GENERAL CABLE CORP /DE/
Form 10-Q/A
March 01, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A
Amendment No. 1

(Mark One)

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

For the quarterly period ended March 30, 2012

OR

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

For the transition period from to .

Commission file number: 1-12983

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

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

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

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

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

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

(Check one):

Large accelerated filer	x	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	¨

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

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

Class	Outstanding at April 26, 2012
Common Stock, $0.01 per value	49,767,438

Table of Contents

GENERAL CABLE CORPORATION AND SUBSIDIARIES
INDEX TO QUARTERLY REPORT
ON FORM 10-Q/A

Table of Contents

EXPLANATORY NOTE
Restatement of Consolidated Financial Statements

On October 29, 2012, General Cable Corporation (the "Company") announced that it had identified historical accounting errors relating to inventory. The accounting errors understated cost of sales and overstated inventory balances in its previously issued financial statements for the years ended December 31, 2011, 2010, 2009, 2008 and 2007, for the interim periods during those years, for the three months ended March 30, 2012 and for the six months ended June 29, 2012.

Based on its initial review, the Company determined that the errors were attributable to two facilities located in Brazil and a third facility located in South Africa, within the Company's Rest of World (“ROW”) segment. However, following the October 29, 2012 announcement, the Company's management became aware of additional information relating to the causes of the inventory accounting errors and the timing of internal reporting of the inventory accounting issues to senior corporate management at the Company's headquarters in Highland Heights, Kentucky, as well as potential inventory theft in Brazil. These matters have been the principal focus of an internal investigation by the Company, subject to the oversight of the Audit Committee of the Company's Board of Directors (the "Audit Committee"), with the assistance of outside counsel and a forensic accounting firm. Based on the investigation, the Company believes that the inventory accounting issues are, to a significant extent, attributable to a complex theft scheme in Brazil and, to a somewhat lesser extent, accounting errors, primarily in Brazil, affecting work in process and finished goods inventory that were not detected due to a deficient reconciliation process.

The Audit Committee concluded on October 26, 2012 that the Company's previously issued consolidated financial statements for fiscal years ended December 31, 2011, 2010, and 2009 and the related reports of its independent registered public accounting firm, condensed consolidated financial statements for the interim periods during those years, and the condensed consolidated financial statements as of and for the periods ended March 30, 2012 and June 29, 2012 should no longer be relied upon. After analyzing the size and timing of the inventory accounting issue, the Company determined the inventory accounting errors were material and would require the Company to restate certain of its previously issued financial statements. For the years ended December 31, 2011, 2010, 2009, and 2008, and for the three months ended March 30, 2012 and six months ended June 29, 2012, cost of sales was understated by $17.9 million, $8.3 million, $5.6 million, $7.1 million, $2.7 million and $6.2 million, respectively. As of December 31, 2011, 2010, 2009 and 2008, March 30, 2012 and June 29, 2012 inventory balances were overstated by $40.0 million, $27.0 million, $17.4 million, $8.7 million, $43.7 million and $43.5 million, respectively. In addition, due to accounting errors at one of the Brazilian facilities that occurred prior to the Company's acquisition of Phelps Dodge International Corporation ("PDIC") in 2007, the Company overstated inventory in its allocation of the purchase price among assets acquired, resulting in an understatement of goodwill. The understated goodwill and overstated inventory associated with the acquisition of PDIC in the fourth quarter of 2007 is $3.4 million.

As a result of the above-described inventory accounting issues, the Company examined and assessed the underlying internal control deficiencies that compromised the Company's ability to prevent or detect the inventory accounting issues. Specifically, the Company has identified control deficiencies in the processes, procedures and controls related to (i) the computation of cost of sales and balances of finished goods and work-in-process inventory at two facilities located in Brazil within the Company's ROW segment, and (ii) the ROW segment executive management oversight, which were overridden; these deficiencies, which prevented the timely detection of theft of a substantial quantity of inventory and the detection and internal reporting of the inventory accounting errors, collectively constituted a material weakness in inventory controls at Brazil and a material weakness in the controls related to the ROW segment executive management. The Company has instituted and will continue to institute steps to remediate the material weaknesses.
As more fully described in Note 22 - Restatement of Condensed Consolidated Financial Statements to the accompanying Condensed Consolidated Financial Statements (unaudited), the Company has restated its Condensed

Consolidated Balance Sheets as of March 30, 2012 and December 31, 2011 and the related Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) and Condensed Consolidated Statements of Cash Flows for the quarters ended March 30, 2012 and April 1, 2011. Selected Financial Data and Management's Discussion and Analysis of Financial Condition and Results of Operations have also been revised to reflect the effects of the restatement. In addition, the unaudited quarterly operating results set forth in this amended quarterly report on Form 10-Q/A have been restated.

