

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 3, 2015
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 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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:

<u>Class</u>	<u>Outstanding at August 3, 2015</u>
Common Stock, \$0.01 par value	48,921,307

GENERAL CABLE CORPORATION AND SUBSIDIARIES
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ON FORM 10-Q

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PART I. FINANCIAL INFORMATION
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		Six Fiscal Months Ended	
	July 3, 2015	June 27, 2014	July 3, 2015	June 27, 2014
Net sales	\$ 1,113.4	\$ 1,387.3	\$ 2,284.5	\$ 2,688.8
Cost of sales	990.2	1,261.1	2,047.6	2,444.8
Gross profit	123.2	126.2	236.9	244.0
Selling, general and administrative expenses	97.8	101.3	195.3	209.3
Goodwill impairment charge	—	—	—	93.5
Intangible asset impairment charges	1.7	2.1	1.7	75.0
Operating income (loss)	23.7	22.8	39.9	(133.8)
Other income (expense)	(6.0)	3.4	(31.8)	(92.8)
Interest income (expense):				
Interest expense	(25.3)	(29.1)	(49.7)	(55.9)
Interest income	0.5	0.6	1.0	1.5
	(24.8)	(28.5)	(48.7)	(54.4)
Income (loss) before income taxes	(7.1)	(2.3)	(40.6)	(281.0)
Income tax (provision) benefit	5.5	(11.8)	4.1	4.3
Equity in net earnings of affiliated companies	—	0.4	0.2	0.6
Net income (loss) from continuing operations	(1.6)	(13.7)	(36.3)	(276.1)
Net income (loss) from discontinued operations, net of taxes	(6.8)	(9.0)	(13.0)	(86.0)
Net income (loss) including noncontrolling interest	(8.4)	(22.7)	(49.3)	(362.1)
Less: net income (loss) attributable to noncontrolling interest	(1.5)	2.1	(4.3)	(21.9)
Net income (loss) attributable to Company common shareholders	\$ (6.9)	\$ (24.8)	\$ (45.0)	\$ (340.2)
<u>Earnings (loss) per share - Earnings (loss) from continuing operations attributable to Company common shareholders per common share</u>				
Earnings (loss) per common share-basic	\$ (0.03)	\$ (0.28)	\$ (0.72)	\$ (5.56)
Earnings (loss) per common share-assuming dilution	\$ (0.03)	\$ (0.28)	\$ (0.72)	\$ (5.56)
<u>Earnings (loss) per share - Earnings (loss) from discontinued operations attributable to Company common shareholders per common share</u>				
Earnings (loss) per common share-basic	\$ (0.11)	\$ (0.23)	\$ (0.20)	\$ (1.40)
Earnings (loss) per common share-assuming dilution	\$ (0.11)	\$ (0.23)	\$ (0.20)	\$ (1.40)
<u>Earnings (loss) per share - Net income (loss) attributable to Company common shareholders per common share</u>				
Earnings (loss) per common share-basic	\$ (0.14)	\$ (0.51)	\$ (0.92)	\$ (6.96)
Earnings (loss) per common share-assuming dilution	\$ (0.14)	\$ (0.51)	\$ (0.92)	\$ (6.96)
Dividends per common share	\$ 0.18	\$ 0.18	\$ 0.36	\$ 0.36
Comprehensive income (loss):				
Net income (loss)	\$ (8.4)	\$ (22.7)	\$ (49.3)	\$ (362.1)
Currency translation gain (loss)	(13.6)	9.0	(58.2)	(1.8)
Defined benefit plan adjustments, net of tax of \$1.0 million and \$2.5 million in the three and six months ended July 3, 2015 and \$2.1 million and \$2.6 million in the three and six months ended June 27, 2014	1.8	4.2	4.8	5.1
Comprehensive income (loss), net of tax	(20.2)	(9.5)	(102.7)	(358.8)
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	(2.3)	0.8	(8.7)	(24.2)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	\$ (17.9)	\$ (10.3)	\$ (94.0)	\$ (334.6)

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	July 3, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 102.3	\$ 136.7
Receivables, net of allowances of \$16.5 million at July 3, 2015 and \$20.3 million at December 31, 2014	857.3	895.1
Inventories	897.8	926.6
Deferred income taxes	36.3	24.0
Prepaid expenses and other	67.7	99.9
Current assets of discontinued operations	252.7	313.8
Total current assets	2,214.1	2,396.1
Property, plant and equipment, net	604.0	670.7
Deferred income taxes	27.4	18.4
Goodwill	23.3	22.8
Intangible assets, net	44.0	50.5
Unconsolidated affiliated companies	8.7	17.5
Other non-current assets	62.6	70.8
Non-current assets of discontinued operations	106.0	119.9
Total assets	\$ 3,090.1	\$ 3,366.7
Liabilities and Total Equity		
Current liabilities:		
Accounts payable	\$ 625.7	\$ 552.7
Accrued liabilities	338.0	379.9
Current portion of long-term debt	217.9	391.6
Current liabilities of discontinued operations	128.5	158.6
Total current liabilities	1,310.1	1,482.8
Long-term debt	969.5	933.9
Deferred income taxes	182.7	178.3
Other liabilities	206.3	228.7
Non-current liabilities of discontinued operations	15.5	16.0
Total liabilities	2,684.1	2,839.7
Commitments and contingencies (see Note 18)		
Redeemable noncontrolling interest	18.2	13.8
Total equity:		
Common stock, \$0.01 par value, issued and outstanding shares:		
July 3, 2015 – 48,890,423 (net of 9,919,543 treasury shares)		
December 31, 2014 – 48,683,493 (net of 10,126,473 treasury shares)	0.6	0.6
Additional paid-in capital	713.5	714.8
Treasury stock	(180.3)	(184.3)
Retained earnings	121.7	184.4
Accumulated other comprehensive income (loss)	(312.4)	(263.4)
Total Company shareholders' equity	343.1	452.1
Noncontrolling interest	44.7	61.1
Total equity	387.8	513.2
Total liabilities, redeemable noncontrolling interest and equity	\$ 3,090.1	\$ 3,366.7

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	Six Fiscal Months Ended	
	July 3, 2015	June 27, 2014
Cash flows of operating activities:		
Net income (loss) from continuing operations including noncontrolling interest	\$ (36.3)	\$ (276.1)
Adjustments to reconcile net income (loss) to net cash flows of operating activities:		
Depreciation and amortization	47.4	57.8
Amortization of restricted stock awards	—	0.8
Foreign currency exchange (gain) loss	29.4	86.6
Deferred income taxes	(11.3)	(11.6)
Excess tax (benefits) deficiencies from stock-based compensation	—	0.1
Non-cash asset impairment charges	12.2	183.6
Convertible debt instruments non-cash interest charges	0.9	0.8
(Gain) loss on disposal of subsidiaries	10.8	—
(Gain) loss on disposal of property	1.3	3.5
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
(Increase) decrease in receivables	(13.1)	(107.8)
(Increase) decrease in inventories	(24.4)	(81.5)
(Increase) decrease in other assets	26.1	8.9
Increase (decrease) in accounts payable, accrued and other liabilities	85.8	39.4
Net cash flows of operating activities from continuing operations	128.8	(95.5)
Net cash flows of operating activities from discontinued operations	0.7	(14.8)
Net cash flows of operating activities	129.5	(110.3)
Cash flows of investing activities:		
Capital expenditures	(30.3)	(41.9)
Proceeds from properties sold	0.3	0.8
Disposal of subsidiaries, net of cash disposed of	22.7	—
Other	0.3	—
Net cash flows of investing activities from continuing operations	(7.0)	(41.1)
Net cash flows of investing activities from discontinued operations	(4.4)	(3.5)
Net cash flows of investing activities	(11.4)	(44.6)
Cash flows of financing activities:		
Dividends paid to shareholders	(17.7)	(17.8)
Excess tax benefits (deficiencies) from stock-based compensation	—	(0.1)
Proceeds from debt	1,839.8	1,147.6
Repayments of debt	(1,949.7)	(976.4)
Purchase of noncontrolling interest	—	(0.3)
Dividends paid to noncontrolling interest	(0.1)	(0.7)
Repurchase of common shares	—	(30.7)
Proceeds from exercise of stock options	0.2	0.1
Net cash flows of financing activities from continuing operations	(127.5)	121.7
Net cash flows of financing activities from discontinued operations	(3.4)	(1.0)
Net cash flows of financing activities	(130.9)	120.7
Effect of exchange rate changes on cash and cash equivalents	(38.2)	(85.5)
Increase (decrease) in cash and cash equivalents	(51.0)	(119.7)
Cash and cash equivalents – beginning of period	205.8	418.8
Cash and cash equivalents – end of period	\$ 154.8	\$ 299.1
Less cash and cash equivalents of discontinued operations	52.5	69.0
Cash and cash equivalents of continuing operations – end of period	102.3	230.1
Supplemental Information		
Cash paid during the period for:		
Income tax payments from continuing operations, net of refunds	\$ 7.0	\$ 12.0
Interest paid from continuing operations	\$ 44.5	\$ 53.9
Non-cash investing and financing activities from continuing operations:		
Capital expenditures included in accounts payable	\$ 11.7	\$ 10.3

