entitled to foreclose on substantially all of the Company s assets and liquidate these assets. Broadly, cross-default provisions would permit lenders to cause such indebtedness to become due prior to its stated maturity in the event a default remains unremedied for a period of time under the terms of one or more financing agreements, a change in control or a fundamental change. As of December 31, 2010, the Company was in compliance with all debt covenants.

The Company s defined benefit plans at December 31, 2010 and 2009 were underfunded by $99.6 million and $103.4 million, respectively. The Company recorded an after-tax loss of $2.3 million in 2010 and an after-tax gain of $13.6 million in 2009 to accumulated other comprehensive income. The Company estimates its 2011 pension expense for its defined benefit pension plans will be approximately $6.0 million and cash contributions are expected to be approximately $10.1 million. In 2010, pension expense was approximately $11.1 million and cash contributions were approximately $20.9 million.

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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. The Company s contractual obligations and commercial commitments as of December 31, 2010 (in millions of dollars) are summarized below:

		Payments Due by Period			
Contractual obligations[1,4]:	Total	Less than 1 Year	1 3 Years	4 5 Years	After 5 Years
Total debt (excluding capital leases)	$ 979.8	$ 119.9	$ 349.9	$ 135.5	$ 374.5
Convertible debt at maturity[6]	326.2		60.6		265.6
Capital leases	5.7	1.1	2.2	2.4	
Interest payments on 7.125% Senior Notes	89.1	14.2	28.5	28.5	17.9
Interest payments on Senior Floating Rate Notes	14.2	3.3	6.6	4.3	
Interest payments on 0.875% Convertible Notes	9.0	3.1	5.9		
Interest payments on 1.00% Senior Convertible Notes	0.2	0.1	0.1		
Interest payments on Subordinated Convertible Notes	279.9	19.3	38.7	38.7	183.2
Interest payments on Spanish term loans	3.8	1.9	1.8	0.1	
Operating leases[2]	70.8	15.7	23.8	14.4	16.9
Preferred stock dividend payments	1.2	0.3	0.6	0.3	
Defined benefit pension obligations[3]	171.2	15.0	31.7	34.0	90.5
Postretirement benefits	8.0	1.2	2.1	1.5	3.2
Unrecognized tax benefits, including interest and penalties[5]					
Total	$ 1,959.1	$ 195.1	$ 552.5	$ 259.7	$ 951.8

1) This table does not include interest payments on General Cable s revolving credit facilities 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) Operating lease commitments are described under Off Balance Sheet Assets and Obligations.

3) Defined benefit pension obligations reflect the Company s estimates of contributions that will be required in 2011 to meet current law minimum funding requirements.

4) This table does not include derivative instruments as the ultimate cash outlays cannot be reasonably predicted. Refer to Footnote 10 Financial Instruments and Item 7A, Quantitative and Qualitative Disclosures about Market Risk for additional information.

5) Unrecognized tax benefits of $81.8 million have not been reflected in the above table due to the inherent uncertainty as to the amount and timing of settlement, which is contingent upon the occurrence of possible future

events, such as examinations and determinations by various tax authorities.

6) Represents the current debt discount on the Company s 1.00% Senior Convertible Notes, 0.875% Convertible Notes and Subordinated Convertible Notes as a result of adopting provisions of ASC 470. See Note 2 of the Consolidated Financial Statements for additional information.

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, the Company generally 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, the Company has agreed to indemnify Pirelli against any warranty claims relating to the prior operation of the business. The Company 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. As a part of the 2005 acquisition, SAFRAN SA agreed to indemnify the Company against certain environmental liabilities existing at the date of the closing of the purchase of Silec.

In 2007, the Company acquired the worldwide wire and cable business of Freeport-McMoRan Copper and Gold Inc., which operates as PDIC. As part of this acquisition, the seller agreed to indemnify the Company for certain environmental liabilities existing at the date of the closing of the acquisition. The seller s obligation to indemnify the Company for these particular liabilities generally survives four years from the date the parties executed the definitive purchase agreement unless the Company has properly notified the seller before the expiry of the four year period. The seller also made certain representations and warranties related to environmental matters and the acquired business and agreed to indemnify the Company for breaches of those representation and warranties for a period of four years from the closing date. Indemnification claims for breach of representations and warranties are subject to an overall indemnity limit of approximately $105 million, which applies to all warranty and indemnity claims for the transaction.