The Company is also restating cost of sales, inventory, property, plant and equipment, accumulated other comprehensive income and retained earnings as a result of errors associated with certain foreign currency adjustments. See Note 22 to the Condensed Consolidated Financial Statements (unaudited) for additional information.

In addition, the Company has adopted Financial Accounting Standards Board ("FASB") guidance on the presentation of comprehensive income. The new guidance requires the Company to present items of net income and other comprehensive income

Table of Contents

either in one continuous statement of net income and other comprehensive income or in two separate but consecutive statements. The Company adopted this guidance as of January 1, 2012. In accordance with the new guidance, the Company has elected to present total comprehensive income in our Consolidated Statements of Operations and Comprehensive Income (Loss), and financial statements for prior periods have been recast in accordance with the new guidance. See Note 2 to the Condensed Consolidated Financial Statements (unaudited) for additional information.

We have not modified or updated disclosures presented in our Quarterly Report on Form 10-Q for the period ended March 30, 2012 filed with the Securities and Exchange Commission on May 4, 2012 (the "Original Filing"), except as required to reflect the effects of the restatement and as a result of adoption of FASB guidance on the presentation of comprehensive income. Accordingly, this amended Quarterly Report does not reflect events occurring after the Original Filing or modify or update those disclosures affected by subsequent events, except as specifically referenced herein. Information not affected by the restatement and adoption of FASB guidance on the presentation of comprehensive income is unchanged and reflects the disclosures made at the time of the Original Filing. References to this “Quarterly Report on Form 10-Q/A" and this "Amended Quarterly Report on Form 10-Q/A" herein shall refer to the Original Filing as amended by this Amended Annual Report on Form 10-Q/A. The following items have been amended as a result of the restatement:

Part I, Item 1. Condensed Consolidated Financial Statements (Unaudited);
Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations;
Part I, Item 4. Controls and Procedures;
Part II, Item 6. Exhibits

The Company's Chief Executive Officer and Chief Financial Officer are providing currently dated certifications in connection with this Amendment on Form 10-Q/A; the certifications are filed as Exhibits 31.1, 31.2 and 32.1. The Company is also filing amended Forms 10-K for the year ended December 31, 2011 and 10-Q for the three and six months ended June 29, 2012.

Table of Contents

PART I. FINANCIAL STATEMENTS
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
GENERAL CABLE CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(in millions, except per share data)
(unaudited)

	Three Fiscal Months Ended	
	March 30, 2012 (as restated)(1)	April 1, 2011 (as restated)(1)
Net sales	$1,432.5	$1,447.6
Cost of sales	1,288.0	1,284.6
Gross profit	144.5	163.0
Selling, general and administrative expenses	93.8	93.9
Operating income	50.7	69.1
Other income (expense)	6.8	7.0
Interest income (expense):		
Interest expense	(24.7)	(24.0)
Interest income	1.7	2.0
	(23.0)	(22.0)
Income before income taxes	34.5	54.1
Income tax (provision) benefit	(10.4)	(19.6)
Equity in earnings of affiliated companies	—	0.4
Net income including non-controlling interest	24.1	34.9
Less: preferred stock dividends	0.1	0.1
Less: net income attributable to non-controlling interest	1.3	0.8
Net income attributable to Company common shareholders	$22.7	$34.0
Comprehensive income	72.4	62.0
Earnings per share		
Earnings per common share-basic	$0.46	$0.65
Weighted average common shares-basic	49.7	52.1
Earnings per common share-assuming dilution	$0.45	$0.63
Weighted average common shares-assuming dilution	51.1	54.5

See accompanying Notes to Condensed Consolidated Financial Statements.
(1) See Note 22 - Restatement of Condensed Consolidated Financial Statements (Unaudited)

Table of Contents

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in millions, except share data)
(unaudited)

