GENERAL CABLE CORP /DE/
Form S-3/A
February 02, 2004

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 2, 2004
REGISTRATION NO. 333-111436

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-3 REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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, KENTUCKY 41076
(859) 572-8000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

ROBERT J. SIVERD
EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
GENERAL CABLE CORPORATION
4 TESSENEER DRIVE
HIGHLAND HEIGHTS, KENTUCKY 41076
(859) 572-8000
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

Copy to:
ALAN H. LIEBLICH, ESQ.
BRAD L. SHIFFMAN, ESQ.
BLANK ROME LLP
ONE LOGAN SQUARE
PHILADELPHIA, PENNSYLVANIA 19103
(215) 569-5500

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after the effective date of this Registration Statement, as determined in light of market and other conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES NOR DOES IT SEEK AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED FEBRUARY ___, 2004.

[GENERAL CABLE LOGO]

GENERAL CABLE CORPORATION

2,070,000 SHARES OF 5.75% SERIES A
REDEEMABLE CONVERTIBLE PREFERRED STOCK
10,345,860 SHARES OF COMMON STOCK
ISSUABLE UPON CONVERSION OF THE PREFERRED STOCK

We originally issued the preferred stock in a private placement on November 24, 2003. This prospectus relates to resales of the preferred stock and to common stock that may be issued upon conversion of the preferred stock by securityholders named under the caption "Selling Securityholders" in this prospectus.

Each share of preferred stock has an initial liquidation preference of

$50.00 and was convertible initially into 4.998 shares of our common stock, based on an initial conversion price of $10.004 per share, subject in each case to specified adjustments. Our common stock trades on The New York Stock Exchange under the symbol "BGC." On January 28, 2004, the closing sale price of our common stock was $8.40 per share.

Dividends on the preferred stock are payable on February 24, May 24, August 24 and November 24 of each year, beginning on February 24, 2004. Dividends accrue from the beginning of the relevant dividend period, which in the case of the first dividend period is November 24, 2003, at the annual rate of 5.75% of the liquidation preference per share.

We will pay dividends on a dividend payment date either, at our option and subject to agreed upon conditions, in cash or by delivering shares of our common stock to the transfer agent to be sold on the holders' behalf, resulting in net cash proceeds to be distributed to the holders in an amount equal to the cash dividend otherwise payable. If we do not pay dividends in full on more than six dividend payment dates, whether or not consecutive, the per annum dividends rate will be deemed to have increased by 2% on the date following such sixth dividend payment date.

We are obligated to redeem all outstanding shares of preferred stock on November 24, 2013 at a redemption price equal to 100% of the then liquidation preference, plus accrued and unpaid dividends. We may, at our option, elect to pay the redemption price in cash or in shares of our common stock valued at a discount of 5% from its market price, or any combination thereof. We have the option to redeem some or all of the outstanding shares of preferred stock in cash on or after November 24, 2008 at the redemption prices set forth in this prospectus.

AN INVESTMENT IN THE PREFERRED STOCK OR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 7 OF THIS PROSPECTUS AND ANY OTHER INFORMATION IN THIS PROSPECTUS BEFORE DECIDING TO PURCHASE THE PREFERRED STOCK OR COMMON STOCK.

The securities offered in this prospectus have not been recommended by the Securities and Exchange Commission or any state or foreign securities commission or any regulatory authority. These authorities have not confirmed the accuracy or determined the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

This prospectus is dated , 2004.

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This prospectus includes trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included in this prospectus are the property of their respective owners.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC's rules allow us to "incorporate by reference" information into this prospectus. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus from the date we file that document. Any reports filed by us with the SEC after the date of the initial filing of the registration statement of which this prospectus forms a part and prior to the effectiveness of such registration statement, as well as any reports filed by us with the SEC after the date of this prospectus and before the date that the offering of the securities is terminated, will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference in this prospectus.

We incorporate by reference into this prospectus the following documents filed with the SEC:

- Our Annual Report on Form 10-K for the year ended December 31, 2002, as amended by Amendment No. 1 filed on August 29, 2003.

- Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, as amended by Amendment No. 1 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 filed on August 29, 2003.

- Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, as amended by Amendment No. 1 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 filed on August 29, 2003.

- Our Quarterly Report on Form 10-Q for the quarter ended September 30, 2003.

- Our Current Report on Form 8-K dated April 22, 2003 (except for the information furnished in Item 9 or any related exhibits).

- Our Current Report on Form 8-K dated July 11, 2003.

- Our Current Report on Form 8-K dated July 22, 2003 (except for the information furnished in Item 9 or any related exhibits).

- Our Current Report on Form 8-K dated October 21, 2003 (except for the information furnished in Item 9 or any related exhibits).

- Our Current Report on Form 8-K dated October 28, 2003.

- Our Current Report on Form 8-K dated November 4, 2003.

- Our Current Report on Form 8-K dated November 18, 2003, as amended by our Current Report on Form 8-K filed January 9, 2004.

- Our Current Report on Form 8-K dated December 12, 2003.

- Our Current Report on Form 8-K dated December 18, 2003.

- The description of our common stock, filed in our Form 8-A (File No. 1-1983), as filed with the SEC on May 13, 1997, pursuant to Section 12(b) of the Exchange Act of 1934 as incorporated by reference from our registration statement on Form S-1 (File No. 333-22961) initially filed with the SEC on March 7, 1997, and any amendment or report for the purpose of updating such description.

- All documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (excluding all information and related exhibits furnished in a Current Report on Form 8-K pursuant to Item 9 or Item 12) after the date of this prospectus and before the termination of this offering.

We will provide without charge to each person to whom this prospectus is delivered, upon his or her written or oral request, a copy of the filed documents referred to above, excluding exhibits, unless they are specifically incorporated by reference into those documents. You can request those documents from our Director of Investor Relations, 4 Tesseneer Drive, Highland Heights, Kentucky 41076, telephone (859) 572-8000.

WHERE YOU CAN FIND MORE INFORMATION

We are required to file annual, quarterly and special reports, proxy statements, any amendments to those reports and other information with the SEC. You may read and copy any documents filed by us with the SEC at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Reports, proxy statements and information statements, any amendments to those reports and other information filed electronically by us with the SEC are available to the public at the SEC's website at http://www.sec.gov.

We have filed a registration statement on Form S-3 with the SEC relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all of the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of General Cable, please be aware that the reference is only a summary and that you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's website.

THE COMPANY

We are a FORTUNE 1000 company that is a leading global developer and manufacturer in the wire and cable industry. Our operations are divided into three main segments: energy, industrial & specialty and communications. Our energy cable products include low-, medium- and high-voltage power distribution and power transmission products for overhead and buried applications. Our industrial & specialty wire and cable products conduct electrical current for industrial, OEM, commercial and residential power and control applications. Our communications wire and cable products transmit low-voltage signals for voice, data, video and control applications. Our principal executive offices are located at 4 Tesseneer Drive, Highland Heights, Kentucky 41076, telephone (859) 572-8000.

SUMMARY OF THE TERMS OF THE PREFERRED STOCK

The following is a brief summary of select terms of the preferred stock. For a more complete description of the terms of the preferred stock, see the section of this prospectus entitled "Description of the Preferred Stock."

Issuer	General Cable Corporation.
Securities Offered	2,070,000 shares of our 5.75% Series A redeemable convertible preferred stock.
Liquidation Preference	$50.00 per share.
Dividends	Dividend payment rate: annual rate of 5.75% of the liquidation preference per share, accruing from the beginning of the relevant dividend period. Dividend payment dates: quarterly in arrears, on February 24, May 24, August 24 and November 24 of each year, beginning on February 24, 2004. Form of dividend payment: dividends are payable, at our option: - in cash; or - in shares of our common stock delivered to the transfer agent to be sold on the holders' behalf resulting in net cash proceeds to be distributed to the holders in an amount equal to the cash dividend otherwise payable; or - any combination of the foregoing. If we pay dividends by delivering shares of our common stock to the transfer agent, those shares will be owned beneficially by the holders of the preferred stock upon delivery of such shares to the transfer agent, and the transfer agent will hold those shares and the net cash proceeds from the sale of those shares for the exclusive benefit of the holders. To pay dividends in this manner, we must provide the transfer agent with a registration statement permitting the immediate sale of the shares of common stock in the public market. We cannot assure you that we will be able to timely file, cause to be declared effective or keep effective

any such registration statement.

If we do not pay dividends in full on the preferred stock on more than six dividend payment dates, whether or not consecutive, the per annum dividend rate on the preferred stock will be deemed to have increased by 2% on the date following the sixth dividend payment date. Once all accrued and unpaid or accumulated dividends have been paid in full, the dividend rate will return to the rate set forth on the cover of this prospectus. If we again do not pay dividends in full on any dividend payment date, the per annum dividend rate will again increase by 2%.

