

GENERAL CABLE CORP /DE/  
Form 10-Q  
January 21, 2014  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended September 27, 2013

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

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

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

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

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

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

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

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

(Check one):

Large accelerated filer  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

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

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Class	Outstanding at January 10, 2014
Common Stock, \$0.01 par value	49,598,653

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ON FORM 10-Q

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## PART I. FINANCIAL STATEMENTS

## ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

## GENERAL CABLE CORPORATION AND SUBSIDIARIES

## Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(in millions, except per share data)

(unaudited)

	Three Fiscal Months Ended		Nine Fiscal Months Ended	
	September 27, 2013	September 28, 2012	September 27, 2013	September 28, 2012
		(as restated) <sup>(1)</sup>		(as restated) <sup>(1)</sup>
Net sales	\$1,557.1	\$1,512.6	\$4,759.9	\$4,437.3
Cost of sales	1,396.9	1,347.2	4,250.0	3,949.1
Gross profit	160.2	165.4	509.9	488.2
Selling, general and administrative expenses	117.3	95.2	363.4	296.1
Operating income	42.9	70.2	146.5	192.1
Other income (expense)	9.5	9.3	(58.8	) 2.6
Interest income (expense):				
Interest expense	(30.6	) (25.0	) (90.7	) (74.9
Interest income	1.7	1.3	4.7	4.6
	(28.9	) (23.7	) (86.0	) (70.3
Income (loss) before income taxes	23.5	55.8	1.7	124.4
Income tax (provision) benefit	(16.2	) (76.8	) (29.9	) (99.8
Equity in earnings of affiliated companies	0.9	0.5	1.5	1.0
Net income (loss) including non-controlling interest	8.2	(20.5	) (26.7	) 25.6
Less: preferred stock dividends	0.1	0.1	0.3	0.3
Less: net income attributable to non-controlling interest	2.4	2.3	4.9	5.6
Net income (loss) attributable to Company common shareholders	\$5.7	\$(22.9	) \$(31.9	) \$19.7
Earnings (loss) per share				
Earnings (loss) per common share-basic	\$0.11	\$(0.46	) \$(0.64	) \$0.40
Weighted average common shares-basic	49.2	49.7	49.5	49.8
Earnings (loss) per common share-assuming dilution	\$0.11	\$(0.46	) \$(0.64	) \$0.39
Weighted average common shares-assuming dilution	50.7	49.7	49.5	51.2
Dividends per common share	\$0.18	\$—	\$0.36	\$—
Comprehensive income (loss):				
Net income (loss)	\$8.2	\$(20.5	) \$(26.7	) \$25.6
Currency translation gain (loss)	14.5	20.8	(28.8	) 4.0
Defined benefit plan adjustments, net of \$0.8 million and \$2.8 million in the three and nine months ended September 27, 2013 and an immaterial tax effect in 2012	1.8	—	5.2	(2.1
Change in fair value of derivatives, net of tax of \$0.2 million and \$0.6 million in the three and nine months ended September 27, 2013 and \$3.1 million and \$3.5 million in the three and nine months ended September 28, 2012	(0.2	) 4.1	—	6.7
Comprehensive income (loss), net of tax	24.3	4.4	(50.3	) 34.2
Comprehensive income (loss) attributable to non-controlling interest, net of tax	5.5	3.3	1.0	6.9

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Comprehensive income (loss) attributable to Company	\$18.8	\$1.1	\$(51.3	)	\$27.3
common shareholders interest, net of tax					

See accompanying Notes to Condensed Consolidated Financial Statements.

(1) See Note 23 - Restatement of Condensed Consolidated Financial Statements

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## GENERAL CABLE CORPORATION AND SUBSIDIARIES

## Condensed Consolidated Balance Sheets

(in millions, except share data)

(unaudited)