	March 30, 2012 (as restated)(1)	December 31, 2011 (as restated)(1)
Assets		
Current Assets:		
Cash and cash equivalents	$427.1	$434.1
Receivables, net of allowances of $21.0 million at March 30, 2012 and $17.2 million at December 31, 2011	1,182.9	1,080.9
Inventories, net	1,220.7	1,185.5
Deferred income taxes	33.8	43.2
Prepaid expenses and other	104.0	100.0
Total current assets	2,968.5	2,843.7
Property, plant and equipment, net	1,046.0	1,023.8
Deferred income taxes	22.4	16.2
Goodwill	170.6	168.1
Intangible assets, net	181.5	181.6
Unconsolidated affiliated companies	18.8	18.6
Other non-current assets	66.5	71.0
Total assets	$4,474.3	$4,323.0
Liabilities and Total Equity		
Current Liabilities:		
Accounts payable	$937.7	$946.5
Accrued liabilities	427.2	420.0
Current portion of long-term debt	169.9	156.3
Total current liabilities	1,534.8	1,522.8
Long-term debt	944.7	892.6
Deferred income taxes	206.3	200.0
Other liabilities	251.9	245.9
Total liabilities	2,937.7	2,861.3
Commitments and Contingencies		
Total Equity:		
Redeemable convertible preferred stock, at redemption value (liquidation preference of $50.00 per share):		
March 30, 2012 – 76,002 shares outstanding		
December 31, 2011 – 76,002 shares outstanding	3.8	3.8
Common stock, $0.01 par value, issued and outstanding shares:		
March 30, 2012– 49,767,453 (net of 8,693,465 treasury shares)		
December 31, 2011 – 49,697,763 (net of 8,758,267 treasury shares)	0.6	0.6
Additional paid-in capital	668.9	666.7
Treasury stock	(135.5)	(136.5)
Retained earnings	935.5	912.8
Accumulated other comprehensive income (loss)	(53.8)	(99.0)
Total Company shareholders' equity	1,419.5	1,348.4
Non-controlling interest	117.1	113.3
Total equity	1,536.6	1,461.7

Total liabilities and equity	$4,474.3	$4,323.0

See accompanying Notes to Condensed Consolidated Financial Statements.
(1) See Note 22 - Restatement of Condensed Consolidated Financial Statements (Unaudited)

Table of Contents

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

	Three Fiscal Months Ended	
	March 30, 2012 (as restated)[(1)]	April 1, 2011 (as restated)[(1)]
Cash flows of operating activities:		
Net income (loss) including non-controlling interest	$24.1	$34.9
Adjustments to reconcile net income (loss) to net cash flows of operating activities:		
Depreciation and amortization	26.8	27.7
Amortization on restricted stock awards	0.8	1.0
Foreign currency exchange (gain) loss	0.8	0.2
Deferred income taxes	9.5	(6.4)
Excess tax (benefits) deficiencies from stock-based compensation	(0.1)	(0.7)
Convertible debt instruments noncash interest charges	5.4	5.1
(Gain) loss on disposal of property	—	0.1
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
(Increase) decrease in receivables	(82.0)	(100.6)
(Increase) decrease in inventories	(13.2)	(172.8)
(Increase) decrease in other assets	(0.2)	(7.3)
Increase (decrease) in accounts payable, accrued and other liabilities	(6.5)	113.2
Net cash flows of operating activities	(34.6)	(105.6)
Cash flows of investing activities:		
Capital expenditures	(35.9)	(26.6)
Proceeds from properties sold	4.2	0.3
Acquisitions, net of cash acquired	—	—
Other	—	0.5
Net cash flows of investing activities	(31.7)	(25.8)
Cash flows of financing activities:		
Preferred stock dividends paid	(0.1)	(0.1)
Excess tax benefits (deficiencies) from stock-based compensation	0.1	0.7
Proceeds from other debt	450.0	378.7
Repayments of other debt	(398.3)	(281.5)
Dividends to non-controlling interest	(0.6)	—
Proceeds from exercise of stock options	0.1	0.7
Net cash flows of financing activities	51.2	98.5
Effect of exchange rate changes on cash and cash equivalents	8.1	(10.6)
Increase (decrease) in cash and cash equivalents	(7.0)	(43.5)
Cash and cash equivalents – beginning of period	434.1	458.7
Cash and cash equivalents – end of period	$427.1	$415.2
Supplemental Information		
Cash paid during the period for:		
Income tax payments, net of refunds	$6.5	$6.1
Interest paid	$14.8	$13.2
Non-cash investing and financing activities:		
Capital expenditures included in accounts payable	$28.0	$29.0

See accompanying Notes to Condensed Consolidated Financial Statements.

(1) See Note 22 - Restatement of Condensed Consolidated Financial Statements (Unaudited)

7

Table of Contents

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

1. Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements of General Cable Corporation and Subsidiaries ("General Cable" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and Notes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results of operations for the three fiscal months ended March 30, 2012 are not necessarily indicative of results that may be expected for the full year. The December 31, 2011 condensed consolidated balance sheet amounts are derived from the audited financial statements. These financial statements should be read in conjunction with the audited financial statements and notes thereto in General Cable's 2011 Amended Annual Report on Form 10-K/A filed with the Securities and Exchange Commission on March 1, 2013. The Company's fiscal quarters consist of 13-week periods ending on the Friday nearest to the end of the calendar months of March, June and September.