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Optional Redemption	We will have the option to redeem some or all of the outstanding shares of preferred stock in cash on or after November 24, 2008 at the redemption prices set forth in this prospectus under the heading "Description of the Preferred Stock -- Optional Redemption."
Mandatory Redemption	We will be obligated to redeem all outstanding shares of the preferred stock at a redemption price equal to the liquidation price thereof, plus all accrued and unpaid or accumulated dividends, on November 24, 2013. We may, at our option, elect to pay the redemption price in cash or in shares of our common stock at a discount of 5% from their market price, or any combination thereof. We may pay such redemption price only if we have funds legally available for such payment and may pay in shares of our common stock only if such shares are eligible for immediate sale in the public market either (i) by non-affiliates of ours absent a registration statement or (ii) pursuant to a registration statement that has become effective.
Conversion	The preferred stock may be converted at the option of the holder into our common stock at any time. Initial conversion price: $10.004 per share of common stock, subject to adjustment in a number of circumstances described under "Description of the Preferred Stock -- Conversion Rights -- Adjustments to the Conversion Price." The initial conversion price is

	equivalent to an initial conversion rate of 4.998 shares of common stock for each $50.00 liquidation preference of the preferred stock.
Conversion at Our Option Under Certain Circumstances	We may cause the conversion of all outstanding shares of preferred stock on or after November 24, 2008, if less than 103,500 shares of preferred stock remain outstanding, into shares of common stock equal to the liquidation preference, plus all accrued and unpaid or accumulated dividends, divided by the lesser of (i) the initial conversion price, as adjusted, and (ii) the market price of our common stock for a five trading day period ending on the third trading day prior to the date of any such mandatory conversion.
Anti-dilution Adjustments	The initial conversion price may be adjusted if certain events occur. See "Description of the Preferred Stock -- Conversion Rights -- Adjustments to the Conversion Price."
Voting Rights	The holders of preferred stock are not entitled to any voting rights except as described in this prospectus under the heading "Description of the Preferred Stock -- Voting Rights."

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Change of Control	If we undergo a Change of Control (as defined under the heading "Description of the Preferred Stock -- Change of Control Put"), we will be required to offer to purchase the shares at a purchase price equal to 100% of the then liquidation preference, plus all accrued and unpaid and accumulated dividends, unless (i) our common stock trades at or above 105% of the conversion price of the preferred stock during specified periods, or (ii) 100% of the consideration in the change of control transaction consists of shares of capital stock traded on a U.S. national securities exchange or quoted on The Nasdaq National Market.
	This right of holders will be subject to our obligation to repay or repurchase any indebtedness required to be repaid or repurchased in connection with a change of control and to any contractual restrictions then contained in our indebtedness. The terms of our senior secured revolving credit facility and

	our senior notes prohibit us from purchasing the preferred stock in cash. Our future credit facilities and other existing or future indebtedness may contain similar restrictions. When we have satisfied these obligations, we will purchase all shares tendered upon a change of control offer, subject to the legal availability of funds for this purpose.
	Subject to certain limitations, we may, at our option, elect to pay the purchase price in cash or in shares of our common stock valued at a discount of 5% from the market price of our common stock, or any combination thereof. However, we may pay such purchase price only out of funds legally available for such payment, and if we pay the purchase price in shares of our common stock, such shares must be eligible for immediate sale in the public market either (i) by non-affiliates of ours absent a registration statement or (ii) pursuant to a registration statement that has become effective.
Registration Rights	We have agreed to cause a shelf registration statement covering resales of the preferred stock and of common stock issued upon conversion of the preferred stock to remain effective, subject to some exceptions, until the earlier of (i) November 24, 2005 and (ii) the date on which all shares of convertible preferred stock or common stock covered by that registration statement have been sold under that registration statement. If we do not satisfy these obligations, we will be required to pay additional dividends to holders of the preferred stock.
DTC Eligibility	The shares of preferred stock will be issued in book-entry form and will be represented by permanent global certificates deposited with a custodian for, and registered in the name of, a nominee of The Depository Trust Company, or DTC, in New York, New York. Beneficial interests in any such securities will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants. Except in limited circumstances, no such interest may be exchanged for certificated securities. See "Description of the Preferred Stock -- Book-entry, Delivery and Form."

Trading	Our common stock is listed on The New York Stock Exchange under the symbol "BGC." We have not applied and do not intend to apply for the listing of the preferred stock on any securities exchange.
Material U.S. Federal Income Tax Consequences	For a discussion of material U.S. federal income tax considerations relating to the purchase, ownership and disposition of the preferred stock and common stock into which the preferred stock is convertible, see "Material U.S. Federal Income Tax Consequences."

THE REFINANCING

On November 24, 2003, we issued $103.5 million of the preferred stock. The offering of the preferred stock was part of our comprehensive plan to improve our capital structure and provide us with increased financial and operating flexibility to execute our business plan by reducing leverage and extending debt maturities. This plan consisted of the following transactions which we refer to as the "refinancing transactions," which were consummated concurrently: (i) a $240 million senior secured revolving credit facility, (ii) a private offering of $285 million aggregate principal amount of 9.5% Senior Notes due 2010, (iii) a private offering of the preferred stock and (iv) a public offering of approximately $47.6 million of common stock (including the exercise of an over-allotment option on December 2, 2003). We applied the net proceeds from these refinancing transactions to repay all borrowings outstanding under our then existing senior secured revolving credit facility, then existing senior secured term loans and outstanding amounts under our then existing accounts receivable asset-backed securitization facility and to pay related fees and expenses.

RISK FACTORS

Investing in these securities involves a high degree of risk. You should carefully consider the following risk factors and other information contained herein before investing in these securities.

RISKS RELATED TO OUR BUSINESS

RISKS RELATING TO OUR MARKETS

OUR NET SALES, NET INCOME AND GROWTH DEPEND LARGELY ON THE ECONOMIES IN THE GEOGRAPHIC MARKETS THAT WE SERVE AND IF THESE MARKETS DO NOT IMPROVE OR BECOME WEAKER WE COULD 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 information technology, new construction and building, maintaining or reconfiguring their communications network, industrial manufacturing assets and power transmission and distribution infrastructures. Over the past few years many companies have significantly reduced their capital equipment and information technology budgets, and construction activity that necessitates the building or modification of communication networks and power transmission and distribution infrastructures has slowed considerably as a result of a weakening of the U.S. and foreign economies. As a result, our net sales and financial results have declined significantly. In the event that these markets do not improve, or if they were to become weaker, we could suffer further decreased sales and net income and we could be required to enact further restructurings.

THE MARKET FOR OUR PRODUCTS IS HIGHLY COMPETITIVE AND IF WE FAIL TO INVEST IN PRODUCT DEVELOPMENT, PRODUCTIVITY IMPROVEMENTS AND CUSTOMER SERVICE AND SUPPORT THE SALE 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 do. We compete with at least one major competitor with respect to each of our business segments, although no single competitor competes with us across the entire spectrum of our product lines. 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, delivery time, customer service and our ability to meet specific customer needs.

We believe our 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 products competitive with our products could adversely affect our sales.

OUR BUSINESS IS SUBJECT TO THE ECONOMIC AND POLITICAL RISKS OF MAINTAINING FACILITIES AND SELLING PRODUCTS IN FOREIGN COUNTRIES.

During 2002, approximately 26% of our sales and approximately 33% of our assets were in markets outside North America. Our financial results may be adversely affected by significant fluctuations 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 repatriating certain foreign currencies, particularly cash generated by our operations in Spain, may adversely affect our cash flows. During 2002, our operations outside North America generated approximately 24% of our cash flows from operations. 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, changes in regulatory requirements, the difficulty of effectively managing diverse global operations and adverse foreign tax laws.

CHANGES IN INDUSTRY STANDARDS AND REGULATORY REQUIREMENTS MAY ADVERSELY AFFECT OUR BUSINESS.

As a manufacturer and distributor of wire and cable products we are subject to a number of industry standard-setting authorities, such as Underwriters Laboratories, the Telecommunications Industry Association, the Electronics Industries Association 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 we are unable to meet any such 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. While certain legislative bills and regulatory rulings are pending in the energy and telecommunications sectors which could improve our markets, any delay or failure to pass such legislation and regulatory rulings could adversely affect our opportunities and anticipated prospects may not arise. It is not possible at this time to predict the impact that any such legislation or regulation or failure to enact any such legislation or regulation, or other changes in laws or industry standards that may be adopted in the future, could have on our financial results, cash flows or financial position.

ADVANCING TECHNOLOGIES, SUCH AS FIBER OPTIC AND WIRELESS TECHNOLOGIES, MAY MAKE SOME OF OUR PRODUCTS LESS COMPETITIVE.

Technological developments could have a material adverse effect on our business. For example, a significant decrease in the cost and complexity of installation of fiber optic systems or increase in the cost of copper-based systems could make fiber optic systems superior on a price performance basis to copper systems and may have a material adverse effect on our business. Also, advancing wireless technologies, as they relate to network and communication systems, may represent some threat to both copper and fiber optic cable-based systems by reducing the need for premise wiring. While we sell some fiber optic cable and components and cable that is used in certain wireless applications, if fiber optic systems or wireless technology were to significantly erode the markets for copper-based systems, our sales of fiber optic cable and products for wireless applications may not be sufficient to offset any decrease in sales or profitability of our other products that may occur.