See accompanying Notes to Condensed Consolidated Financial Statements.

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Total Equity
(in millions) (unaudited)

	General Cable Total Equity						
	Total Equity	Common Stock	Additional Paid in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interest
Balance, December 31, 2014	\$ 513.2	\$ 0.6	\$ 714.8	\$ (184.3)	\$ 184.4	\$ (263.4)	\$ 61.1
Comprehensive income (loss)	(102.7)				(45.0)	(49.0)	(8.7)
Common stock dividend	(17.7)				(17.7)		
Excess tax benefit (deficiency) from stock based compensation	(1.5)		(1.5)				
Dividends paid to noncontrolling interest	(2.3)						(2.3)
Sale of noncontrolling interests related to Fiji operations	(5.4)						(5.4)
Other – issuance pursuant to restricted stock, stock options and other	4.2		0.2	4.0			
Balance, July 3, 2015	<u>\$ 387.8</u>	<u>\$ 0.6</u>	<u>\$ 713.5</u>	<u>\$ (180.3)</u>	<u>\$ 121.7</u>	<u>\$ (312.4)</u>	<u>\$ 44.7</u>

	General Cable Total Equity						
	Total Equity	Common Stock	Additional Paid in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interest
Balance, December 31, 2013	\$ 1,379.8	\$ 0.6	\$ 699.6	\$ (155.3)	\$ 847.4	\$ (112.1)	\$ 99.6
Comprehensive income (loss)	(358.8)				(340.2)	5.6	(24.2)
Common stock dividend	(17.8)				(17.8)		
Excess tax benefit (deficiency) from stock based compensation	(0.1)		(0.1)				
Purchase of noncontrolling interest	(0.3)		(1.5)				1.2
Dividends paid to noncontrolling interest	(3.1)						(3.1)
Repurchase of common shares	(30.7)			(30.7)			
Other – issuance pursuant to restricted stock, stock options and other	7.5		6.8	0.7			
Balance, June 27, 2014	<u>\$ 976.5</u>	<u>\$ 0.6</u>	<u>\$ 704.8</u>	<u>\$ (185.3)</u>	<u>\$ 489.4</u>	<u>\$ (106.5)</u>	<u>\$ 73.5</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

GENERAL CABLE CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Presentation and Principles of Consolidation

The accompanying unaudited Condensed Consolidated Financial Statements of General Cable Corporation and Subsidiaries ("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 six fiscal months ended July 3, 2015 are not necessarily indicative of results that may be expected for the full year. The December 31, 2014 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 2014 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 2, 2015 provided that the Company's results from continuing operations do not include the results of the Asia Pacific businesses. The results of these businesses, which comprised a portion of the Africa/Asia Pacific segment, have been reclassified as discontinued operations. Previously, the results of these businesses included certain allocated corporate costs, which have been reallocated to the remaining continuing operations on a retrospective basis, which are included in the Africa/Asia Pacific segment. Results for all periods disclosed in this report have been reclassified as discontinued operations.

The Company's first three 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 Company's fourth fiscal quarter consists of the first day following the third quarter through December 31.

The Condensed Consolidated Financial Statements include the accounts of General Cable Corporation and its majority-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 2014 Annual Report on Form 10-K. In the six months ended July 3, 2015, there have been no significant changes to these policies. There have been no accounting pronouncements adopted by the Company in 2015.

The following accounting pronouncement was adopted and became effective with respect to the Company in 2014:

In April 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity", which raises the threshold for determining which disposals are required to be presented as discontinued operations and modifies related disclosure requirements. The revised accounting guidance applies prospectively to all disposals (or classifications as held for sale) of components of an entity and for businesses that, upon acquisition, are classified as held for sale on or after adoption. Early adoption is permitted for disposals (or classifications as held for sale) that have not been previously reported in financial statements. The Company elected to early adopt the guidance and implemented ASU 2014-08 for the year ended December 31, 2014. The effects of applying the revised guidance will vary based upon the nature and size of future disposal transactions. It is expected that fewer disposal transactions will meet the new criteria to be reported as discontinued operations. In the quarter ended July 3, 2015, the Company reported the results of the Asia Pacific businesses as discontinued operations, refer to Note 1 - Basis of Presentation and Principles of Consolidation and Note 3 - Assets and Liabilities Held for Sale and Discontinued Operations. The Company will continually evaluate the status of discontinued operations each quarter to ensure compliance with ASU 2014-08 requirements.

The following accounting pronouncements, which will become effective in future periods with respect to the Company, were issued in 2015 and 2014:

In April 2015, the FASB issued ASU 2015-03, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs." The update requires debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability instead of being presented as an asset. Debt disclosures will include the face amount of the debt liability and the effective interest rate. The update requires retrospective application and represents a change in accounting principle. The update is effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for financial statements that have not been previously issued. ASU 2015-03 is not expected to have a material impact on the Company's Consolidated Financial Statements.

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In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The Company will adopt the standard on January 1, 2018. The Company is evaluating the impact that the standard will have on its Consolidated Financial Statements.

In June 2014, the FASB issued ASU 2014-12, "Compensation - Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period." This standard provides more explicit guidance for treating share-based payment awards that require a specific performance target that affects vesting and that could be achieved after the requisite service period as a performance condition. The new guidance is effective for annual and interim reporting periods beginning after December 15, 2015. The Company does not expect the adoption of this guidance to have a material impact on its Consolidated Financial Statements.

3. Assets and Liabilities Held for Sale and Discontinued Operations

In October 2014, the Company announced the intent to divest all of the Company's operations in Africa and Asia Pacific in order to simplify the Company's geographic portfolio and reduce operational complexity. The October divestiture plan is focused on the sale and closure of the Company's non-core assets. The Company expects to incur approximately \$14 million in pre-tax charges consisting primarily of legal and transaction fees for the dispositions. Such amounts are reflected in the North America segment. Charges incurred in the three and six months ended July 3, 2015 were immaterial.

As part of this plan, in the first quarter of 2015, the Company completed the sale of its interests in certain joint ventures including Dominion Wire and Cables ("Fiji"), 51% interest, and Keystone Electric Wire and Cable ("Keystone"), 20% interest, for cash consideration of \$9.3 million and \$11.0 million, respectively. In the three months ended April 3, 2015, the pre-tax loss recognized on the sale from the disposition of Fiji was \$2.6 million and the pre-tax gain recognized from the disposition of Keystone was \$3.6 million. In addition, in the fourth quarter of 2014, the Company completed the sale of its interest in Phelps Dodge International Philippines, Inc. ("PDP") and Phelps Dodge Philippines Energy Products Corporation ("PDEP") for cash consideration of \$67.1 million. The pre-tax gain on the sale from the disposition of PDP and PDEP recognized in the quarter ended December 31, 2014 was \$17.6 million.