General Cable has entered into various operating lease agreements related principally to certain administrative, manufacturing and distribution facilities and transportation equipment. Future minimum rental payments required under non-cancelable lease agreements at December 31, 2010 were as follows: 2011 $15.7 million, 2012 $13.5 million, 2013 $10.3 million, 2014 $7.3 million, 2015 $7.1 million and thereafter $16.9 million. Rental expense recorded in income from continuing operations was $19.0 million, $23.3 million and $19.1 million for the years ended December 31, 2010, 2009 and 2008, respectively.

As of December 31, 2010, the Company had $37.0 million in letters of credit, $177.2 million in various performance bonds and $86.9 million in other guarantees. Other guarantees include bank guarantees and advance payment bonds. These letters of credit, performance bonds and guarantees are periodically renewed and are generally related to risk associated with self-insurance claims, defined benefit plan obligations, contract performance, quality and other various bank and financing guarantees. Advance payment bonds are often required by customers when we obtain advance payments to secure the production of cable for long term contracts. The advance payment bonds provide the customer protection on their deposit in the event that the Company does not perform under the contract. See Liquidity and Capital Resources for excess availability under the Company s various credit borrowings.

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

Environmental Matters

The Company s expenditures for environmental compliance and remediation amounted to approximately $3.7 million, $2.5 million and $1.9 million in 2010, 2009 and 2008, respectively. In addition, certain of the Company s subsidiaries have been named as potentially responsible parties in proceedings that involve environmental remediation. The Company accrued $1.5 million at December 31, 2010 for all environmental liabilities. Environmental matters are described in Item 1, Item 3 and Note 17 to the Consolidated Financial Statements. 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 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company 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, the Company enters into interest rate, commodity and foreign currency derivative agreements as well as copper and aluminum forward pricing agreements. The Company does not purchase or sell derivative instruments for trading purposes. The Company does not engage in trading activities involving commodity contracts for which a lack of marketplace quotations would necessitate the use of fair value estimation techniques.

Interest Rate Risk

The Company utilizes interest rate swaps to manage its interest expense exposure by fixing its interest rate on a portion of the Company s floating rate debt. Under the swap agreements, the Company typically pays a fixed rate while the counterparty pays to the Company the floating rate per the terms of the debt being hedged.

As of December 31, 2010, the Company has five interest rate swaps outstanding. The first arrangement was designated in the United States and includes a notional value of $9.0 million, an interest rate of 4.49% and matures in October 2011. The remaining four arrangements were designated in Spain. The notional value of the arrangements are 10.0 million Euros, 5.0 million Euros, 10.5 million Euros, and 11.0 million Euros respectively, interest rates of 4.2%, 4.58%, 4.48%, and 1.54%, respectively, and maturity dates in 2013 (February, April and June) and August 2014, respectively. The Company does not provide or receive any collateral specifically for these contracts. The fair value of interest rate derivatives, which are designated as and qualify as cash flow hedges, are based on quoted market prices and assistance of a third party provided calculation which reflects the present values of the difference between estimated future variable-rate receipts and future fixed-rate payments. At December 31, 2010 and 2009, the net unrealized (gain)/loss on interest rate derivatives and the related carrying value was $1.8 million and $(1.9) million, respectively. A 10% decline in the variable rate would have an immaterial effect on the unrealized gain in 2010. All interest rate derivatives are marked-to-market with changes in the fair value of qualifying cash flow hedges recorded as other comprehensive income.

Raw Material Price Risk

The Company s reported net sales are directly influenced by the price of copper and to a lesser extent aluminum. The price of copper and aluminum as traded on the London Metal Exchange (LME) and COMEX has historically been subject to considerable volatility and, during the past few years, global copper prices have established average record highs as demonstrated in Item 1 Raw Materials Sources and Availability. This copper and aluminum price volatility is representative of all reportable segments.

The Company 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. Therefore, in the short-term, during periods of escalating raw material cost inputs, to the extent the Company is able to raise prices in the market to recover the higher current cost of metals, the Company will generally experience a benefit from the sale of its relatively lower value inventory as computed under the weighted average inventory costing method. If the Company is unable to raise prices with the rise in the raw material market prices due to low levels of demand or a competitive price market the Company will experience lower operating income. Conversely, during periods of declining raw material cost inputs, to the extent the Company has to decrease prices in the market due to competitive pressure as the current cost of metals declines, the Company will generally experience downward pressure on its gross profit due to the sale of relatively higher value inventory as computed under the weighted average inventory costing method. If the Company is able to maintain price levels in an environment in which raw material prices are declining due to high levels of demand the Company will experience higher operating income. The Company hedges a portion of its metal purchases but does not engage in speculative metals trading.

The Company has historically experienced volatility 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. Generally, the Company attempts to adjust selling prices in most of its markets in order to offset the impact of this raw material price and other cost volatility on reported earnings. The Company s ability to execute and ultimately realize price adjustments is influenced by competitive conditions in its markets, including manufacturing capacity utilization.