RISKS RELATING TO OUR OPERATIONS

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 years. Volatility in the price of copper, aluminum, polyethylene and other raw materials, as well as fuel, natural gas and energy, will 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. Moreover, we do not engage in activities to hedge the underlying value of our copper and aluminum inventory. Although we attempt to reflect copper and other raw material price changes in the sale price of our products, there is no assurance that we can do so.

INTERRUPTIONS OF SUPPLIES FROM OUR COPPER ROD MILL PLANT OR OUR KEY SUPPLIERS MAY AFFECT OUR RESULTS OF OPERATIONS AND FINANCIAL PERFORMANCE.

Interruptions of supplies from our copper rod mill plant or our key suppliers could disrupt production or impact our ability to increase production and sales. During 2002, our copper rod mill plant produced approximately 50% of the copper rod used in our North American operations and two suppliers provided an aggregate of approximately 36% of our North American copper purchases. Any unanticipated problems or work stoppages at our copper rod mill facility 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, for any reason, including their business failure or financial difficulties, to continue the supply of materials or components. 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.

Approximately 65% of our employees are represented by various labor unions. During the last five years, we have experienced only one strike, which was settled on satisfactory terms. Labor agreements covering approximately 18% of our employees expire prior to December 31, 2004. 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 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. Our decreased utilization rates over the past few years have adversely impacted productivity.

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 2002, approximately 36% of our domestic net sales were to independent distributors and four of our ten largest customers were distributors. Distributors accounted for a substantial portion of sales of our communications products and industrial & specialty products. During 2002, approximately 14% of our domestic net sales were to retailers and the two largest retailers, AutoZone and The Home Depot, accounted for approximately 3.3% and 3.1%, respectively, of our net sales.

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.

WE FACE PRICING PRESSURES IN EACH OF OUR MARKETS 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, and price levels for most of our products have declined over the past few years. While we will 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. As a result of over-capacity and the current economic and industry downturn in the communications and industrial markets in particular, pricing pressures increased in 2002 and 2003. Pricing pressures are expected to continue into 2004 and for the foreseeable future. Further declines in prices, without offsetting cost-reductions, would adversely affect our financial results.

OTHER RISKS RELATING TO OUR BUSINESS

OUR SUBSTANTIAL DEBT COULD ADVERSELY AFFECT OUR BUSINESS.

We have a significant amount of debt. As of September 30, 2003, assuming that our refinancing transactions had occurred on that date, we would have had $347.8 million of debt outstanding, $62.8 million of which would have been secured indebtedness and none of which would have been subordinated to our senior notes, and had approximately $135 million of additional borrowing available (which is calculated after giving effect to $38.4 million of letters of credit outstanding) under our senior secured revolving credit facility. In addition, subject to the

terms of the indenture governing our senior notes, we may also incur additional indebtedness, including secured debt, in the future.

The degree to which we are leveraged could have important adverse consequences to us. For example, it could:

- make it difficult for us to make payments on or otherwise satisfy our obligations with respect to our indebtedness;

- limit our ability to borrow additional amounts for working capital, capital expenditures, potential acquisition opportunities and other purposes;

- limit our ability to withstand competitive pressures and reduce our flexibility in responding to changing business, regulatory and economic conditions in our industry;

- place us at a competitive disadvantage against our less leveraged competitors;

- subject us to increased costs, to the extent of the portion of our indebtedness that is subject to floating interest rates; and

- cause us to fail to comply with applicable debt covenants and could result in an event of default that could result in all of our indebtedness being immediately due and payable.

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.

IF EITHER OF OUR UNCOMMITTED ACCOUNTS PAYABLE OR ACCOUNTS RECEIVABLE FINANCING ARRANGEMENTS FOR OUR EUROPEAN OPERATIONS IS CANCELLED BY OUR LENDERS, OUR LIQUIDITY WILL BE NEGATIVELY IMPACTED.

Our European operation participates in arrangements with several European financial institutions which provide extended accounts payable terms to us. In general, the arrangements provide for accounts payable terms of up to 180 days. At September 30, 2003, the arrangements had a maximum availability limit of the equivalent of approximately $94 million of which approximately $77 million was drawn. We do not have firm commitments from these European financial institutions requiring them to continue to extend credit and they may decline to advance additional funding. We also have an approximate $25 million uncommitted facility in Europe, which allows us to sell at a discount, with limited recourse, a portion of our accounts receivable to a financial institution. At

September 30, 2003, this facility was not drawn upon. We do not have a firm commitment from this institution to purchase our accounts receivable. Should the availability under these arrangements be reduced or terminated, we would be required to negotiate longer payment terms with our suppliers or repay the outstanding obligations with our suppliers under these arrangements over 180 days and/or seek alternative financing arrangements which could increase our interest expense. We cannot assure you that such longer payment terms or alternate financing will be available on favorable terms or at all. Failure to obtain alternative financing arrangements in such case would negatively impact our liquidity.

In addition, in order to avoid an event of default under our senior secured credit facility, we must maintain foreign credit lines of at least the equivalent of $80.0 million during those periods when our average excess available funds under our senior secured credit facility is less than $100.0 million for a period of three consecutive months.

WE WILL BE REQUIRED TO TAKE A CHARGE IN CONNECTION WITH A PLANT CLOSURE AND THE RATIONALIZATION OF ANOTHER PLANT AND WE MAY BE REQUIRED TO TAKE CERTAIN CHARGES TO OUR EARNINGS IN FUTURE PERIODS IN CONNECTION WITH A POTENTIAL PLANT CLOSURE AND OUR INVENTORY ACCOUNTING PRACTICES.

We are in the process of closing one of our manufacturing facilities which we expect will result in approximately $7 million of costs, of which approximately $4 million will be cash costs. We are also in the process of significantly reducing operations at another facility which will result in approximately $16.0 million of costs, of which approximately $6.6 million will be cash costs. In addition, we are currently evaluating the closure of one additional facility. We plan to announce the result of our evaluation early in 2004. The cost to rationalize this

facility could approximate $4 million, with cash costs of approximately $1.5 million. The costs to be incurred as a result of the above actions will be reported over the period the operations are wound down.

As a result of declining copper prices, the historic LIFO cost of our copper inventory exceeded its replacement cost by approximately $16 million at December 31, 2002 and $5 million at September 30, 2003. If we were not able to recover the LIFO value of our inventory at a profit in some future period when replacement costs were lower than the LIFO value of the inventory, we would be required to take a charge to recognize in our income statement all or a portion of the higher LIFO value of the inventory. During 2002 and in the nine months ended September 30, 2003, we recorded a $2.5 million and a $0.8 million charge, respectively, for the liquidation of LIFO inventory in North America as we significantly reduced our inventory levels. If LIFO inventory quantities are reduced in a future period when replacement costs are lower than the LIFO value of the inventory, we would experience a decline in reported earnings.

WE ARE SUBJECT TO CERTAIN ASBESTOS LITIGATION AND UNEXPECTED JUDGMENTS OR SETTLEMENTS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR FINANCIAL RESULTS.

There are approximately 15,300 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 approximately 33,000 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 be 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.

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 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 facilities and at third party waste disposal sites and 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.

GROWTH THROUGH ACQUISITION HAS BEEN A SIGNIFICANT PART OF OUR STRATEGY AND WE MAY NOT BE ABLE TO SUCCESSFULLY IDENTIFY, FINANCE 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, and such financing may not be available on terms acceptable to us, or at all. The issuance of our common or preferred shares may dilute the value of shares held by our equityholders. 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 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 expected from such acquisitions.

TERRORIST ATTACKS AND OTHER ATTACKS OR ACTS OF WAR MAY ADVERSELY AFFECT THE MARKETS IN WHICH WE OPERATE, OUR OPERATIONS AND OUR PROFITABILITY.

The attacks of September 11, 2001 and subsequent events, including the military action in Iraq, has 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 may impact any or all of our facilities and operations, or those of our customers or suppliers and may further limit or delay purchasing decisions of our customers. Depending on their magnitude, acts of terrorism or war 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 in line 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 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 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 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 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 PLANS WILL INCREASE OUR PENSION EXPENSE AND REQUIRE US TO INCREASE CASH CONTRIBUTIONS TO THE PLANS.

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. During the fourth quarter of 2002, as a result of declining returns in the investment portfolio of our defined benefit pension plans, we were required to record a minimum pension liability equal to the underfunded status of our plans. As of December 31, 2002, the defined benefit plans were underfunded by approximately $52 million based on the actuarial methods and assumptions utilized for purposes of FAS 87. We will experience an increase in our future pension expense and in our cash contributions to our defined benefit pension plan. Pension expense for our defined benefit plans is expected to increase from $2.0 million in 2002 to approximately $7.7 million in 2003 and our required cash contributions are expected to increase to $5.9 million in 2003 from $3.0 million in 2002. In 2004, cash contributions are expected to increase to $12.6 million. In the event that actual results differ from the actuarial assumptions, the funded status of our defined benefit plans may change and any such deficiency could result in additional charges to equity and an increase in future pension expense and cash contributions.