On June 25, 2015, the Company announced it reached a definitive agreement to sell its Asia Pacific operations for cash consideration of approximately \$205 million which includes preliminary estimated net cash of \$30 million available at the closing of the purchased businesses, subject to customary working capital adjustments at the respective closing dates. The Company's Asia Pacific operations consist of Phelps Dodge International Thailand, Alcan (Tianjin) Alloy Products, General Cable New Zealand Limited and General Cable Australia Pty. Ltd (together "the remaining Asia Pacific Operations") with assets of \$409.2 million and liabilities of \$205.4 million as of July 3, 2015. The Company expects to close the sale of the operations in the third quarter of 2015, subject to customary closing conditions. The Company reviewed each component entity in the Company's Africa/Asia Pacific reportable segment to determine if the assets should be considered held for sale. As of July 3, 2015, the Company determined that the remaining Asia Pacific Operations did meet the held for sale criteria set forth in ASC 360 to be classified as held for sale.

Assets held for sale are measured at the lower of their carrying amount or fair value less cost to sell and depreciation has ceased. Development of estimates of fair values in this circumstance is complex and is dependent upon, among other factors, the nature of the potential sales transaction, composition of assets and/or businesses in the disposal group, the comparability of the disposal group to market transactions, negotiations with third party purchasers, etc. Such factors bear directly on the range of potential fair values and the selection of the best estimates. Key assumptions were developed based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction.

As of July 3, 2015, the Company determined that the remaining businesses in the Africa/Asia Pacific segment, the Africa businesses, did not meet the held for sale criteria set forth in ASC 360 primarily driven by management's belief that the probability of a sale within one year is uncertain.

The Company assessed the discontinued operations financial reporting treatment for those businesses which were contemplated as part of the divestiture plan. The disposals of the PDP and PDEP, Fiji and Keystone businesses combined with the businesses held for sale (the remaining Asia Pacific Operations and India (together "Asia Pacific Operations")) will result in the Company's disposal of a major geographical area, Asia Pacific. This disposal is considered a strategic shift that has and will have a major effect on the Company's operations and financial results; therefore, the results of the Asia Pacific Operations have been reclassified as discontinued operations for all periods presented. Previously the results of these businesses included certain allocated corporate costs, which have been reallocated to the remaining continuing operations within the Africa/Asia Pacific segment on a retrospective basis. As a result of the Company's strategic shift out of the Asia Pacific Operations, the Africa/Asia Pacific segment is now comprised primarily of the Company's Africa businesses. The financial results of the Company's Africa businesses are presented as continuing operations in the Condensed Consolidated Financial Statements.

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The results of operations, financial position and cash flows for the Asia Pacific Operations are separately reported as discontinued operations for all periods presented. Included in Net income (loss) from discontinued operations, net of taxes in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) were the following (in millions):

	Three Fiscal Months Ended		Six Fiscal Months Ended	
	July 3, 2015	June 27, 2014	July 3, 2015	June 27, 2014
Net sales	\$ 89.5	\$ 144.0	\$ 180.6	\$ 272.6
Cost of sales	81.2	138.4	165.3	252.7
Gross profit	8.3	5.6	15.3	19.9
Selling, general and administrative expenses	13.1	14.3	25.1	27.0
Goodwill and intangible asset impairment charges	—	—	3.2	82.1
Operating income (loss)	(4.8)	(8.7)	(13.0)	(89.2)
Other income (expense)	(2.1)	0.2	(1.2)	(1.3)
Interest expense, net	(0.4)	(0.2)	(1.0)	(0.5)
Income (loss) before income taxes	(7.3)	(8.7)	(15.2)	(91.0)
Income tax (provision) benefit	0.5	(0.3)	2.1	5.0
Equity in net earnings of affiliated companies	—	—	0.1	—
Net income (loss) including noncontrolling interest	\$ (6.8)	\$ (9.0)	\$ (13.0)	\$ (86.0)

The pre-tax loss attributable to the parent for the Asia Pacific Operations for the three and six months ended July 3, 2015 was \$5.5 million and \$9.7 million, respectively. The pre-tax loss attributable to the parent for the Asia Pacific Operations for the three and six months ended June 27, 2014 was \$11.3 million and \$68.1 million, respectively.

Financial information for assets and liabilities held for sale were the following (in millions):

	July 3, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 52.5	\$ 69.1
Receivables, net of allowances	84.6	111.9
Inventories	89.0	92.2
Deferred income taxes	8.6	8.4
Prepaid expenses and other	18.0	32.2
Total current assets	252.7	313.8
Property, plant and equipment, net	80.2	87.7
Deferred income taxes	5.9	6.4
Goodwill	—	3.3
Intangible assets, net	12.5	14.6
Other non-current assets	7.4	7.9
Total assets	\$ 358.7	\$ 433.7
Liabilities		
Current liabilities:		
Accounts payable	\$ 97.6	\$ 119.4
Accrued liabilities	20.2	27.3
Current portion of long-term debt	10.7	11.9
Total current liabilities	128.5	158.6
Deferred income taxes	4.5	4.7
Other liabilities	11.0	11.3
Total liabilities	\$ 144.0	\$ 174.6

4. **Restructuring**

In July 2014, the Company announced a comprehensive restructuring program. The restructuring program, which builds on the Company's previously launched productivity and asset optimization plans, is focused on the closure of certain underperforming assets as well as the consolidation and realignment of other facilities. The Company is also implementing initiatives to reduce selling, general and administrative ("SG&A") expenses globally. During the first half of 2015, the Company continued with incremental restructuring actions including SG&A cost reductions and further asset optimization plans in North America and Europe. Costs incurred as part of the restructuring program related to the Company's Asia Pacific Operations are not included below as the costs associated with these exit or disposal activities are included within the results of discontinued operations. Total expected and aggregate restructuring costs related to the Asia Pacific Operations are \$15 million and \$14.8 million as of July 3, 2015, respectively. There are no restructuring costs related to the continuing operations of the Africa/Asia Pacific segment as of July 3, 2015.

As part of the restructuring program, in the second quarter of 2015, the Company completed the disposal of a subsidiary in Spain for cash consideration of \$1.8 million. The pre-tax loss on the sale from the disposition in the quarter ended July 3, 2015 was \$11.6 million. This sale does not represent a strategic shift; therefore, the results are not presented as discontinued operations. This loss is included as asset-related restructuring costs in the Europe segment in the three and six months ended July 3, 2015 and is recognized in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

The Company expects to incur approximately \$210 million of pre-tax restructuring charges. The total expected costs are \$25 million in the North America segment, \$145 million in the Europe segment and \$40 million in the Latin America segment. As of July 3, 2015, aggregate costs incurred are \$14.4 million in the North America segment, \$137.1 million in the Europe segment, and \$34.7 million in the Latin America segment. For the three and six months ended July 3, 2015, the Company incurred charges of \$19.2 million and \$35.1 million, respectively. For the three and six months ended July 3, 2015, costs incurred were \$3.7 million.

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and \$7.6 million in the North America segment, \$12.4 million and \$21.5 million in the Europe segment, and \$3.1 million and \$6.0 million in the Latin America segment, respectively. For the three and six months ended July 3, 2015, approximately \$2.4 million and \$11.5 million of these charges were recorded in cost of sales and \$16.8 million and \$23.6 million of these charges were recorded as SG&A expenses in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), respectively. Restructuring costs incurred consist primarily of employee separation costs and asset-related costs to exit or realign facilities. The Company is also incurring other costs as outlined below.