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

2. Accounting Standards

The Company's significant accounting policies are described in Note 2 - Accounting Standards to the audited annual consolidated financial statements in the 2011 Amended Form 10-K/A. In the three months ended March 30, 2012, there have been no significant changes to these policies. In the three months ended March 30, 2012 there have been no accounting pronouncements issued that are expected to have a significant effect on the consolidated financial statements. The following accounting pronouncements were adopted and became effective with respect to the Company in 2012 and 2011:

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

In June 2011, the FASB issued ASU No. 2011-05 accounting guidance related to the presentation requirements for components of comprehensive income ASC 220 - Comprehensive Income. This update defers only those changes in update ASU No. 2011-05 that relate to the presentation of reclassification adjustments. All other requirements in update ASU No. 2011-05 are not affected by this update, including the requirement to report comprehensive income either in a single continuous financial statement or in two separate but consecutive financial statements. We have adopted this guidance with retrospective application as of January 1, 2012 and have presented total comprehensive income in our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

In September 2011, the FASB issued ASU No. 2011-08 accounting guidance related to the testing of goodwill for impairment
ASC 350 - Intangibles-Goodwill and Other. Under this guidance, entities will have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying value. This guidance will become effective for the Company on December 31, 2012. The adoption of this guidance is not expected to have a material impact on the consolidated financial statements.

3. Acquisitions and Divestitures

General Cable actively seeks to identify key global macroeconomic and geopolitical trends in order to capitalize on expanding markets and new niche markets or exit declining or non-strategic markets in order to achieve better returns. The Company also sets aggressive performance targets for its business and intends to refocus or divest those activities which fail to meet targets or do not fit long-term strategies. The Company did not enter into any acquisitions or divestitures in the three months ended March 30, 2012.

Tables of Contents

4. Other Income (Expense)

Other income (expense) includes foreign currency transaction gains or losses, which result from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated as well as gains and losses on derivative instruments that are not designated as cash flow hedges. During the three months ended March 30, 2012 and April 1, 2011, the Company recorded other income of $6.8 million and $7.0 million, respectively. For the three months ended March 30, 2012, other income was primarily the result of $5.5 million related to gains on derivative instruments that were not designated as cash flow hedges and other income of $2.1 million related to foreign currency transactions. For the three months ended April 1, 2011, other income was primarily the result of $6.0 million related to gains on derivative instruments that were not designated as cash flow hedges and other income of $1.5 million related to foreign currency transactions.

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

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

5. Inventories

Approximately 80% of the Company's inventories are valued using the average cost method and all remaining inventories are valued using the first-in, first-out (FIFO) method. All inventories are stated at the lower of cost or market value.

(in millions)	March 30, 2012	December 31, 2011
Raw materials	$291.6	$ 293.8
Work in process	210.7	193.3
Finished goods	718.4	698.4
Total	$1,220.7	$ 1,185.5

6. Property, Plant and Equipment

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

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

	March 30, 2012	December 31, 2011
Land	$113.0	$ 110.5
Buildings and leasehold improvements	313.2	302.2
Machinery, equipment and office furnishings	1,100.3	1,051.6
Construction in progress	88.5	95.3
Total – gross book value	1,615.0	1,559.6
Less accumulated depreciation	(569.0)	(535.8)
Total – net book value	$1,046.0	$ 1,023.8

Depreciation expense for the three fiscal months ended March 30, 2012 was $23.8 million. Depreciation expense for the three fiscal months ended April 1, 2011 was $24.0 million.

The Company periodically evaluates the recoverability of the carrying amount of long-lived assets (including property, plant and equipment and intangible assets with determinable lives) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. The Company evaluates events or changes in circumstances based mostly on actual historical operating results, but business plans, forecasts, general and industry trends, and anticipated cash flows are also considered. Impairment is assessed when the undiscounted expected future cash flows derived from an asset are less than its carrying amount. Impairment losses are measured as the amount by which the carrying value of an asset exceeds its fair value and are recognized in earnings. The Company also continually evaluates the estimated useful lives of all long-lived assets and, when warranted, revises such estimates based on current events. No material impairment charges occurred during the three fiscal months ended March 30, 2012 and April 1, 2011.