AN OWNERSHIP CHANGE COULD RESULT IN A LIMITATION OF THE USE OF OUR NET OPERATING LOSSES.

As of December 31, 2002, we had net operating loss, or NOL, carryforwards of approximately $177 million available to reduce taxable income in future years. Specifically, we generated NOL carryforwards of $55.2 million in 2000 and $68.4 million in 2002, which expire in 2020 and 2022, respectively. The 2001 NOL, which was reflected as a carryforward in the 2001 financial statements, was instead carried back to obtain a $37.0 million tax refund in 2002. We also have other NOL carryforwards that are subject to an annual limitation under section 382 of the Internal Revenue Code of 1986, as amended, or the Code. These section 382 limited NOL carryforwards expire in varying amounts from 2006 to 2009. The total section 382 limited NOL carryforwards that may be utilized prior to expiration is estimated at $53.9 million.

Our ability to utilize our NOL carryforwards may be further limited by section 382 if we undergo an ownership change as a result of the sale of our stock by the selling securityholders and/or as a result of subsequent changes in the ownership of our outstanding stock. We would undergo an ownership change if, among other things, the stockholders, or group of stockholders, who own or have owned, directly or indirectly, 5% or more of the value of our stock or are otherwise treated as 5% stockholders under section 382 and the regulations promulgated thereunder increase their aggregate percentage ownership of our stock by more than 50% over the lowest percentage of our stock owned by these stockholders at any time during the testing period, which is generally the three-year period preceding the potential ownership change. In the event of an ownership change, section 382 imposes an annual limitation on the amount of post-ownership change taxable income a corporation may offset with pre-ownership change NOL carryforwards and certain recognized built-in losses. The limitation imposed by section 382 for any post-change year would be determined by multiplying the value of our stock immediately before the ownership change (subject to certain adjustments) by the applicable long-term tax-exempt rate, which is 4.74% for December 2003. Any unused annual limitation may be carried over to later years, and the limitation may under certain circumstances be increased by built-in gains which may be present in assets held by us at the time of the ownership change that are recognized in the five-year period after the ownership change.

Based upon our review of the aggregate change in percentage ownership during the current testing period and subject to any unanticipated increases in ownership by our "five percent shareholders" (as described above) with respect to our common stock, or the sale of our stock by the selling securityholders, we do not believe that we will experience a change in ownership as a result of the sale of our stock by the selling securityholders. However, such a determination is complex and there can be no assurance that the Internal Revenue Service could not successfully challenge our conclusion. In addition, there are circumstances beyond our control, such as the purchase of our stock by investors who are existing 5% shareholders or become 5% shareholders as a result of such purchase, which could result in an ownership change with respect to our stock. Even if the sale of our stock by the selling securityholders does not cause an ownership change to occur immediately, we expect to use a large portion of our available 50% ownership shift limitation in connection with the sale of our stock by the selling securityholders, and we may not be able to engage in significant transactions that would create a further shift in ownership within the meaning of section 382 within the subsequent three-year period without triggering an ownership change. Thus, while it is our general intention to maximize utilization of our NOL carryforwards by avoiding the triggering of an ownership change, there can be no assurance that our future actions or future actions by our stockholders will not result in the occurrence of an ownership change, which will result in utilization of the NOL and negatively affect cash flows.

IF WE ARE REQUIRED TO CLASSIFY THE PREFERRED STOCK AS DEBT IN THE FUTURE, OUR BALANCE SHEET WILL BE ADVERSELY AFFECTED.

Upon issuance, the preferred stock will be classified as equity on our balance sheet in accordance with Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," or SFAS 150, since the preferred stock contains a substantive conversion feature. Under SFAS 150, the preferred stock will remain classified as equity until and unless it becomes certain that the conversion feature will not be exercised by the holders. If it were to become certain that the holders of the preferred stock will not exercise their conversion rights, we would be required to reclassify the preferred stock as a liability in our balance sheet. Additionally, in adopting SFAS 150, the Financial Accounting Standards Board indicated that it is considering changes to the accounting treatment for certain instruments with both liability and equity characteristics. As a result, we cannot assume that the preferred stock will continue to be

classified as equity in future periods. However, any such reclassification of the preferred stock would not, in any material respect, affect our compliance with the indenture governing our senior notes or our senior secured credit facility.

RISKS RELATED TO THE PREFERRED STOCK AND OUR COMMON STOCK

ILLIQUIDITY AND AN ABSENCE OF A PUBLIC MARKET FOR THE PREFERRED STOCK COULD CAUSE PURCHASERS OF THE PREFERRED STOCK TO BE UNABLE TO RESELL THE PREFERRED STOCK FOR AN EXTENDED PERIOD OF TIME.

The preferred stock was issued on November 24, 2003 in a private transaction, and the private trading market is limited. There is no public market for the preferred stock. The relatively small size of this issue could have a negative impact on the liquidity of the preferred stock. Holders of the preferred stock may experience difficulty in reselling, or an inability to sell, the preferred stock. Future trading prices for the preferred stock will depend on many factors including, among other things, the price of our common stock into which the preferred stock is convertible, prevailing interest rates, our financial results, liquidity of the issue, the market for similar securities and other factors including our financial condition.

OUR ABILITY TO PAY DIVIDENDS ON THE PREFERRED STOCK AND OUR COMMON STOCK IS LIMITED.

Under the Delaware General Corporation Law, we may pay dividends, in cash or otherwise, only if we have surplus in an amount at least equal to the amount of the relevant dividend payment. Any payment of cash dividends will depend upon our financial condition, capital requirements, earnings and other factors deemed relevant by our board of directors. Further, our senior secured revolving credit facility and the indenture governing our senior notes restrict our ability to pay cash dividends. The indenture permits us to pay cash dividends on the preferred stock through November 24, 2005, so long as no default exists under the indenture, and thereafter only if we meet certain financial conditions. The senior secured revolving credit facility permits us to pay cash dividends on the preferred stock at any time only if no default exists thereunder and if we meet certain financial conditions, and prohibits us from paying dividends on our common stock. In addition, the certificate of designations for the preferred stock prohibits us from the payment of any cash dividends on our common stock if we are not current on dividend payments with respect to the preferred stock. Agreements governing future indebtedness will likely contain restrictions on our ability to pay cash dividends.

THE PREFERRED STOCK RANKS JUNIOR TO ALL OF OUR LIABILITIES AS WELL AS THE LIABILITIES OF OUR SUBSIDIARIES.

The ranking of the preferred stock with respect to the payment of dividends and upon liquidation, dissolution or winding up may prevent us from paying cash dividends. The preferred stock ranks junior in right of payment to all of our existing and future liabilities, including our obligations under our senior secured revolving credit facility and our senior notes. In the event that we do not have sufficient funds to pay both our debt service and accrued dividends on the preferred stock, we will first limit or stop paying such dividends to holders of preferred stock until all amounts due on our liabilities are paid.

In the event of our bankruptcy, liquidation or winding-up, our assets will be available to pay the liquidation preference of, and accrued dividends on, the preferred stock only after all our indebtedness and other liabilities have been paid. In addition, the preferred stock effectively ranks junior to all existing and future liabilities of our subsidiaries and the capital stock (other than common stock) of our subsidiaries held by third parties. The rights of holders of the preferred stock to participate in the assets of our subsidiaries upon any liquidation or reorganization of any subsidiary ranks junior to the prior claims of that subsidiary's creditors and equity holders. As of September 30, 2003, we had total consolidated liabilities of $894.3 million. In the event of our bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on any or all of the preferred stock then outstanding.

WE MAY NOT BE ABLE TO PAY THE PURCHASE PRICE OF THE PREFERRED STOCK UPON A CHANGE OF CONTROL IF THE HOLDERS EXERCISE THEIR RIGHT TO REQUIRE US TO PURCHASE SUCH SECURITIES.

If we undergo a change of control, subject to limited exceptions, we will be required to offer to purchase the preferred stock at a purchase price equal to 100% of the then liquidation preference, plus accrued and unpaid and accumulated dividends. Under certain circumstances, we will have the option to pay for those shares either in cash or in shares of our common stock valued at a discount of 5% from the market price of our common stock.

Under the terms of our senior secured revolving credit facility, however, we are prohibited from paying the purchase price of the preferred stock in cash. Our future credit facilities and other existing and future indebtedness may contain similar restrictions.

OUR STOCK PRICE HAS BEEN AND CONTINUES TO BE VOLATILE.

The market price for our common stock could fluctuate due to various factors. These factors include:

- announcements relating to significant corporate transactions;

- fluctuations in our quarterly and annual financial results;

- operating and stock price performance of companies that investors deem comparable to us;

- changes in government regulation or proposals relating thereto;

- general industry and economic conditions; and

- sales or the expectation of sales of a substantial number of shares of our common stock in the public market.