Changes in the restructuring reserve and activity for the six months ended July 3, 2015 are below (in millions):

	Employee Separation Costs	Asset-Related Costs	Other Costs	Total
Total expected restructuring charges	\$ 65.0	\$ 120.0	\$ 25.0	\$ 210.0
Balance, December 31, 2014	\$ 32.4	\$ —	\$ 1.0	\$ 33.4
Net provisions	12.2	14.0	8.9	35.1
Net benefits charged against the assets	(2.7)	(14.0)	(3.9)	(20.6)
Payments	(13.5)	—	(4.0)	(17.5)
Foreign currency translation	(2.6)	—	(0.1)	(2.7)
Balance, July 3, 2015	\$ 25.8	\$ —	\$ 1.9	\$ 27.7
Total aggregate costs to date	\$ 50.5	\$ 118.2	\$ 17.5	\$ 186.2
Remaining expected restructuring charges	\$ 14.5	\$ 1.8	\$ 7.5	\$ 23.8

Employee Separation Costs

The Company recorded employee separation costs of \$2.7 million and \$12.2 million for the three and six months ended July 3, 2015, consisting of \$2.7 million and \$6.4 million in North America, \$(0.2) million and \$4.8 million in Europe, and \$0.2 million and \$1.0 million in Latin America, respectively.

Employee separation costs include severance, retention bonuses and pension costs. As of July 3, 2015, employee separation costs included severance charges for approximately 1,140 employees; approximately 900 of these employees were classified as manufacturing employees and approximately 240 of these employees were classified as non-manufacturing employees. The charges relate to involuntary separations based on current salary levels and past service periods and are either considered one-time employee termination benefits in accordance with ASC 420 - *Exit or Disposal Cost Obligations* or charges for contractual termination benefits under ASC 712 - *Compensation - Nonretirement Postemployment Benefits*.

Asset-Related Costs

The Company recorded asset-related costs of \$12.8 million and \$14.0 million in the three and six months ended July 3, 2015, respectively. The Company recorded long-lived asset impairment charges of \$11.4 million and \$10.8 million in Europe, and \$1.4 million and \$3.2 million in Latin America for the three and six months ended July 3, 2015, respectively.

Asset-related costs consist of both asset write-downs and the loss on the sale of a subsidiary in Spain as noted above. Asset write-downs relate to the establishment of a new fair value basis for assets to be classified as held-for-sale or to be disposed of, as well as asset impairment charges for asset groups to be held-and-used in locations which are being restructured and it has been determined the undiscounted cash flows expected to result from the use and eventual disposition of the assets are less than their carrying value. Management will continue to evaluate the recoverability of the carrying amount of its long-lived assets as the restructuring program is executed.

To determine the fair value, a current appraisal of each impaired asset groups' machinery and equipment and real property, as applicable, was performed utilizing standard valuation approaches, which incorporate Level 3 inputs. The Company assesses impairment at the asset group level which represents the lowest level for which identifiable cash flows can be determined independent of other groups of assets and liabilities. The asset groups at the Company are primarily each manufacturing unit, unless the cash flows of the manufacturing unit are not independent due to shared production, distribution and sale of the finished product. The Company considered the expected net cash flows to be generated by the use of each asset group, as well as the expected cash proceeds from the disposition of the assets, if any, to determine fair value. The impairment charges were recorded in the Cost of sales caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

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The Company notes the plan to abandon a long-lived asset before the end of its previously estimated useful life is a change in accounting estimate per *ASC 250 - Accounting Changes and Error Corrections*. The annual depreciation impact from the asset write-downs and changes in estimated useful lives is immaterial.

Other Costs

The Company recorded other restructuring-type charges of \$3.7 million and \$8.9 million for the three and six months ended July 3, 2015, respectively. The other restructuring-type charges were \$1.0 million and \$1.2 million in North America, \$1.2 million and \$5.9 million in Europe, and \$1.5 million and \$1.8 million in Latin America, respectively.

Other restructuring-type charges are incurred as a direct result of the restructuring program. Such charges primarily include working capital write-downs not associated with normal operations, equipment relocation, termination of contracts and other costs.

5. 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 July 3, 2015 and June 27, 2014, the Company recorded other expense of \$6.0 million and other income of \$3.4 million, respectively. For the three months ended July 3, 2015, other expense was primarily attributable to \$3.6 million related to other foreign currency transaction losses and \$2.4 million related to losses on derivative instruments that were not designated as cash flow hedges. For the three months ended June 27, 2014, other income included \$3.6 million related to gains on derivative instruments that were not designated as cash flow hedges.

During the six months ended July 3, 2015 and June 27, 2014, the Company recorded other expense of \$31.8 million and \$92.8 million, respectively. For the six months ended July 3, 2015, other expense was primarily attributable to the adoption of the SIMADI currency exchange system in Venezuela and ongoing remeasurement of the local balance sheet which resulted in an expense of \$22.8 million, \$7.0 million related to other foreign currency transaction losses and \$2.0 million related to losses on derivative instruments that were not designated as cash flow hedges. For the six months ended June 27, 2014, other expense was primarily attributable to \$83.1 million related to a Venezuela currency devaluation, \$8.4 million related to losses on derivative instruments that were not designated as cash flow hedges and other expense of \$1.3 million related to foreign currency transaction losses.

Refer to Note 21 - Venezuelan Operations for more information regarding the Company's Venezuelan operations.

6. Inventories

Approximately 82% 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.

(in millions)	July 3, 2015	December 31, 2014
Raw materials	\$ 197.3	\$ 206.6
Work in process	140.1	144.4
Finished goods	560.4	575.6
Total	<u>\$ 897.8</u>	<u>\$ 926.6</u>

7. Property, Plant and Equipment

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

	July 3, 2015	December 31, 2014
Land	\$ 52.8	\$ 60.3
Buildings and leasehold improvements	218.8	228.6
Machinery, equipment and office furnishings	784.8	819.9
Construction in progress	38.1	35.3
Total gross book value	1,094.5	1,144.1
Less accumulated depreciation	(490.5)	(473.4)
Total net book value	<u>\$ 604.0</u>	<u>\$ 670.7</u>

Depreciation expense for the three and six fiscal months ended July 3, 2015 was \$19.9 million and \$42.0 million, respectively. Depreciation expense for the three and six fiscal months ended June 27, 2014 was \$25.9 million and \$52.1 million, respectively.

8. 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.

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

	Goodwill				Indefinite-Lived Assets – Trade Names		
	North America	Latin America	Africa/Asia Pacific	Total	North America	Europe	Total
Balance, December 31, 2014	\$ 17.0	\$ 3.0	\$ 2.8	\$ 22.8	\$ 0.3	\$ 0.4	\$ 0.7
Currency translation and other adjustments	(0.2)	0.9	(0.2)	0.5	—	—	—
Goodwill and indefinite-lived asset impairment	—	—	—	—	—	—	—
Balance, July 3, 2015	<u>\$ 16.8</u>	<u>\$ 3.9</u>	<u>\$ 2.6</u>	<u>\$ 23.3</u>	<u>\$ 0.3</u>	<u>\$ 0.4</u>	<u>\$ 0.7</u>

The amounts of other intangible assets were as follows (millions of dollars):

	July 3, 2015	December 31, 2014
Amortized intangible assets:		
Amortized intangible assets	\$ 129.4	\$ 131.0
Accumulated amortization	(83.1)	(78.1)
Foreign currency translation adjustment	(3.0)	(3.1)
Amortized intangible assets, net	<u>\$ 43.3</u>	<u>\$ 49.8</u>

Amortized intangible assets are stated at cost less accumulated amortization as of July 3, 2015 and December 31, 2014. Other intangible assets have been determined to have a useful life in the range of 7 to 12 years. The approximate weighted average useful life of the amortized intangible assets is 10 years. For customer relationships, the Company has accelerated the amortization expense to align with the historical customer attrition rates. All other amortized intangible assets are amortized on a straight-line basis. The amortization of intangible assets for the six months ended July 3, 2015 and June 27, 2014 was \$5.0 million and \$5.5 million, respectively. The estimated amortization expense during the twelve month periods beginning July 3, 2015 through July 3, 2020 and thereafter, based on exchange rates as of July 3, 2015, is \$9.5 million, \$8.4 million, \$6.3 million, \$5.0 million, \$3.9 million and \$10.2 million thereafter.