For the majority of its business outside of North America, the Company enters into commodity futures contracts, which are designated as and qualify as cash flow hedges for the purchase of copper and aluminum for delivery in a future month to match certain production needs. At December 31, 2010 and 2009, the Company had an unrealized (gain)/loss of $(30.6) million and $(16.0) million, respectively, on the commodity futures. A 10% decline in the price of copper and aluminum would result in a decrease in the unrealized gain of $26.3 million in 2010. As of December 31, 2010, there were no contracts held by the Company that required collateral to secure the Company's derivative liability positions.

In North America and to a lesser extent ROW the Company 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 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 December 31, 2010 and 2009, the Company had $30.8 million and $62.2 million, respectively, of future copper and aluminum purchases that were under forward pricing agreements. At December 31, 2010 and 2009, the Company had an unrealized gain of $4.8 million and $5.5 million, respectively, related to these transactions. The Company expects the unrealized gains under these agreements to be offset as a result of firm sales price commitments with customers. There were no funds posted as collateral as of December 31, 2010 or 2009.

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Foreign Currency Exchange Rate Risk

The Company enters into forward exchange contracts, which are designated as and qualify as cash flow hedges principally to hedge the currency fluctuations in certain transactions denominated in foreign currencies, thereby limiting the Company s risk that would otherwise result from changes in exchange rates. Principal transactions hedged during the year were firm sales and purchase commitments. The fair value of foreign currency contracts represents the amount required to enter into offsetting contracts with similar remaining maturities based on quoted market prices. At December 31, 2010 and 2009, the net unrealized (gain)/loss on the net foreign currency contracts were $1.7 million and $0.7 million, respectively. A 10% decline in the exchange rate for these currencies would have increased the unrealized loss by $21.9 million in 2010.

Because the Company s subsidiaries operate within their local economic environment, the Company believes it is appropriate to finance those operations with borrowings denominated in the local currency to the extent practicable where debt financing is desirable or necessary. Considerations which influence the amount of such borrowings include long- and short-term business plans, tax implications, and the availability of borrowings with acceptable interest rates and terms. In those countries where the local currency is the designated functional currency, this strategy mitigates the risk of reported losses or gains in the event the foreign currency strengthens or weakens against the U.S. dollar.

The Company also has exposure to foreign currency exchange risk when the results of its international operating units are translated from the local currency into the U.S. dollar. At December 31, 2010 and 2009, the accumulated other comprehensive income (loss) account included in the total equity section of the consolidated balance sheet included a cumulative translation gain (loss) of $53.5 million and $45.1 million, respectively. A 10% percent increase in the value of the US dollar relative to foreign currencies would have more than offset the cumulative translation gain resulting in a cumulative translation loss of approximately $92.5 million in 2010. This sensitivity analysis is inherently limited as it assumes that rates of multiple foreign currencies will always move in the same direction relative to the value of the U.S. dollar.

Uncertainty in the global market conditions has resulted in and may continue to cause significant volatility in foreign currency exchange rates which could increase these risks, particularly in the Company s emerging or developing markets within its ROW segment, which have historically been subject to considerable foreign currency exchange rate volatility particularly in Venezuela. See the Venezuelan Operations discussion for further detail.

Fair Value of Designated Derivatives

Unrealized gains and losses on the designated cash flow hedge financial instruments identified above are recorded in other comprehensive income (loss) until the underlying transaction occurs and is recorded in the consolidated statement of operations at which point such amounts included in other comprehensive income (loss) are recognized in earnings. This recognition generally will occur over periods of less than one year. During the years ended December 31, 2010 and 2009, a pre-tax $20.7 million loss and a pre-tax $47.9 million loss, respectively, were reclassified from accumulated other comprehensive income to the consolidated statement of operations. A pre-tax gain of $24.1 million is expected to be reclassified into earnings from other comprehensive income during 2011.

The notional amounts and fair values of these designated cash flow financial instruments at December 31, 2010 and 2009 are shown below (in millions). The net carrying amount of the designated cash flow hedge financial instruments was a net asset of $27.1 million and a net asset of $17.2 million at December 31, 2010 and 2009, respectively.

	2010		2009	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Cash flow hedges:				
Interest rate swaps	$ 57.8	$ (1.8)	$ 60.1	$ 1.9
Commodity futures	164.6	30.6	195.0	16.0
Foreign currency forward exchange	115.2	(1.7)	274.8	(0.7)
		$ 27.1		$ 17.2

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. 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. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that th