In addition, the stock markets have, in recent years, experienced significant price fluctuations. These fluctuations often have been unrelated to the operating performance of the specific companies whose stock is traded. Market fluctuations, as well as economic conditions, have adversely affected, and may continue to adversely affect, the market price of our common stock. Fluctuations in the price of our common stock will affect the value of any outstanding preferred stock.

SHARES ELIGIBLE FOR FUTURE SALE MAY HARM OUR COMMON STOCK PRICE.

Sales of substantial numbers of additional shares of common stock or any shares of our preferred stock, including sales of shares 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 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 75 million shares of common stock. There are approximately 39 million shares of common stock outstanding, approximately 3.5 million shares of common stock are issuable upon exercise of currently outstanding stock options and approximately 10.3 million shares of common stock issuable upon conversion of the preferred stock.

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 shareholders. Our board of directors also has the power, without shareholder 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.

PROVISIONS IN OUR CONSTITUENT DOCUMENTS COULD MAKE IT MORE DIFFICULT TO ACQUIRE OUR COMPANY.

Our amended and restated certificate of incorporation and amended and restated by-laws contain provisions that may discourage, delay or prevent a third party from acquiring us, even if doing so would be beneficial to our shareholders. Under our amended and restated certificate of incorporation, only our board of directors may call special meetings of shareholders, and shareholders must comply with advance notice requirements for nominating candidates for election to our board of directors or for proposing matters that can be acted upon by shareholders at shareholder meetings. Directors may be removed by shareholders only for cause and only by the effective vote of at least 66 2/3% of the voting power of all shares of capital stock then entitled to vote generally in the election of directors, voting together as a single class. Additionally, agreements with certain of our executive officers may have the effect of making a change of control more expensive and, therefore, less attractive.

Pursuant to our amended and restated certificate of incorporation, our board of directors may by resolution establish one or more series of preferred stock, having such number of shares, designation, relative voting rights, dividend rates, conversion rights, liquidation or other rights, preferences and limitations as may be fixed by our board of directors without any further shareholder approval. Such rights, preferences, privileges and limitations as may be established could have the further effect of impeding or discouraging the acquisition of control of our company.

HOLDERS OF THE PREFERRED STOCK HAVE NO RIGHTS AS COMMON SHAREHOLDERS UNTIL THEY ACQUIRE OUR COMMON STOCK.

Until you acquire shares of our common stock upon conversion of the preferred stock you will have no rights with respect to our common stock, including voting rights (except as required by applicable state law or our amended and restated certificate of incorporation, and as described under "Description of the Preferred Stock -- Voting Rights"), rights to respond to tender offers and rights to receive any dividends or other distributions on our common stock. Upon conversion, you will be entitled to exercise the rights of a holder of common stock only as to matters for which the record date occurs after the conversion date.

FORWARD-LOOKING STATEMENTS

Certain of the matters we discuss in this prospectus may constitute forward-looking statements. You can identify a forward-looking statement because it contains words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," or "anticipates" or similar expressions which concern strategy, plans or intentions. All statements we make relating to estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These statements are necessarily estimates reflecting our judgment based upon current information and involve a number of risks and uncertainties. We cannot assure you that other factors will not affect the accuracy of these forward-looking statements or that our actual results will not differ materially from the results we anticipate in the forward-looking statements. While it is impossible for us to identify all the factors which could cause our actual results to differ materially from those we estimated, we describe some of these factors under the heading "Risk Factors." We do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of us.

USE OF PROCEEDS

We will not receive any proceeds from the sale by any selling securityholder of the preferred stock or the issue or subsequent sale by any selling securityholder of the common stock issuable upon conversion of the preferred stock.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for each of the periods indicated.

For purposes of calculating the ratio of earnings to fixed charges, earnings consist of pretax income from continuing operations before income taxes and fixed charges. Fixed charges include: (i) interest expense, whether expensed or capitalized; (ii) amortization of debt issuance cost; (iii) the portion of rent expense representative of the interest factor and (iv) the amount of pretax earnings required to cover preferred stock dividends and any accretion in the carrying value of the preferred stock. The ratio of earnings to fixed charges and preferred stock dividends is the same as the ratio of earnings to fixed charges in all periods as we did not have any preferred stock outstanding in the periods presented.

	YEAR ENDED DECEMBER 31,					N ENDED
	1998	1999	2000	2001	2002	2002
Ratio of Earnings to Fixed Charges(1)	6.5x	2.3x	-	2.1x	-	-

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(1) For the years ended December 31, 2000 and 2002 and the nine months ended September 30, 2002, earnings were insufficient to cover fixed charges by $28.9 million, $27.6 million and $16.5 million, respectively.

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BUSINESS

OUR COMPANY

We are a FORTUNE 1000 company that is a leading global developer and manufacturer in the wire and cable industry, an industry which is estimated to have had $58 billion in sales in 2002. We have leading market positions in the segments in which we compete due to our product, geographic and customer diversity and our ability to operate as a low cost provider. We sell over 11,500 copper, aluminum and fiber optic wire and cable products, which we believe represent the most diversified product line of any U.S. manufacturer. As a result, we are able to offer our customers a single source for most of their wire and cable requirements. We manufacture our product lines in 28 facilities and sell our products worldwide through our operations in North America, Europe and Oceania. Major customers for our products include leading utility companies such as Consolidated Edison and Arizona Public Service; leading distributors such as Graybar and Anixter; leading retailers such as The Home Depot and AutoZone; and leading original equipment manufacturers, or OEMs, such as GE Medical Systems; and leading telecommunications companies such as Qwest Communications, Verizon Communications and SBC/Ameritech. Technical expertise and implementation of Lean Six Sigma strategies have allowed us to maintain our position as a low cost provider.

Our operations are divided into three main segments: energy, industrial & specialty and communications. Our energy cable products include low-, medium- and high-voltage power distribution and power transmission products for overhead and buried applications. Our industrial & specialty wire and cable products conduct electrical current for industrial, OEM, commercial and residential power and control applications. Our communications wire and cable products transmit low-voltage signals for voice, data, video and control applications. We believe we are the number one supplier of energy and industrial & specialty cable products and the number three supplier of communications products in North America and a top three supplier in the majority of the segments in which we compete in Oceania. We believe we are the largest supplier in the Iberian region and a strong regional wire and cable manufacturer in the rest of Europe. For the year ended December 31, 2002, we had net sales of $1.5 billion and a net loss of $(24.0) million.

PRODUCTS AND MARKETS

The net sales generated by each of our three main segments (as a percentage of our total company results) over the twelve-month period ended December 31, 2002 are summarized below:

[Pie Chart Omitted]

Products and Markets	Percentage
Energy	36%
Industrial & Specialty	34%
Communications	30%

The principal products, markets, distribution channels and end-users of each of our product categories are summarized below:

PRODUCT CATEGORY	PRINCIPAL PRODUCTS	PRINCIPAL MARKETS	PR
ENERGY			
Utility	Low-Voltage, Medium-Voltage Distribution; Bare Overhead Conductor; High-Voltage Transmission Cable	Power Utility	In Co Lo Co El Co
INDUSTRIAL & SPECIALTY			
Instrumentation, Power, Control and Specialty	Rubber and Plastic-Jacketed Wire and Cable; Power and Industrial Cable; Instrumentation and Control Cable	Industrial Power and Control; Utility/Marine/ Transit; Military; Mining; Oil and Gas Industrial; Power Generation; Infrastructure; Residential Construction	In Co Mi Te Sy
Automotive	Ignition Wire Sets; Booster Cables	Automotive Aftermarket	Co
COMMUNICATIONS			
Outside Voice and Data (Telecommunications)	Outside Plant Telecommunications Exchange Cable; Outside Service Wire	Telecom Local Loop	Te Sy
Data Communications	Multi-Conductor/Multi-Pair; Fiber Optic; Shipboard; Military Fiber Cable	Computer Networking and Multimedia Applications	Co Sy Sy

			Mi
Electronics	Multi-Conductor; Coaxial; Sound, Security/Fire Alarm Cable	Building Management; Entertainment; Equipment Control	Co In
Assemblies	Cable Harnesses; Connector Cable	Telecommunications; Industrial Equipment; Medical Equipment	Co In Ma

We operate our business globally, with 74% of net sales in 2002 generated from North America, 22% from Europe and 4% from Oceania. We estimate that we sold our products and services to customers in more than 70 countries in 2002.

STRATEGIC INITIATIVES

Due to a decrease in net sales resulting from the global economic downturn in 2001 and 2002 and its impact particularly in the telecommunications markets globally and the industrial & specialty market in North America, we have implemented various management initiatives to improve productivity and maximize cash flow. These initiatives include the following:

- Consolidating our North American manufacturing and distribution facilities, including closing three of seven plants that manufacture communications products and four of six distribution centers.