9. Long-Term Debt

(in millions)	July 3, 2015	December 31, 2014
<i>North America</i>		
5.75% Senior Notes due 2022 ("5.75% Senior Notes")	\$ 600.0	\$ 600.0
Subordinated Convertible Notes due 2029 ("Subordinated Convertible Notes")	429.5	429.5
Debt discount on Subordinated Convertible Notes	(258.8)	(259.7)
Senior Floating Rate Notes due 2015 ("Senior Floating Rate Notes")	—	125.0
Asset-Based Revolving Credit Facility ("Revolving Credit Facility")	180.1	136.8
Other	9.1	9.0
<i>Europe debt</i>	9.1	10.5
<i>Latin America credit facilities</i>	185.6	238.6
<i>Africa/Asia Pacific credit facilities</i>	32.8	35.8
Total debt	1,187.4	1,325.5
Less current maturities	217.9	391.6
Long-term debt	\$ 969.5	\$ 933.9

At July 3, 2015, maturities of long-term debt during the twelve month periods beginning July 3, 2015 through July 3, 2020 and thereafter are \$217.9 million, \$4.0 million, \$3.0 million, \$180.8 million and \$0.8 million, respectively, and \$780.9 million thereafter.

The fair value of the Company's long-term debt, as noted below, was estimated using inputs other than quoted prices that are observable, either directly or indirectly.

5.75% Senior Notes

The Company's 5.75% Senior Notes are summarized in the table below:

(in millions)	5.75% Senior Notes	
	July 3, 2015	December 31, 2014
Face Value	\$ 600.0	\$ 600.0
Fair Value (Level 2)	559.5	483.0
Interest Rate	5.75%	5.75%
Interest Payment	Semi-Annual: Apr 1 & Oct 1	
Maturity Date	October 2022	
Guarantee	Jointly and severally guaranteed by the Company's wholly owned U.S. subsidiaries	

	5.75% Senior Notes	
	Beginning Date	Percentage
Call Option ⁽¹⁾	October 1, 2017	102.875%
	October 1, 2018	101.917%
	October 1, 2019	100.958%
	October 1, 2020 and thereafter	100.000%

(1) The Company may, at its option, redeem the 5.75% Senior Notes on or after the stated beginning dates at percentages noted above (plus accrued and unpaid interest). Additionally, the Company may, on or prior to October 1, 2015 redeem in the aggregate up to 35% of the aggregate principal amount of 5.75% Senior Notes issued with the cash proceeds from one or more equity offerings, at a redemption price in cash equal to 105.75% of the principal plus accrued and unpaid interest so long as (i) at least 65% of the aggregate principal amount of the 5.75% Senior Notes issued remains outstanding immediately after giving effect to any such redemption; and (ii) notice of any such redemption is given within 60 days after the date of the closing of any such equity offering. In addition, at any time prior to October 1, 2017, the Company may redeem some or all of the 5.75% Senior Notes at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, plus a make whole premium.

The 5.75% Senior Notes' indenture contains covenants that limit the ability of the Company and certain of its subsidiaries to (i) incur additional indebtedness and guarantee indebtedness; (ii) pay dividends or make other distributions or repurchase or redeem

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the Company's capital stock; (iii) purchase, redeem or retire debt; (iv) issue certain preferred stock or similar equity securities; (v) make loans and investments; (vi) sell assets; (vii) incur liens; (viii) enter into transactions with affiliates; (ix) enter into agreements restricting the Company's subsidiaries' ability to pay dividends; and (x) consolidate, merge or sell all or substantially all assets. However, these covenants are subject to exceptions and qualifications.

The 5.75% Senior Notes may also be repurchased at the option of the holders in connection with a change of control (as defined in the indenture governing the 5.75% Senior Notes) or in connection with certain asset sales.

Subordinated Convertible Notes

The Company's Subordinated Convertible Notes are summarized as of July 3, 2015 and December 31, 2014 as follows:

(in millions)	Subordinated Convertible Notes	
	July 3, 2015	December 31, 2014
Face value	\$ 429.5	\$ 429.5
Debt discount	(258.8)	(259.7)
Book value	170.7	169.8
Fair value (Level 1)	356.5	313.1
Maturity date	Nov 2029	
Stated annual interest rate	4.50% until Nov 2019 2.25% until Nov 2029	
Interest payments	Semi-annually: May 15 & Nov 15	

Senior Floating Rate Notes

On March 31, 2015, the Company used proceeds from the Revolving Credit Facility to repay the outstanding principal of \$125 million and accrued interest of \$0.8 million on the Senior Floating Rate Notes due April 2015.

The Company's Senior Floating Rate Notes are summarized as of July 3, 2015 and December 31, 2014 as follows:

(in millions)	Senior Floating Rate Notes	
	July 3, 2015	December 31, 2014
Face value	\$ —	\$ 125.0
Fair value (Level 1)	—	123.8
Interest rate	N/A	2.6%
Interest payment	3-month LIBOR rate plus 2.375% Quarterly: Jan 1, Apr 1, Jul 1 & Oct 1	
Maturity date	Apr 2015	
Guarantee	Jointly and severally guaranteed by the Company's wholly-owned U.S. subsidiaries	

Revolving Credit Facility

On July 21, 2011, the Company entered into a \$400 million Revolving Credit Facility, which has been subsequently amended and restated to, among other things, increase the Revolving Credit Facility to \$1.0 billion, \$630 million of which may be borrowed by the U.S. borrower, \$300 million of which may be borrowed by the European borrowers and \$70 million of which may be borrowed by the Canadian borrower. The Revolving Credit Facility contains restrictions including limitations on, among other things, distributions and dividends, acquisitions and investments, indebtedness, liens and affiliate transactions. The Revolving Credit Facility provides the Company with flexibility and the restrictions in the Revolving Credit Facility 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 maturity date of September 6, 2018. The commitment amount under the Revolving Credit Facility may be increased by an additional \$250 million, subject to certain conditions and approvals as set forth in the Revolving Credit Facility. The Company capitalized \$0.9 million in 2015, \$1.7 million in 2014 and \$4.9 million in 2013 in deferred financing costs in connection with the Revolving Credit Facility. The Revolving Credit Facility requires maintenance of a minimum fixed charge coverage ratio of 1.00 to 1.00 if availability under the Revolving Credit Facility is less than the greater of \$100 million or

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10% of the then existing aggregate lender commitments under the Revolving Credit Facility. The fair value of the Revolving Credit Facility approximates the carrying value.

Indebtedness under the Revolving Credit Facility is secured by: (a) for US borrowings under the facility, a first priority security interest in substantially all of our domestic assets and, (b) for Canadian and European borrowings under the facility, a first priority security interest in substantially all of our domestic and Canadian assets and certain assets of our Spanish, French and German subsidiaries party to the facility. In addition, the lenders under our Revolving Credit Facility have received a pledge of (i) 100% of the equity interests in all of the Company's domestic subsidiaries, and (ii) 65% of the voting equity interests in and 100% of the non-voting equity interests in certain of our foreign subsidiaries, including our Canadian subsidiaries and our Spanish, French and German subsidiaries party to the Revolving Credit Facility. Borrowings under the Revolving Credit Facility bear interest at interest rate bases elected by the Company plus an applicable margin calculated quarterly based on the Company's average availability and Total Consolidated Leverage Ratio as set forth in the credit agreement. The Revolving Credit Facility also requires the payment of a commitment fee equal to the available but unused commitments multiplied by an applicable margin of either 0.25% or 0.375% based on the average daily unused commitments.