	September 27, 2013	December 31, 2012 (as restated) <sup>(1)</sup>
Assets		
Current assets:		
Cash and cash equivalents	\$ 533.1	\$622.3
Receivables, net of allowances of \$35.7 million at September 27, 2013 and \$38.3 million at December 31, 2012	1,240.3	1,182.1
Inventories	1,321.6	1,273.6
Deferred income taxes	38.3	39.5
Prepaid expenses and other	132.5	133.0
Total current assets	3,265.8	3,250.5
Property, plant and equipment, net	1,115.0	1,193.9
Deferred income taxes	20.2	12.8
Goodwill	188.5	187.6
Intangible assets, net	189.3	202.9
Unconsolidated affiliated companies	19.8	18.9
Other non-current assets	69.9	66.0
Total assets	\$ 4,868.5	\$4,932.6
Liabilities and Total Equity		
Current liabilities:		
Accounts payable	\$ 977.5	\$1,003.0
Accrued liabilities	472.4	496.1
Current portion of long-term debt	585.3	511.2
Total current liabilities	2,035.2	2,010.3
Long-term debt	943.3	938.9
Deferred income taxes	224.4	223.9
Other liabilities	286.6	292.7
Total liabilities	3,489.5	3,465.8
Commitments and contingencies		
Redeemable non-controlling interest	17.2	18.6
Total equity:		
Redeemable convertible preferred stock, at redemption value (liquidation preference of \$50.00 per share):		
September 27, 2013 – 76,002 shares outstanding		
December 31, 2012 – 76,002 shares outstanding	3.8	3.8
Common stock, \$0.01 par value, issued and outstanding shares:		
September 27, 2013 – 49,199,397 (net of 9,229,827 treasury shares)		
December 31, 2012 – 49,693,532 (net of 8,738,094 treasury shares)	0.6	0.6
Additional paid-in capital	692.7	676.7
Treasury stock	(155.7	) (137.0
Retained earnings	842.5	892.2
Accumulated other comprehensive income (loss)	(124.3	) (104.6
Total Company shareholders' equity	1,259.6	1,331.7
Non-controlling interest	102.2	116.5

Total equity	1,361.8	1,448.2
Total liabilities and equity	\$ 4,868.5	\$4,932.6

See accompanying Notes to Condensed Consolidated Financial Statements.  
(1) See Note 23 - Restatement of Condensed Consolidated Financial Statements

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## GENERAL CABLE CORPORATION AND SUBSIDIARIES

## Condensed Consolidated Statements of Cash Flows

(in millions)

(unaudited)

	Nine Fiscal Months Ended	
	September 27, 2013	September 28, 2012 (as restated) <sup>(1)</sup>
Cash flows of operating activities:		
Net income (loss) including non-controlling interest	\$(26.7	) \$25.6
Adjustments to reconcile net income (loss) to net cash flows of operating activities:		
Depreciation and amortization	100.0	81.5
Amortization of restricted stock awards	0.6	2.1
Foreign currency exchange (gain) loss	55.2	3.5
Deferred income taxes	4.0	79.7
Excess tax (benefits) deficiencies from stock-based compensation	(0.1	) (0.1
Non-cash asset impairment charge	14.0	—
Convertible debt instruments noncash interest charges	17.4	16.6
(Gain) loss on disposal of property	2.8	0.5
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
(Increase) decrease in receivables	(91.0	) (165.4
(Increase) decrease in inventories	(64.0	) 41.0
(Increase) decrease in other assets	(8.2	) (14.1
Increase (decrease) in accounts payable, accrued and other liabilities	(27.1	) 11.1
Net cash flows of operating activities	(23.1	) 82.0
Cash flows of investing activities:		
Capital expenditures	(65.4	) (89.8
Proceeds from properties sold	0.4	4.4
Acquisitions, net of cash acquired	(6.9	) (179.5
Other	0.2	(0.1
Net cash flows of investing activities	(71.7	) (265.0
Cash flows of financing activities:		
Dividends to shareholders paid	(18.1	) (0.3
Excess tax benefits (deficiencies) from stock-based compensation	0.1	0.1
Proceeds from other debt	850.9	1,264.3
Repayments of other debt	(779.5	) (1,239.8
Issuance of long-term debt	—	600.0
Purchase of non-controlling interest	(4.0	) —
Dividends paid to non-controlling interest	(3.2	) (2.3
Repurchase of treasury shares	(19.5	) (1.2
Proceeds from exercise of stock options	0.6	0.1
Net cash flows of financing activities	27.3	620.9
Effect of exchange rate changes on cash and cash equivalents	(21.7	) 13.5
Increase (decrease) in cash and cash equivalents	(89.2	) 451.4
Cash and cash equivalents – beginning of period	622.3	434.1
Cash and cash equivalents – end of period	\$533.1	\$885.5
Supplemental Information		
Cash paid during the period for:		



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Income tax payments, net of refunds	\$34.4	\$25.8
Interest paid	\$62.0	\$46.2
Non-cash investing and financing activities:		
Capital expenditures included in accounts payable	\$13.9	\$14.5

See accompanying Notes to Condensed Consolidated Financial Statements.

(1) See Note 23 - Restatement of Condensed Consolidated Financial Statements

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GENERAL CABLE CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements of General Cable Corporation and Subsidiaries (“General Cable” or the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results of operations for the nine fiscal months ended September 27, 2013 are not necessarily indicative of results that may be expected for the full year. The December 31, 2012 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 2012 Amended Annual Report on Form 10-K/A filed with the Securities and Exchange Commission on January 21, 2014. 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 to the audited annual consolidated financial statements in the Amended Annual 2012 Form 10-K/A. In the nine months ended September 27, 2013, there have been no significant changes to these policies. In the nine months ended September 27, 2013, there have been no accounting pronouncements issued that are expected to have a significant effect on the condensed consolidated financial statements. The following accounting pro