- Reducing head count by 1,700 persons, or 22% of our work force employed in our continuing operations since September 30, 2000.

- Reducing outstanding aggregate indebtedness, and borrowings under an off-balance sheet facility, by approximately 42%, or $347.8 million, from June 30, 2000 (our historical peak borrowing level) to September 30, 2003. As a result of the refinancing transactions, we further reduced our outstanding aggregate indebtedness.

- Reducing inventory levels related to continuing operations from $296.4 million at September 30, 2000 to $247.0 million at September 30, 2003, a 17% decrease; this decrease is net of a $17.3 million impact from foreign exchange rate fluctuations on our reported inventory international levels. On a consistent foreign exchange basis, the decrease in inventory levels was $66.7 million, or 23%.

- Reducing capital expenditures from continuing operations from $35.8 million in 2000 to $31.4 million in 2002 and further to $20.4 million in the twelve months ended September 30, 2003.

- Exiting less profitable, non-core businesses, such as building wire and consumer cordsets.

- Focusing on non-capital based productivity, such as Lean Six Sigma and reduction of manufacturing cycle time.

In addition, in connection with reinforcing our position as a low-cost provider, we have announced the closure of one of and the reduced operation at another of our North American manufacturing facilities for our industrial & specialty segment. We also have initiated a study at another one of our other North American industrial & specialty manufacturing facilities to determine the feasibility of continuing manufacturing operations at that location.

We believe that many of our markets have begun to stabilize as end users begin to increase their spending on infrastructure maintenance and new construction. Furthermore, the 2003 power outages in the U.S., Canada and Europe emphasize the need to upgrade the power transmission infrastructure used by electric utilities, which may over time cause an increase in demand for our products. As a result of our strategic initiatives and adequate manufacturing capacity in all our businesses, we believe that we are well positioned to capitalize on any upturn in our markets without significant additional capital expenditures.

COMPETITIVE STRENGTHS

We have adopted a "One Company" approach for our dealings with customers and vendors. This approach is becoming increasingly important as the electrical, industrial, data communications and electronic distribution industries continue to consolidate into a smaller number of larger regional and national participants with broader product lines. As part of our One Company approach, we have established cross-functional business teams, which seek opportunities to increase sales to existing customers and to new customers inside and outside of traditional market channels. Our One Company approach better integrates us with our major customers, thereby allowing us to become their leading source for wire and cable products. We believe this approach also provides us with purchasing leverage as we coordinate our North American sourcing requirements. Our competitive strengths include:

Leading Market Positions. We have achieved leading market positions in many of our business segments. For example, we believe that in 2002:

- In the energy segment, we were the number one producer in North America, the number three producer in Oceania and a strong regional producer in Europe;

- In the industrial & specialty segment, we were the number one producer in North America and the number three producer in Oceania; and

- In the communications segment, we were the number three producer in North America and Oceania.

Product, Geographic and Customer Diversity. We sell over 11,500 products under well-established brand names, including General Cable(R), Anaconda(R), BICC(R) and Carol(R), which we believe represent the most diversified product line of any U.S. wire and cable manufacturer. The breadth of our product line has enhanced our market share and operating performance by enabling us to offer a diversified product line to customers who previously purchased wire and cable from multiple vendors but prefer to deal with a smaller number of broader-based suppliers. We believe that the breadth of our products gives us the opportunity to expand our product offerings to existing customers. We distribute our products to over 3,000 customers through our operations in North America, Europe and Oceania. Our customers include utility companies, telecommunications systems operators, contractors, OEMs, system integrators, military customers, consumers and municipalities. The following summarizes sales as a percentage of our 2002 domestic net sales by each category of customers:

[Pie Chart Omitted]

2002 Domestic Net Sales by

Each Category of Customers	Percentage
Electric Utility	32%
OEMs & Electrical/Industrial Distributors	21%
Telco Utility	17%
Communication Distributors	15%
Automotive Retail	8%
Electrical Retail	6%
Other	1%

We strive to develop supply relationships with leading customers who have a favorable combination of volume, product mix, business strategy and industry position. Our customers are some of the largest consumers of wire and cable products in their respective markets and include the following companies: Consolidated Edison, an electric utility company serving the New York City metropolitan area; Arizona Public Service, Arizona's largest electricity utility; Graybar, one of the largest electrical and communications distributors in the United States; Anixter, one of the largest domestic distributors of wire, cable and communications connectivity products; The Home Depot, a leading home center retail chain; AutoZone, the largest retailer of automotive aftermarket parts in the United States; GE Medical Systems, a global leader in medical imaging, interventional procedures, healthcare services and information technology; Verizon Communications, a leading provider of communications services in the Northeastern United States; and Qwest Communications and SBC/Ameritech, former regional bell operating companies.

Our top 20 customers in 2002 accounted for 44% of our net sales, and no one customer accounted for more than 5% of our net sales. We believe that our diversity mitigates the risks associated with an excess concentration of sales in any one market or geographic region or to any one customer.

Low Cost Provider. We are a low cost provider primarily because of our focus on lean manufacturing, centralized sourcing and distribution and logistics. We continuously focus on maintaining and optimizing our manufacturing infrastructure by promoting an organization-wide "lean" mentality in order to improve efficiencies. This enables us to maintain a low manufacturing cost structure, reduce waste, inventory levels and cycle time, as well as retain a high level of customer service. We have made a significant investment in Lean Six Sigma training and have established a formal training program for employees supporting this. We also facilitate the sharing of manufacturing techniques through the exchange of best practices among design and manufacturing engineers across our global business units. We believe that these initiatives have enabled us to achieve a high degree of non-capital based productivity which will allow us to achieve further productivity improvements.

Experienced and Proven Management Team. Our senior management team has, on average, over 15 years of experience in the wire and cable industry and 11 years with our company, and has successfully created a corporate-wide culture that focuses on our One Company approach and continuous improvement in all aspects of our operations. In addition, our senior management team has successfully reduced overhead and operating costs, improved productivity and increased working capital efficiency. For example, our SG&A expenses excluding corporate items have declined from $226.6 million, or 10.5% of net sales, in 2000 to $123.1 million, or 8.5% of net sales, in 2002. We believe that the level of our SG&A expenses as a percentage of our net sales is one of the lowest in the wire and cable industry. Additionally, our senior management team has restructured our business portfolio to eliminate less profitable, non-core businesses and capitalize on market opportunities by anticipating market trends and risks.

BUSINESS STRATEGY

We seek to distinguish ourselves from other wire and cable manufacturers through the following business strategies:

Improving Operating Efficiency and Productivity. Our operations benefit from management's ongoing evaluations of operating efficiency. These evaluations have resulted in cost-saving initiatives designed to improve our profitability and productivity across all areas of our operations. Recent initiatives include rationalization of manufacturing facilities and product lines, consolidation of distribution locations, product redesign, improvement in materials procurement and usage, product quality and waste elimination and other non-capital based productivity initiatives. We also expect that continued successful execution of our One Company approach will provide more efficient purchasing, manufacturing, marketing and distribution for our products.

Focus on Establishing and Expanding Long-Term Customer Relationships. Each of our top 20 customers has been our customer for at least five years. Our customer relationship strategy is focused on being the "wire provider of choice" for the most demanding customers by providing a diverse product line coupled with a high level of service. We place great emphasis on customer service and provide technical resources to solve customer problems and maintain inventory levels of critical products that are sufficient to meet fluctuating demands for such products.

We have implemented a number of service and support programs, including Electronic Data Interchange ("EDI") transactions, web-based product catalogues, ordering and order tracking capabilities and Vendor Managed Inventory ("VMI") systems. VMI is an inventory management system integrated into certain of our customers' internal systems which tracks inventory turnover and places orders with us for wire and cable on an automated basis. These technologies create high supplier integration with these customers and position us to be their leading source for wire and cable products.

Actively Pursue Strategic Initiatives. We believe that our management has the ability to identify key trends in the industry, which allows us to migrate our business to capitalize on expanding markets and new niche markets and exit declining or non-strategic markets in order to achieve better returns. For example, we exited the North American building wire business in late 2001. This business had historically been highly cyclical, very price competitive and had low barriers to entry. We also set aggressive performance targets for our businesses and intend to refocus, turn around or divest those activities that fail to meet our targets or do not fit our long-term strategies.

We regularly consider selective acquisitions and joint ventures to strengthen our existing business lines. We believe there are strategic opportunities in many international markets, including South America and Asia, as countries in these markets continue to look to upgrade their power transmission and generation infrastructure and invest in new communications networks in order to participate in high-speed, global communications. We are seeing increased opportunities in the European Union for our European manufacturing operations. See "Risk Factors -- Other Risks Relating to Our Business -- We may not be able to successfully identify, finance or integrate acquisitions."