7. Goodwill and Other Intangible Assets

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

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

	Goodwill				Indefinite-lived assets – Trade names			
	North America	Europe and Mediterranean	ROW	Total	North America	Europe and Mediterranean	ROW	Total
Balance, December 31, 2011	$2.3	$ 2.3	$163.5	$168.1	$2.4	$ 0.5	$132.3	$135.2
Acquisitions	—	—	—	—	—	—	—	—
Currency translation and other adjustments	—	—	2.5	2.5	—	—	1.7	1.7
Balance, March 30, 2012	$2.3	$ 2.3	$166.0	$170.6	$2.4	$ 0.5	$134.0	$136.9

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

	March 30, 2012	December 31, 2011
Amortized intangible assets:		
Customer relationships	$108.3	$ 108.3
Accumulated amortization	(64.5)	(61.8)
Foreign currency translation adjustment	0.8	(0.1)
Amortized intangible assets, net	$44.6	$46.4

Amortized intangible assets are stated at cost less accumulated amortization as of March 30, 2012 and December 31, 2011. Customer relationships have been determined to have a useful life in the range of 3.5 to 10 years and the Company has accelerated the amortization expense to align with the historical customer attrition rates. The amortization of intangible assets for the first three fiscal months of 2012 and 2011 was $2.7 million and $3.3 million, respectively. The estimated amortization expense during the twelve month periods beginning March 30, 2012 through March 31, 2017, based on exchange rates as of March 30, 2012, are $10.1 million, $9.0 million, $8.2 million, $7.3 million, $6.3 million and $3.7 million thereafter.

8. Accrued Liabilities

Included within accrued liabilities were accruals related to restructuring and warranty expenses as of March 30, 2012 and December 31, 2011.

Restructuring Accrual

The Company has incurred expenses as a result of cost reduction efforts in Europe in recent years. The expenses primarily relate to employee termination benefits that are payable under local statutory requirements. In the three months ended March 30, 2012 and April 1, 2011, the Company incurred $0.3 million and $5.3 million in charges related to actions taken at various operations in Europe to permanently reduce manufacturing personnel. The accrual balance at March 30, 2012 and December 31, 2011 related to these actions was immaterial. Other expenses related to routine employee reductions for cost savings initiatives throughout the globe, with the exception of the aforementioned actions, were immaterial.

Warranty Accrual

The warranty accrual balance at March 30, 2012 and December 31, 2011 was $11.8 million and $11.5 million. The Company accrues liabilities under service and warranty policies based upon specific claims and a review of historical warranty and service claims experience. Adjustments are made to the accruals as claims data and historical experience change. In addition, the Company incurs discretionary costs to service its products in connection with product performance issues.

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

Balance, December 31, 2011	$11.5
Net provisions for warranties issued	1.0
Net benefits for warranties existing at the beginning of the year	—
Payments related to the warranty accrual	(1.0)
Foreign currency translation	0.3
Balance, March 30, 2012	$11.8

9. Long-Term Debt

(in millions)	March 30, 2012	December 31, 2011
North America		
Subordinated Convertible Notes due 2029	$429.5	$429.5
Debt discount on Subordinated Convertible Notes due 2029	(264.1)	(264.4)
1.00% Senior Convertible Notes due 2012	10.6	10.6
Debt discount on 1.00% Senior Convertible Notes due 2012	(0.3)	(0.5)
0.875% Convertible Notes due 2013	355.0	355.0
Debt discount on 0.875% Convertible Notes due 2013	(35.7)	(40.6)
7.125% Senior Notes due 2017	200.0	200.0
Senior Floating Rate Notes	125.0	125.0
Revolving Credit Facility	86.3	34.9
Other	9.0	9.0
Europe and Mediterranean		
Spanish Term Loan	26.3	31.4
Credit facilities	25.7	27.4
Uncommitted accounts receivable facilities	—	2.1
Other	12.6	11.5
ROW		
Credit facilities	134.7	118.0
Total debt	1,114.6	1,048.9
Less current maturities	169.9	156.3
Long-term debt	$944.7	$892.6

At March 30, 2012, maturities of long-term debt during the twelve month periods beginning March 30, 2012 through March 30, 2017 are $169.9 million, $344.6 million, $8.3 million, $214.4 million and $1.1 million, respectively, and $376.3 million thereafter. As of March 30, 2012 and December 31, 2011, the Company was in compliance with all material debt covenants as discussed below.

Tables of Contents

The Company’s convertible debt instruments outstanding as of March 30, 2012 and December 31, 2011 are as follows:

(in millions)	Subordinated Convertible Notes		1.00% Senior Convertible Notes		0.875% Convertible Notes	
	March 30, 2012	December 31, 2011	March 30, 2012	December 31, 2011	March 30, 2012	December 31, 2011
Face value	$429.5	$429.5	$10.6	$10.6	$355.0	$355.0
Debt discount	(264.1)	(264.4)	(0.3)	(0.5)	(35.7)	(40.6)
Book value	165.4	165.1	10.3	10.1	319.3	314.4
Fair value	453.0	412.3	10.6	9.8	347.9	329.7
Maturity date	Nov 2029		Oct 2012		Nov 2013	
Stated annual interest rate	4.50% until Nov 2019 2.25% until Nov 2029		1.00% until Oct 2012		0.875% until Nov 2013	
Interest payments	Semi-annually: May 15 & Nov 15		Semi-annually: Apr 15 & Oct 15		Semi-annually: May 15 & Nov15	