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

(in millions)	Revolving Credit Facility	
	July 3, 2015	December 31, 2014
Outstanding borrowings	\$ 180.1	\$ 136.8
Total credit under facility	1,000.0	1,000.0
Undrawn availability ⁽¹⁾	375.3	425.0
Interest rate	2.5%	2.1%
Outstanding letters of credit	\$ 41.2	\$ 58.5
Original issuance	July 2011	
Maturity date	Sept 2018	

(1) Total undrawn availability for the U.S. borrower, the Canadian borrower and the European borrowers at July 3, 2015 is \$230.5 million, \$50.5 million and \$94.3 million, respectively. Total undrawn availability for the U.S. borrower, the Canadian borrower and the European borrowers at December 31, 2014 was \$257.7 million, \$54.3 million and \$113.0 million, respectively.

Latin America Credit Facilities

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

(in millions)	July 3, 2015	December 31, 2014
Outstanding borrowings	\$ 185.6	\$ 238.6
Undrawn availability	32.0	79.6
Interest rate – weighted average	8.7%	6.1%
Maturity date	Various; \$182.7 million due within one year	

The Company's Latin America credit facilities are short term loans utilized for working capital purposes. The fair value of the Latin America credit facilities approximates the carrying value due to the short term nature of the facilities.

Africa/Asia Pacific Credit Facilities

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

(in millions)	July 3, 2015	December 31, 2014
Outstanding borrowings	\$ 32.8	\$ 35.8
Undrawn availability	75.5	44.4
Interest rate – weighted average	3.9%	4.2%
Maturity date	Various; \$32.8 million due within one year	

The Company's Africa credit facilities are short term loans utilized for working capital purposes. The fair value of the Africa credit facilities approximates the carrying value due to the short term nature of the facilities.

10. Financial Instruments

The Company is exposed to various market risks, including changes in interest rates, foreign currency exchange rates 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, and copper and aluminum forward pricing agreements. The Company does not purchase or sell derivative instruments for trading purposes. The Company does not engage in derivative contracts for which a lack of marketplace quotations would necessitate the use of fair value estimation techniques.

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 reducing 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.

As of July 3, 2015 and December 31, 2014, there were no derivatives that were designated as cash flow hedges. In the three and six months ended July 3, 2015 and June 27, 2014, there was no activity related to derivatives that were designated as cash flow hedges. 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 not designated as cash flow hedges at July 3, 2015 and December 31, 2014 are shown below (in millions):

	July 3, 2015			December 31, 2014		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset ⁽¹⁾	Liability ⁽²⁾		Asset ⁽¹⁾	Liability ⁽²⁾
Derivatives not designated as cash flow hedges:						
Commodity futures	\$ 96.8	\$ 0.6	\$ 3.3	\$ 104.0	\$ 0.5	\$ 3.7
Foreign currency exchange	104.0	0.6	4.4	110.3	3.7	4.1
		<u>\$ 1.2</u>	<u>\$ 7.7</u>		<u>\$ 4.2</u>	<u>\$ 7.8</u>

(1) Balance recorded in "Prepaid expenses and other" and "Other non-current assets"

(2) Balance recorded in "Accrued liabilities" and "Other liabilities"

As of July 3, 2015 and December 31, 2014, all financial instruments held by the Company were subject to enforceable master netting arrangements held by various financial institutions. In general, the terms of our agreements provide that in the event of an early termination the counterparties have the right to offset amounts owed or owing under that and any other agreement with the same counterparty. The Company's accounting policy is to not offset these positions in the Condensed Consolidated Balance Sheets. As of July 3, 2015 and December 31, 2014, the net positions of the enforceable master netting agreements are not significantly different from the gross positions noted in the table above. 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 July 3, 2015 and December 31, 2014, there were no contracts held by the Company that required collateral to secure the Company's derivative liability positions.

11. **Income Taxes**

The Company's effective tax rate for the six months ended July 3, 2015 and June 27, 2014 was 10.1% and 1.5%, respectively. The low effective tax rate on the Company's pre-tax losses for the six months ended July 3, 2015 were primarily due to the following:

- No tax benefits being available for the \$22.8 million Venezuelan currency devaluation loss and foreign currency loss in Venezuela, and
- No tax benefit being recognized on \$53.0 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets.

These factors were partially offset by the following:

- \$6.5 million of tax benefits associated with the net release of uncertain tax position reserves,
- \$4.3 million of tax benefits associated with valuation allowance releases, and
- \$11.9 million of tax benefits associated with the recording of a deferred tax asset on the outside tax over book basis in the shares of Thailand businesses resulting from the pending sale of those businesses in the third quarter of 2015.

The low effective tax rate on the Company's pre-tax losses for the six months ended June 27, 2014 were primarily due to the following:

- No tax benefits being available for the \$83.1 million Venezuelan currency devaluation loss,
- A relatively small tax benefit of \$13.9 million was recorded on \$184.5 million pre-tax charges related to asset impairments, and
- No tax benefit being recognized on \$38.1 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets.

These factors were partially offset by the following:

- \$4.6 million of tax benefits associated with the net release of uncertain tax position reserves.

The Company's effective tax rate for the three months ended July 3, 2015 and June 27, 2014 was 77.5% and (513.0)% respectively. The high effective tax rate for the three months ended July 3, 2015 was primarily due to \$11.9 million of tax benefits associated with the recording of a deferred tax asset on the outside tax over book basis in the shares of the Thailand business resulting from the pending sale in the third quarter of 2015. This was partially offset by no tax benefit being recognized on \$24.2 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets. The large negative effective tax rate for the three months ended June 27, 2014 was primarily due to no tax benefit being recognized on \$10.1 million of asset impairments and \$13.4 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets. The pre-tax loss was extremely low for both three month periods which also contributed to the volatile effective tax rates.

During the second quarter of 2015, the Company accrued approximately \$1.0 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. In addition, \$0.4 million of income tax benefits were recognized due to statute of limitation expirations associated with various uncertain tax positions.

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 \$5 million of unrecognized tax benefits could change within the next twelve months due to the resolution of tax audits and statute of limitations expiration.

The Internal Revenue Service ("IRS") currently is in the process of examining the Company's 2012 consolidated income tax return. The IRS completed its examination of the Company's 2007 through 2010 consolidated income tax returns in the second quarter of 2013 with insignificant tax adjustments. With limited exceptions, tax years prior to 2010 are no longer open in major foreign, state, or local tax jurisdictions.

12. Employee Benefit Plans

The Company 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.

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

	Three Fiscal Months Ended			
	July 3, 2015		June 27, 2014	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Service cost	\$ 0.4	\$ 1.5	\$ 0.5	\$ 1.4
Interest cost	1.8	1.1	2.0	1.6
Expected return on plan assets	(2.6)	(0.7)	(2.6)	(0.8)
Amortization of prior service cost	—	0.2	0.1	0.3
Amortization of net loss	1.9	0.7	1.2	0.1
Settlement loss	—	—	—	4.5
Net pension expense	\$ 1.5	\$ 2.8	\$ 1.2	\$ 7.1

	Six Fiscal Months Ended			
	July 3, 2015		June 27, 2014	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Service cost	\$ 0.8	\$ 3.0	\$ 1.0	\$ 2.8
Interest cost	3.6	2.2	4.0	3.3
Expected return on plan assets	(5.2)	(1.4)	(5.3)	(1.6)
Amortization of prior service cost	—	0.4	0.1	0.6
Amortization of net loss	3.8	1.4	2.4	0.2
Settlement loss	—	0.9	—	4.5
Net pension expense	\$ 3.0	\$ 6.5	\$ 2.2	\$ 9.8

The estimated net loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net pension expense in 2015 is \$10.5 million. The prior service cost to be amortized from accumulated other comprehensive income into net pension expense over the next fiscal year is immaterial.

Defined benefit pension plan cash contributions for the three fiscal months ended July 3, 2015 and June 27, 2014 were \$3.0 million and \$3.3 million, respectively. Defined benefit pension plan cash contributions for the six fiscal months ended July 3, 2015 and June 27, 2014 were \$6.0 million and \$6.6 million, respectively.

Refer to Note 4 - Restructuring for charges for contractual termination benefits under *ASC 712 - Compensation - Nonretirement Postemployment Benefits*.

13. Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income (loss) as of July 3, 2015 and December 31, 2014, respectively, consisted of the following (in millions):

	July 3, 2015		December 31, 2014	
	Company Common Shareholders	Noncontrolling Interest	Company Common Shareholders	Noncontrolling Interest
Foreign currency translation adjustment	\$ (238.9)	\$ (8.2)	\$ (185.1)	\$ (3.8)
Pension adjustments, net of tax	(73.5)	(2.9)	(78.3)	(2.9)
Accumulated other comprehensive income (loss)	<u>\$ (312.4)</u>	<u>\$ (11.1)</u>	<u>\$ (263.4)</u>	<u>\$ (6.7)</u>

The following is the detail of the change in the Company's accumulated other comprehensive income (loss) from December 31, 2014 to July 3, 2015 including the effect of significant reclassifications out of accumulated other comprehensive income (loss) (in millions, net of tax):

	Foreign currency translation	Change of fair value of pension benefit obligation	Total
Balance, December 31, 2014	\$ (185.1)	\$ (78.3)	\$ (263.4)
Other comprehensive income (loss) before reclassifications	(65.2)	—	(65.2)
Amounts reclassified from accumulated other comprehensive income	11.4	4.8	16.2
Net current - period other comprehensive income (loss)	(53.8)	4.8	(49.0)
Balance, July 3, 2015	<u>\$ (238.9)</u>	<u>\$ (73.5)</u>	<u>\$ (312.4)</u>

The following is the detail of the change in the Company's accumulated other comprehensive income (loss) from December 31, 2013 to June 27, 2014 including the effect of significant reclassifications out of accumulated other comprehensive income (loss) (in millions, net of tax):

	Foreign currency translation	Change of fair value of pension benefit obligation	Other	Total
Balance, December 31, 2013	\$ (67.1)	\$ (52.6)	\$ 7.6	\$ (112.1)
Other comprehensive income (loss) before reclassifications	0.6	—	—	0.6
Amounts reclassified from accumulated other comprehensive income	—	5.0	—	5.0
Net current - period other comprehensive income (loss)	0.6	5.0	—	5.6
Balance, June 27, 2014	<u>\$ (66.5)</u>	<u>\$ (47.6)</u>	<u>\$ 7.6</u>	<u>\$ (106.5)</u>

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The following is the detail of the reclassifications out of accumulated other comprehensive income (loss) for the three and six months ended July 3, 2015 (in millions, net of tax):

	Three Fiscal Months Ended		Six Fiscal Months Ended		Affected line item in the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss)
	July 3, 2015		July 3, 2015		
	Amount reclassified from accumulated other comprehensive income (loss)		Amount reclassified from accumulated other comprehensive income (loss)		
Foreign currency translation					
Sale of subsidiaries	\$	5.2	\$	11.4	SG&A
Amortization of defined pension items, net of tax:					
Prior service cost	\$	0.1	\$	0.2	SG&A
Net loss		1.7		3.4	SG&A
Settlement loss		—		1.2	SG&A
Total - Pension Items	\$	1.8	\$	4.8	
Total	\$	7.0	\$	16.2	

	Three Fiscal Months Ended		Six Fiscal Months Ended		Affected line item in the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss)
	June 27, 2014		June 27, 2014		
	Amount reclassified from accumulated other comprehensive income (loss)		Amount reclassified from accumulated other comprehensive income (loss)		
Amortization of defined pension items, net of tax:					
Prior service cost	\$	0.2	\$	0.4	SG&A
Net loss		0.7		1.4	SG&A
Settlement loss		3.2		3.2	SG&A
Total - Pension Items	\$	4.1	\$	5.0	
Total	\$	4.1	\$	5.0	

14. Redeemable Noncontrolling Interest

On October 1, 2012, the Company participated in a share subscription for 60% of the outstanding and issued shares of Procables. The existing shareholders immediately prior to the subscription (the "Sellers" or "Minority Shareholders") maintained control of the remaining 40% of the shares. The Company and the Minority Shareholders also agreed to certain put and call options with regard to the remaining 40% interest in Procables retained by the Minority Shareholders. For a 36-month period commencing on the fifth anniversary of the closing date, the Minority Shareholders may exercise a put option to sell their entire 40% interest in Procables to the Company. The Company shall be irrevocably obligated to purchase the shares (the "Put Option"). In addition, the Company has a call option (the "Call Option") to purchase the Minority Shareholders' 40% interest in Procables, during the 36-month period commencing on the expiration of the Put Option period. The consideration to be exchanged, per share in the event of a Put Option or Call Option shall be the higher of the following (1) the final per share purchase price; or (2) a price per share based on the Company's enterprise value equal to seven times the average of its earnings before interest, taxes, depreciation and amortization ("EBITDA") over the two most recently audited year-end financial statements immediately prior to the option being exercised, minus the 12-month average Net Indebtedness, as defined in the agreement, of the Company for the most recent audited fiscal year ("EBITDA average"). The Company determined that the Put Option is embedded within the noncontrolling interest shares that are subject to the Put Option. The redemption feature requires classification of the Minority Shareholder's interest in the Condensed Consolidated Balance Sheets outside of equity under the caption "Redeemable noncontrolling interest."

The redeemable noncontrolling interest of Procables was recorded on the acquisition date based on the estimated fair value of the shares including the embedded Put Option. The fair value of the Put Option was estimated at the higher of the final per share purchase price or EBITDA average. At July 3, 2015, the final per share purchase price was greater than the EBITDA average; therefore, the redeemable noncontrolling interest was valued at the same cost as the fair value determined at the opening balance sheet date, \$18.2 million. Subsequent adjustments to the value of the redeemable noncontrolling interest due to the redemption feature, if any, will be recognized as they occur and recorded within Net income (loss).

15. Shipping and Handling Costs

All shipping and handling amounts billed to a customer in a sales transaction are classified as revenue. Shipping and handling costs associated with storage and handling of finished goods and shipments to customers are included in cost of sales and totaled \$28.5 million and \$37.5 million, respectively, for the three fiscal months ended July 3, 2015 and June 27, 2014 and \$59.5 million and \$76.3 million, respectively, for the six fiscal months ended July 3, 2015 and June 27, 2014.

16. Earnings (Loss) Per Common Share

The Company applies the two-class method of computing basic and diluted earnings per share.

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

	Three Fiscal Months Ended		Six Fiscal Months Ended	
	July 3, 2015	June 27, 2014	July 3, 2015	June 27, 2014
Amounts attributable to the Company – basic and diluted:				
Net income (loss) from continuing operations	\$ (1.6)	\$ (13.7)	\$ (36.3)	\$ (276.1)
Less: net income (loss) attributable to continuing operations noncontrolling interest	(0.2)	(0.2)	(1.0)	(4.0)
Net income (loss) from continuing operations attributable to Company common shareholders	\$ (1.4)	\$ (13.5)	\$ (35.3)	\$ (272.1)
Net income (loss) from discontinued operations	(6.8)	(9.0)	(13.0)	(86.0)
Less: net income (loss) attributable to discontinued operations noncontrolling interest	(1.3)	2.3	(3.3)	(17.9)
Net income (loss) from discontinued operations attributable to Company common shareholders	\$ (5.5)	\$ (11.3)	\$ (9.7)	\$ (68.1)
Net income (loss) attributable to Company common shareholders ⁽¹⁾	\$ (6.9)	\$ (24.8)	\$ (45.0)	\$ (340.2)
Weighted average shares outstanding for basic EPS computation ⁽²⁾	48.9	48.7	48.8	48.9
Earnings (loss) per common share calculation - basic:				
Earnings (loss) from continuing operations attributable to Company common shareholders per common share – basic ⁽³⁾	\$ (0.03)	\$ (0.28)	\$ (0.72)	\$ (5.56)
Earnings (loss) from discontinued operations attributable to Company common shareholders per common share – basic	\$ (0.11)	\$ (0.23)	\$ (0.20)	\$ (1.40)
Earnings (loss) per common share attributable to Company common shareholders – basic ⁽³⁾	\$ (0.14)	\$ (0.51)	\$ (0.92)	\$ (6.96)
Weighted average shares outstanding including nonvested shares	48.9	48.7	48.8	48.9
Weighted average shares outstanding for diluted EPS computation ⁽²⁾	48.9	48.7	48.8	48.9
Earnings (loss) per common share calculation - dilution:				
Earnings (loss) from continuing operations attributable to Company common shareholders per common share – assuming dilution	\$ (0.03)	\$ (0.28)	\$ (0.72)	\$ (5.56)
Earnings (loss) from discontinued operations attributable to Company common shareholders per common share – assuming dilution	(0.11)	(0.23)	(0.20)	(1.40)
Earnings (loss) per common share attributable to Company common shareholders – assuming dilution	\$ (0.14)	\$ (0.51)	\$ (0.92)	\$ (6.96)

(1) Numerator

(2) Denominator

(3) Under the two-class method, earnings (loss) per share – basic reflects undistributed earnings per share for both common stock and unvested share-based payment awards (restricted stock).