Reduce Leverage. We intend to reduce our leverage in the near to intermediate term. As a result of our well-diversified business portfolio and recent operating initiatives, we believe we can improve our existing operating margin, which will allow us to generate increased cash flows. In order to achieve this goal of debt reduction, we currently expect to use a substantial portion of cash flow from operations and the net proceeds from any sale of non-strategic assets to strengthen our balance sheet. In pursuit of this strategy, we have reduced outstanding aggregate

indebtedness, and borrowings under an off-balance sheet facility, by $347.8 million, or 42%, from June 30, 2000 to September 30, 2003 through a combination of cash flow from operations and strategic divestitures. We have adequate manufacturing capacity in all of our businesses and are well positioned to capitalize on any upturns in our markets without significant additional capital expenditures.

INDUSTRY AND MARKET OVERVIEW

The global wire and cable market was estimated to have had $58 billion in sales in 2002 by CRU International Limited. This marks a 12% and 19% decline from the $66 billion and $72 billion in sales in 2001 and 2000, respectively. The decline in the North American and European markets was even greater. The decline in the wire and cable market is directly related to the global economic slowdown in 2001 and 2002, which has resulted in reduced spending by customers in all wire and cable markets as well as price erosion caused in part by excess inventory sell off.

The wire and cable industry is competitive, mature and cost driven. Wire and cable is relatively low value-added, higher weight (and therefore relatively expensive to transport) and often subject to regional or country specifications. In many business segments there is little differentiation among participants from a manufacturing standpoint. The industry is highly fragmented with many participants in both the United States and worldwide. However, the 20 largest companies control approximately 47% of the overall global market. Since the 1990's, the industry has been undergoing consolidation. Additionally, over the past few years, some large market participants have been willing to divest businesses that are underperforming or not perceived as good growth opportunities.

The wire and cable industry is raw materials intensive with copper and aluminum comprising the major cost component for cable products. 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 type of product, competitive conditions and particular customer arrangements.

PRODUCT MARKETS

As a result of asset sales and divestitures, we have repositioned our operations into three main lines or segments: energy, industrial & specialty, and communications businesses. We distribute our products to over 3,000 customers from our operations in North America, Europe and Oceania. Our customers include: utility companies, telecommunications systems operators, contractors, OEMs, system integrators, military customers, consumers and municipalities.

Beginning in the third quarter of 2001, we have reported the building wire and cordsets segment as discontinued operations for financial reporting purposes. The prior periods have been restated to reflect this change. For year 2000, the financial information has been shown for the total company on an as reported basis and for the ongoing businesses after the closing of the sale of certain businesses to Pirelli on a pro forma basis. The pro forma presentation is provided as it provides the reader of our financial statements with a consistent basis of presentation when comparing our results in 2000 to the results for 2001, 2002 and 2003. The following table sets forth summarized financial information by reportable segment for the years ended December 31, 2000, 2001 and 2002 and the nine months ended September 30, 2002 and 2003 (in millions of dollars).

	TOTAL COMPANY	PRO FORMA ONGOING BUSINESSES			NINE MONTHS SEPTEMBER	
	2000	2000	2001	2002	2002	
Net Sales:						
Energy	$ 733.6	$ 544.9	$ 521.8	$ 516.0	$ 389.0	$
Industrial & specialty	796.7	602.0	537.6	499.4	383.1	
Communications	631.8	631.8	592.0	438.5	330.4	
	$2,162.1	$1,778.7	$1,651.4	$1,453.9	$1,102.5	$1
Operating Income:						
Energy	$ (24.4)	$ 40.0	$ 35.3	$ 36.9	$ 28.7	$
Industrial & specialty	29.7	30.6	24.3	9.7	6.7	
Communications	59.8	59.8	48.5	2.5	7.5	
	65.1	130.4	108.1	49.1	42.9	
Corporate and other operating items	(31.0)	--	(3.8)	(33.4)	(28.7)	
	$ 34.1	$ 130.4	$ 104.3	$ 15.7	$ 14.2	$

Energy Market

The energy market consists of low-, medium- and high-voltage power distribution and power transmission products for overhead and buried applications. The global market for power cables experienced a slight increase in sales in 2002 of 2% to $14.6 billion from $14.3 billion in 2001. Growth in this market will be largely dependent on investment policy of electric utilities and infrastructure improvement. We believe that the increase in electricity consumption in North America has outpaced the rate of utility investment in power cables. As a result, we believe the average age of power transmission cables has increased, the current electric transmission infrastructure needs to be upgraded and the transmission grid is near capacity. In addition, the 2003 power outages in the U.S., Canada and Europe emphasize the need for upgrading the power transmission infrastructure used by electric utilities that may, over time, cause an increase in demand for our products.

The net sales in North America decreased as a result of lower sales volume. We anticipate that sales volume for North American customers should improve over time as utility customers address capital projects that were previously deferred, including enhancements to the power transmission and distribution grid. In the first half of 2003, projects were not released as quickly as expected which management believes is partially due to pending energy legislation in the United States which would provide future regulatory relief and allow North American utility companies to earn an adequate rate of return on their investment in upgrading the transmission grid infrastructure. In addition, certain other proposed legislation in the United States, if passed, will permit accelerated depreciation on transmission grids, certain tax credits and bonus depreciation on new equipment which could create an increased demand for our products.

In addition, a majority of our North America energy market customers have entered into written agreements with us for the purchase of wire and cable products. These agreements typically have 2-4 year terms and provide metal adjustments to selling prices to reflect fluctuations in the price of copper and aluminum. Historically, approximately 70% of our North America energy business is contracted for prior to the start of each year.

We believe that we are the largest participant in North America in the energy wire and cable market and the third largest participant in this market in each of Europe and Oceania. We believe that we have approximately 29%, 6% and 8% market shares in the energy markets in North America, Europe and Oceania. Sales of energy products accounted for approximately 36% of our net sales in 2002.

Our utility cables business is the leader in the supply of energy cables to the North America electric utility industry. The business manufactures low- and medium-voltage aluminum and copper cable, bare overhead aluminum conductor and high-voltage transmission cable. Bare transmission cables are utilized by the utilities in the transmission grid to provide electric power from the power generating stations to the distribution sub-stations. Medium-voltage energy cables are utilized in the primary distribution infrastructure to bring the power from the

distribution sub-stations to the transformers. Low-voltage energy cables are utilized in the secondary distribution infrastructure to take the power from the transformers to the end-user's meter.

Our North American utility cables business has strategic alliances in the United States and Canada with a number of major customers and is strengthening its position through these agreements. This business utilizes a network of direct sales and authorized distributors to supply low- and medium-voltage and bare overhead cable products. This market is represented by approximately 3,500 utility companies.

Our European utility cables business is headquartered in Barcelona, Spain and is a strong regional wire and cable manufacturer in Europe behind Pirelli and Nexans. The business utilizes its broad product offering and its low cost manufacturing platform to gain market share as evidenced by its recent award of business with utilities in France, Italy and the United Kingdom. The business has also benefited from its competitors ongoing withdrawal of medium-voltage cable manufacturing capacity from the European market and from the trend in Europe to install power cables underground, which requires more highly engineered cables.

Industrial & Specialty Market

The industrial & specialty market consists of wire and cable products for use in a wide variety of capital goods and consumer uses. The principal product categories in this market are portable cord, industrial cables and automotive products.

The global market for industrial & specialty cable products has many niche markets and is difficult to quantify. Sales have declined as the result of the substantial decline in industrial construction spending from mid-1990 peak levels and in electric and wire cable spending from peaks in 1997. Growth in the industrial & specialty markets is responsive to general growth in the economy and will be largely dependent upon new industrial construction, investment in capital equipment and vehicle after-market maintenance spending.

We believe that we are the largest participant in this highly fragmented segment in North America and Oceania and the third largest in Europe. We believe that we have a top three market share in most of the segments in which we compete, including power, cord, mining, industrial flex, specialty control and instrumentation, and automotive aftermarket. Sales of products in the market accounted for approximately 34% of our net sales in 2002.

The North America market for the industrial & specialty cable products for which we compete was approximately $3.0 billion in 2002.

Many industrial and commercial environments require cables with exterior armor and/or jacketing materials that can endure exposure to chemicals, extreme temperatures and outside elements. We offer products that are specifically designed for these applications.

Portable Cord and Specialty Cables. We manufacture and sell a wide variety of rubber and plastic insulated portable cord products for power and control applications serving industrial, mining, entertainment, OEM, farming and other markets. Portable cord 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. Portable cord products include both standard commercial cord and cord products designed to customer specifications. Portable rubber-jacketed power cord, our largest selling cord product line, is typically manufactured without a connection device at either end and is sold in standard and customer-specified lengths. Portable cord is also sold to OEMs for use as power cords on their products and in other applications, in which case the cord is made to the OEMs' specifications. We also manufacture portable cord for use with moveable heavy equipment and machinery. Our portable cord products are sold primarily through electrical distributors and electrical retailers to industrial customers, OEMs, contractors and consumers.

Our portable cords are used in the installation of new industrial equipment and the maintenance of existing equipment, and to supply electrical power at temporary venues such as festivals, sporting events, concerts and construction sites. We expect demand for portable cord to be influenced by general economic activity.