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

Subordinated Convertible Notes

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

1.00% Senior Convertible Notes

As a result of the aforementioned exchange offer of Subordinated Convertible Notes due in 2029, approximately 97.8% or $464.4 million of the Company’s 1.00% Senior Convertible Notes were validly tendered. As of December 15, 2009, there were $10.6 million of the 1.00% Senior Convertible Notes outstanding. The Company’s 1.00% Senior Convertible Notes were originally issued in September 2007 in the amount of $475.0 million and sold to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). Subsequently, on September 30, 2008, the resale of the notes and the common stock issuable upon conversion of the notes was registered on a Registration Statement on Form S-3. The Company separately accounted for the liability and equity components of the instrument based on the Company’s nonconvertible debt borrowing rate on the instrument’s issuance date of 7.5%. At issuance, the liability and equity components were $348.2 million and $126.8 million, respectively. At the exchange date December 15, 2009, the liability and equity components were $389.7 million and $74.7 million, respectively. The equity component (debt discount) is being amortized to interest expense based on the effective interest method.

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

0.875% Convertible Notes

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

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

Tables of Contents

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

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

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

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

7.125% Senior Notes and Senior Floating Rate Notes

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

	7.125% Senior Notes				Senior Floating Rate Notes			
(in millions)	March 30, 2012		December 31, 2011		March 30, 2012		December 31, 2011	
Face value	$200.0		$200.0		$125.0		$125.0	
Fair value	207.2		198.5		117.0		117.5	
Interest rate	7.125	%	7.125	%	2.8	%	3.0	%
Interest payment	Semi-annually: Apr 1 & Oct 1				3-month LIBOR rate plus 2.375% Quarterly: Jan 1, Apr 1, Jul 1 & Oct 1			
Maturity date	Apr 2017				Jul 2015			

Guarantee	Jointly and severally guaranteed by the Company’s wholly-owned U.S. and Canadian subsidiaries							
	Beginning Date		Percentage		Beginning Date		Percentage	
Call Option[1]	April 1, 2012	—	103.563	%	April 1, 2009	—	102.0	%
	April 1, 2013	—	102.375	%	April 1, 2010	—	101.0	%
	April 1, 2014	—	101.188	%	April 1, 2011	—	100.0	%
	April 1, 2015	—	100.000	%				

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

The Notes’ indenture contains covenants that limit the ability of the Company and certain of its subsidiaries to (i) pay dividends on, redeem or repurchase the Company’s capital stock; (ii) incur additional indebtedness; (iii) make investments; (iv) create liens;

13

Tables of Contents

(v) sell assets; (vi) engage in certain transactions with affiliates; (vii) create or designate unrestricted subsidiaries; and (viii) consolidate, merge or transfer all or substantially all assets. However, these covenants are subject to important exceptions and qualifications, one of which permits the Company to declare and pay dividends or distributions on the Series A preferred stock provided there are no default on the Notes and certain financial conditions are met.

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

Asset-Based Revolving Credit Facility

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

The Revolving Credit Facility has a term of five years and provides for a committed revolving credit line of up to $400 million, of which $40 million is available in a Canadian multi-currency tranche. The Revolving Credit Facility includes a springing maturity concept which is generally applicable only if its the Company's 0.875% Convertible Notes due 2013 or its $125 million Senior Floating Rate Notes due 2015 are not repaid or refinanced within 90 days of their maturity. The commitment amount under the Revolving Credit Facility may be increased by an additional $100 million, subject to certain conditions and approvals as set forth in the credit agreement. The Company capitalized $4.8 million in deferred financing costs in connection with the Revolving Credit Facility in the third quarter of 2011. Also in the third quarter, the Company expensed $1.3 million in unamortized fees and expenses related to the Terminated Credit Facility. The Revolving Credit Facility requires maintenance of a minimum fixed charge coverage ratio of one to one if availability under the Revolving Credit Facility is less than $40 million or 10% of the then existing aggregate lender commitment under the facility. At March 30, 2012 and December 31, 2011, the Company was in compliance with all material covenants under these facilities.

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

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

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

	Revolving Credit Facility	
(in millions)	March 30, 2012	December 31, 2011
Outstanding borrowings	$86.3	$34.9

Undrawn availability	280.6	336.0
Interest rate	2.2 %	2.9 %
Outstanding letters of credit	$18.9	$20.2
Original issuance	Jul 2011	
Maturity date	Jul 2016	

Spanish Term Loans

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

14

Tables of Contents

(in millions)	Spanish Term Loans[1] March 30, 2012		December 31, 2011	
Outstanding borrowings	$26.3		$31.4	
Fair value	26.6		32.0	
Interest rate – weighted average[2]	3.7	%	3.7	%

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

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

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

At March 30, 2012 and December 31, 2011, the Company was in compliance with all material covenants under these facilities.