Our industrial & specialty products sold under the "Brand Rex" name include low-voltage and data transmission cables, rail and mass transit cables, shipboard cables, off-shore cables, other industrial cables and cables for low-smoke, zero-halogen systems. Primary uses for these products include various applications within

power generating stations, marine, oil and gas, transit/locomotive, OEMs, machine builders, medical imaging, shipboard, aerospace industries, space flight and aircraft markets. Shipboard cables sold by us hold a leading position with the U.S. Navy. Our "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.

Industrial cable products include medium and low voltage power, control and instrumentation cable, armored power cable, flexible control cables, festoon cables, robotic cables and industrial data communications cables. These products have various applications in generating stations and substations, process control, mining, material handling, machine tool and robotics markets.

Automotive Products. Our principal automotive products are ignition wire sets and booster cables for sale to the automotive aftermarket. Booster cable sales are affected by the severity of weather conditions and related promotional activity by retailers. As a result, a majority of booster cable sales occur between September and January.

We sell our automotive ignition wire sets and booster cables primarily to automotive parts retailers and distributors, hardware and home center retail chains and hardware distributors. Our automotive products are also sold on a private label basis to retailers and other automotive parts manufacturers.

Communications Market

The communications market consists of:

- outside voice and data products -- wire and cable products for voice, data and video transmission applications;

- data communication products -- high-bandwith twisted copper and fiber optic cables and multiconductor cables for customer premises, local area networks and telephone company central offices;

- electronics -- specialty products for use in machinery and instrumentation interconnection, audio, computer, security and other applications; and

- OEM products -- harnesses and assemblies for telecommunication, industrial and medical equipment manufacturers.

Sales of communications wire and cable products in the global market were $18.1 billion in 2002, a decline of 32% from the 2001 market of $26.7 billion. This sales decline is the result of a significant decline in historic spending levels for outside plant telecommunications cables and switching and local area network cables, particularly for fiber optic cables (which has seen as much as a 50% decline from 1990s average spending). Growth in this market will be largely dependent upon capital spending by the region bell operating companies, or RBOCs, on maintenance, repair and expansion of their infrastructure and the level of information technology spending on network infrastructure. We believe this decline has reached its bottom and sales for communications wire and cable products will increase over time because current levels of spending by our communications wire and cable customers are insufficient to maintain their network infrastructures over time as surplus field inventories have been liquidated by the RBOCs. For example, capital spending by our four largest RBOC customers in 2003 is estimated to be between 12% - 17% of their net sales, a substantial decline from 21% - 47% of their net sales in the 2000 and 2001 period. This reduction in capital spending by these RBOCs has resulted in a 50% reduction in their spending for exchange cables compared to 1990s averages.

We believe that we are the third largest participant in the North America and Oceania communications market for copper wire and cable products. We believe that we have approximately 17% and 18% market shares in the communications market for copper wire and cable products in North America and Oceania, respectively.

Outside Voice and Data Products.?Our principal outside voice and data products are outside plant telecommunications exchange cable and service wire. Outside plant telecommunications exchange cable is short haul trunk, feeder or distribution cable from a telephone company's central office to the subscriber premises. It consists of multiple paired conductors (ranging from 2 pairs 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. During 2000, we expanded our manufacturing capacity of telecommunications cable through the acquisition of Telmag, S.A. de C.V. Sales of these products accounted for approximately 21% of our net sales in 2002.

We sell our outside voice and data products primarily to telecommunications system operators through our direct sales force under supply contracts of varying lengths, and also to telecommunications distributors. The agreements do not guarantee a minimum level of sales. Product prices are generally subject to periodic adjustment based upon changes in the cost of copper and other factors.

Data Communications Products. Our data communications products are high-bandwidth twisted pair copper and fiber optic cable for the customer premise, local area networks, central office and OEM telecommunications equipment markets. Customer premise 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. Sales of data communications products accounted for approximately 8% of our net sales in 2002.

We sell data communications products primarily through distributors and agents. The fiber optic cable sold by us is manufactured by a joint venture company we formed during 2002. The joint venture manufactures all of our fiber optic cable products.

The market for data communications products has been adversely effected by a decrease in information technology spending. However, this decrease has been partially offset by continued spending in this market on maintenance and repair.

Electronics. Our 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 the 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.

OEM Products. Assemblies are used in communications switching systems and industrial control applications as well as medical equipment applications. These assemblies are used in such products as data processing equipment; telecommunications network switches, diagnostic imaging equipment, office machines and industrial machinery. Our industrial instrumentation and control products are sold primarily through distributors and agents.

GEOGRAPHIC SEGMENTS

Revenues for our North American business represented approximately 70%, 74% and 77% of our total consolidated net sales for the nine months ended September 30, 2003 and for the years ended December 31, 2002 and 2001, respectively. Net sales for our European business represented approximately 25%, 22% and 19% of our total consolidated net sales for the nine months ended September 30, 2003 and for the years ended December 31, 2002 and 2001, respectively. Net sales for our Oceania business represented approximately 5%, 4% and 4% of our total consolidated net sales for the nine months ended September 30, 2003 and for the years ended December 31, 2002 and 2001, respectively.

North America

Sales in the North American wire and cable market were approximately $14.3 billion in 2002 or approximately 25% of the global market. Sales in the North American market experienced a 20% decline in 2002 from $18.0 billion in 2001, representing the sharpest decline worldwide.

We believe that we are the largest participant in the North American market. Other large competitors in this market are Southwire, Superior Telecom, Belden and Avaya.

Europe

Sales in the European wire and cable market were approximately $14.4 billion in 2002 or approximately 25% of the global market. Sales in Europe declined 12% in 2002 from $16.2 billion in 2001.

Our European business is headquartered in Barcelona, Spain, and has three manufacturing facilities in the Barcelona area and a manufacturing facility near Lisbon, Portugal, all of which are supported by centralized marketing, sales and production planning. The main markets served are Spain, Portugal, France, United Kingdom, Norway, Belgium and Brazil, with approximately 75% of sales generated in the European market and the remaining 25% representing export sales. Over 90% of net sales in Europe are derived from energy and industrial and specialty cable sales.

We believe that we are one of many strong regional wire and cable manufacturers in Europe.

Oceania

We believe that we are the third largest participant in the market in Oceania, behind Pirelli and Olex.

Our Oceania business consists of a regional headquarters and manufacturing facility in Christchurch, New Zealand, a joint venture manufacturing facility in Fiji and sales offices in New Zealand and Australia. The business offers a broad product range in the energy, communications and electrical markets principally serving New Zealand, Australia, Fiji and the Pacific Islands with certain products also sold into Asia.

COMPETITION

The markets for all of our products are highly competitive, and we experience competition from several competitors within each market. We believe that we have developed strong customer relations as a result of our ability to supply customer needs across a broad range of products, our commitment to quality control and continuous improvement, our continuing investment in information technology, our emphasis on customer service, and our substantial product and distribution resources.

Although the primary competitive factors for our products vary somewhat across the different product categories, the principal factors influencing competition are generally breadth of product line, inventory availability and delivery time, price, quality and customer service. Many of our products are made to industry specifications and are therefore essentially functionally interchangeable with those of competitors. However, we believe that significant opportunities exist to differentiate all of our products on the basis of quality, consistent availability, conformance to manufacturer's specifications and customer service. Within some markets such as specialty and LAN cables, conformance to manufacturer's specifications and technological superiority are also important competitive factors. Brand recognition is also a primary differentiating factor in the portable cord market and, to a lesser extent, in our other product groups.

Our key competitors include other wire and cable manufacturers, such as Pirelli, Southwire, Nexans, Okonite, Marmon and Alcan in energy products; Leviton, Coleman Cable, Belden, Nexans, Pirelli, Marmon and Okonite for instrumentation, power control and specialty cable products; American Insulated Wire Corporation for cord products; Prestolite for automotive products; Superior Telecom and Belden for outside voice & data products; and Belden, Nexans, Cable Design Technologies, CommScope and Avaya for data communications products.

RAW MATERIALS

The principal raw material used by us in the manufacture of our wire and cable products is copper. We purchase copper in either cathode, rod or wire form from a number of major domestic and foreign producers, generally through annual supply contracts. Copper is available from many sources, and we believe that we are not dependent on any single supplier of copper. In 2002, our two largest suppliers of copper each accounted for approximately 18% of our North American copper purchases. For the nine months ended September 30, 2003, our two largest suppliers of copper accounted for approximately 36% and 34% of our North America copper purchases.

We have centralized our copper purchasing in North America to capitalize on economies of scale and to facilitate the negotiation of favorable purchase terms from suppliers. The cost of copper has been subject to

considerable volatility over the past several years. However, as a result of a number of practices intended to match copper purchases with sales, our profitability has generally not been significantly affected by changes in copper prices. We generally pass changes in copper prices along to our customers, although there are timing delays of varying lengths depending upon the type of product, competitive conditions and particular customer arrangements. We do not engage in speculative metals trading or other speculative activitie