Europe and Mediterranean Credit Facilities

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

(in millions)	Europe and Mediterranean credit facilities March 30, 2012		December 31, 2011	
Outstanding borrowings	$25.7		$27.4	
Undrawn availability	116.9		108.8	
Interest rate – weighted average	5.3	%	5.2	%
Maturity date	Various			

Europe and Mediterranean Uncommitted Accounts Receivable Facilities

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

(in millions)	Uncommitted accounts receivable facilities March 30, 2012		December 31, 2011	
Outstanding borrowings	$—		$2.1	
Undrawn availability	79.3		69.2	
Interest rate – weighted average	—	%	2.0	%
Maturity date	Various			

The Spanish Term Loans and certain credit facilities held by one of the Company's Spanish subsidiaries are subject to certain financial ratios, which include minimum net equity and net debt to EBITDA (earnings before interest, taxes, depreciation and amortization) ratios. At March 30, 2012 and December 31, 2011, the Company was in compliance with all material covenants under these facilities.

Tables of Contents

ROW Credit Facilities

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

(in millions)	ROW credit facilities March 30, 2012	December 31, 2011
Outstanding borrowings	$134.7	$118.0
Undrawn availability	298.6	270.1
Interest rate – weighted average	5.0 %	3.8 %
Maturity date	Various	

The Company's ROW credit facilities are short term loans utilized for working capital purposes. Certain credit facilities are subject to financial covenants. The Company was in compliance with all material covenants under these facilities as of March 30, 2012 and December 31, 2011.

10. Financial Instruments

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

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

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

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

Fair Value of Derivatives Instruments

The notional amounts and fair values of derivatives designated as cash flow hedges and derivatives not designated as cash flow hedges at March 30, 2012 and December 31, 2011 are shown below (in millions).

Tables of Contents

	March 30, 2012			December 31, 2011		
	Notional Amount	Fair Value Asset[1]	Liability[2]	Notional Amount	Fair Value Asset[1]	Liability[2]
Derivatives designated as cash flow hedges:						
Interest rate swaps	$27.0	$0.1	$0.4	$32.1	$—	$0.6
Commodity futures	135.4	4.8	4.6	216.1	3.8	14.0
Foreign currency exchanges	14.6	0.2	0.1	55.4	0.4	1.1
		$5.1	$5.1		$4.2	$15.7
Derivatives not designated as cash flow hedges:						
Commodity futures	$200.2	$4.1	$6.3	$133.0	$2.4	$12.6
Foreign currency exchanges	294.7	2.7	3.8	321.7	4.1	7.9
		$6.8	$10.1		$6.5	$20.5

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

Depending on the extent of an unrealized loss position on a derivative contract held by the Company, certain counterparties may require collateral to secure the Company’s derivative contract position. As of March 30, 2012, there were no contracts held by the Company that required collateral to secure the Company’s derivative liability positions. At December 31, 2011, there were contracts held by the Company that required $0.7 million in collateral to secure the Company’s derivative liability positions.

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

	Three fiscal months ended March 30, 2012			
(in millions)	Effective Portion recognized in OCI Gain /(Loss)	Reclassified from Accumulated OCI Gain / (Loss)	Ineffective portion and amount excluded from effectiveness testing Gain / (Loss)[1]	Location
Derivatives designated as cash flow hedges:				
Interest rate swaps	$0.2	$ —	$ —	Interest Expense
Commodity futures	8.4	0.7	(0.2)	Cost of Sales
Foreign currency exchanges	(0.1)	(0.6)	—	Other income /(expense)
Total	$8.5	$ 0.1	$ (0.2)	

	Three fiscal months ended April 1, 2011			
(in millions)	Effective portion recognized in Accumulated OCI Gain / (Loss)	Reclassified from Accumulated OCI Gain / (Loss)	Ineffective portion and amount excluded from effectiveness testing Gain / (Loss)[1]	Location

Derivatives designated as cash flow hedges:				
Interest rate swap	$(0.4)	$—	$ (0.1)	Interest Expense
Commodity futures	0.3	17.3	0.1	Cost of Sales
Foreign currency exchange	2.6	(0.4)	(0.1)	Other income /(expense)
Total	$2.5	$ 16.9	$ (0.1)	

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

For derivative instruments that are not designated as cash flow hedges, the unrealized gain or loss on the derivatives is reported in current earnings. For the three fiscal months ended March 30, 2012 and April 1, 2011, the Company recorded a gain of $5.5

17

million and $6.0 million for derivative instruments not designated as cash flow hedges in other income (expense) on the condensed consolidated statements of operations.

Other Forward Pricing Agreements

In the normal course of business, General Cable enters into forward pricing agreements for the purchase of copper and aluminum for delivery in a future month to match certain sales transactions. The Company accounts for these forward pricing arrangements under the "normal purchases and normal sales" scope exception because these arrangements are for purchases of copper and aluminum that will be delivered in quantities expected to be used by the Company over a reasonable period of time in the normal course of business. For these arrangements, it is probable at the inception and throughout the life of the arrangements that the arrangements will not settle net and will result in physical delivery of the inventory. At March 30, 2012 and December 31, 2011, the Company had $32.0 million and $36.3 million, respectively, of future copper and aluminum purchases that were under forward pricing agreements. At March 30, 2012 and December 31, 2011, the fair value of these arrangements was $32.1 million and $35.3 million, respectively, and the Company had an unrealized gain of $0.1 million and an unrealized loss of $1.0 million, respectively, related to these transactions. The Company believes the unrealized gains (losses) under these agreements will be largely offset as a result of firm sales price commitments with customers. Depending on the extent of the unrealized loss position on certain forward pricing agreements, certain counterparties may require collateral to secure the Company's forward purchase agreements. There were no funds posted as collateral as of March 30, 2012 or December 31, 2011.

11. Income Taxes

During the first quarter of 2012, the Company accrued approximately $2.6 million of income tax expense for uncertain tax positions likely to be taken in the current year and for interest and penalties on tax positions taken in prior periods, all of which would have a favorable impact on the effective tax rate, if recognized. The Company recognized a tax benefit of $3.0 million (including penalties and interest) in the first quarter of 2012 due primarily to the expiration of statute of limitations for certain tax exposures.

The Company files income tax returns in numerous tax jurisdictions around the world. Due to uncertainties regarding the timing and outcome of various tax audits, appeals and settlements, it is difficult to reliably estimate the amount of unrecognized tax benefits that could change within the next twelve months. The Company believes it is reasonably possible that approximately $11 million of unrecognized tax benefits could change within the next twelve months due to the resolution of tax audits and statute of limitations expiration.

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

12. Employee Benefit Plans

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

Defined Benefit Pension Plans

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

Tables of Contents

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

	Three Fiscal Months Ended			
	March 30, 2012		April 1, 2011	
	U.S. Plans	Non-U.S Plans	U.S Plans	Non-U.S. Plans
Service cost	$0.4	$0.8	$0.4	$0.8
Interest cost	1.9	1.5	2.1	1.5
Expected return on plan assets	(2.3)	(0.6)	(2.4)	(0.6)
Amortization of prior service cost	—	0.2	0.1	0.1
Amortization of net loss	2.1	0.3	1.1	0.3
Amortization of translation obligation	—	—	—	0.1
Net pension expense	$2.1	$2.2	$1.3	$2.2

Defined benefit pension plan cash contributions for the three fiscal months ended March 30, 2012 were $1.8 million. Defined benefit pension plan cash contributions for the three fiscal months ended April 1, 2011 were $3.0 million.

The Company expects to report a pre-tax non-cash settlement loss of $6.0 million for the termination of a legacy pension plan in the United Kingdom stemming from the 1999 acquisition of BICC in the second quarter of 2012.

Postretirement Benefits Other Than Pensions

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

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

	Three Fiscal Months Ended	
	March 30, 2012	April 1, 2011
Service cost	$—	$0.1
Interest cost	0.1	0.1
Net amortization and deferral	—	—
Net postretirement benefit expense	$0.1	$0.2

Defined Contribution Plans

Expense under both U.S. and non-U.S. defined contribution plans generally equals up to six percent of each eligible employee’s covered compensation based on the location and status of the employee. The net defined contribution plan expense recognized for the three fiscal months ended March 30, 2012 was $2.7 million. The net defined contribution plan expense recognized for the three fiscal months ended April 1, 2011 was $2.6 million.

Tables of Contents

13. Total Equity

General Cable is authorized to issue 200 million shares of common stock and 25 million shares of preferred stock. Condensed consolidated statements of changes in equity are presented below for the three months ended March 30, 2012 and April 1, 2011 (in millions):

		General Cable Total Equity						
	Total Equity	Preferred Stock Amount	Common Stock Amount	Add'l Paid in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Non-controlling Interest
Balance, December 31, 2011	$1,461.7	$3.8	$0.6	$666.7	$(136.5)	$912.8	$(99.0)	$113.3
Comprehensive income (loss):								