Under ASC 260 - *Earnings per Share* and ASC 470 - *Debt* and because of the Company's obligation to settle the par value of the Subordinated Convertible Notes in cash, the Company is not required to include any shares underlying the Subordinated Convertible Notes in its weighted average shares outstanding – assuming dilution until the average stock price per share for the quarter exceeds the \$36.75 conversion price of the Subordinated Convertible Notes and only to the extent of the additional shares that the Company may be required to issue in the event that the Company's conversion obligation exceeds the principal amount of the Subordinated Convertible Notes. The average stock price threshold conditions had not been met as of July 3, 2015. At any such time in the future that threshold conditions are met, only the number of shares issuable under the "treasury" method of accounting for the

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share dilution would be included in the Company's earnings per share – assuming dilution calculation, which is based upon the amount by which the average stock price exceeds the conversion price.

The following table provides examples of how changes in the Company's stock price would require the inclusion of additional shares in the denominator of the weighted average shares outstanding – assuming dilution calculation for the Subordinated Convertible Notes.

Share Price	Shares Underlying Subordinated Convertible Notes	Total Treasury Method Incremental Shares ⁽¹⁾
\$36.75	—	—
\$38.75	603,152	603,152
\$40.75	1,147,099	1,147,099
\$42.75	1,640,151	1,640,151
\$44.75	2,089,131	2,089,131

(1) Represents the number of incremental shares that must be included in the calculation of fully diluted shares under GAAP.

17. Segment Information

The chief operating decision maker ("CODM") evaluates segment performance and allocates resources based on segment operating income. Segment operating income represents income from continuing operations before interest income, interest expense, other income (expense), other financial costs and income tax. Effective in the fourth quarter of 2014, in connection with the Company's announcement to commit to a plan to divest all of the Company's operations in Asia Pacific and Africa, the Company reorganized its reportable segments as a result of a change to what the CODM uses to measure profitability and allocate resources. Accordingly, in the fourth quarter of 2014, the Company presented four geographic operating and reportable segments — North America, Europe, Latin America, and Africa/Asia Pacific. As a result of the change in how the CODM manages and allocates resources, there was a change in how certain corporate costs are allocated to better align with how the CODM allocates resources. Previously, the amounts were evenly allocated across each reportable segment and the amounts are now allocated based on a percentage of revenue at each segment. This change in the allocation method is reflected in the results below retrospectively. The Company's operating and reportable segments align with the structure of the Company's internal management organization. All four segments engage in the development, design, manufacturing, marketing and distribution of copper, aluminum, and fiber optic communication, construction, electric utility and electrical infrastructure wire and cable products. In addition to the above products, the North America, Latin America and Africa/Asia Pacific segments manufacture and distribute rod mill wire and cable products.

Net revenues as shown below represent sales to external customers for each segment. Intersegment sales have been eliminated. In the three and six months ended July 3, 2015, intersegment sales were \$10.8 million and \$17.8 million in North America, \$1.8 million and \$14.3 million in Europe, and \$5.2 million and \$9.5 million in Latin America. In the three and six months ended June 27, 2014, intersegment sales were \$8.5 million and \$17.8 million in North America, \$17.4 million and \$34.7 million in Europe, and \$11.0 million and \$19.8 million in Latin America.

Summarized financial information for the Company's reportable segments reported in continuing operations for the three and six fiscal months ended July 3, 2015 and June 27, 2014 is as follows:

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(in millions)	Three Fiscal Months Ended		Six Fiscal Months Ended	
	July 3, 2015	June 27, 2014	July 3, 2015	June 27, 2014
Net Sales:				
North America	\$ 609.4	\$ 645.3	\$ 1,247.6	\$ 1,240.0
Europe	250.9	349.7	512.7	672.8
Latin America	188.8	302.3	394.1	591.0
Africa/Asia Pacific	64.3	90.0	130.1	185.0
Total	<u>\$ 1,113.4</u>	<u>\$ 1,387.3</u>	<u>\$ 2,284.5</u>	<u>\$ 2,688.8</u>
Segment Operating Income (Loss):				
North America	\$ 30.9	\$ 18.9	\$ 60.5	\$ 51.6
Europe	(1.2)	14.9	4.7	4.6
Latin America	(2.5)	(15.2)	(18.4)	(180.2)
Africa/Asia Pacific	(3.5)	4.2	(6.9)	(9.8)
Total	<u>\$ 23.7</u>	<u>\$ 22.8</u>	<u>\$ 39.9</u>	<u>\$ (133.8)</u>

(in millions)	July 3, 2015	December 31, 2014
Total Assets:		
North America	\$ 1,153.8	\$ 1,220.3
Europe	756.7	751.4
Latin America	561.1	656.6
Africa/Asia Pacific	618.5	738.4
Total	<u>\$ 3,090.1</u>	<u>\$ 3,366.7</u>

The total assets of the discontinued operations as of July 3, 2015 and December 31, 2014 are \$358.7 million and \$433.7 million, respectively. The total assets of the discontinued operations are included in the Africa/Asia Pacific segment above.

18. Commitments and Contingencies

Environmental matters

We are subject to a variety of federal, state, local and foreign laws and regulations covering the storage, handling, emission and discharge of materials into the environment, including CERCLA, the Clean Water Act, the Clean Air Act (including the 1990 amendments) and the Resource Conservation and Recovery Act.

Our subsidiaries in the United States have been identified as potentially responsible parties with respect to several sites designated for cleanup under CERCLA or similar state laws, which impose liability for cleanup of certain waste sites and for related natural resource damages without regard to fault or the legality of waste generation or disposal. Persons liable for such costs and damages generally include the site owner or operator and persons that disposed or arranged for the disposal of hazardous substances found at those sites. Although CERCLA imposes joint and several liability on all potentially responsible parties, in application, the potentially responsible parties typically allocate the investigation and cleanup costs based upon, among other things, the volume of waste contributed by each potentially responsible party.

Settlements can often be achieved through negotiations with the appropriate environmental agency or the other potentially responsible parties. Potentially responsible parties that contributed small amounts of waste (typically less than 1% of the waste) are often given the opportunity to settle as “de minimus” parties, resolving their liability for a particular site. We do not own or operate any of the waste sites with respect to which we have been named as a potentially responsible party by the government. Based on our review and other factors, we believe that costs relating to environmental clean-up at these sites will not have a material adverse effect on our results of operations, cash flows or financial position.

At July 3, 2015 and December 31, 2014, we had an accrued liability of approximately \$3.9 million and \$4.5 million, respectively, for various environmental-related liabilities to the extent costs are known or can be reasonably estimated as a liability. While it is difficult to estimate future environmental-related liabilities accurately, we do not currently anticipate any material adverse effect on our results of operations, financial position or cash flows as a result of compliance with federal, state, local or foreign environmental laws or regulations or cleanup costs of the sites discussed above.

Asbestos litigation

We have been a defendant in asbestos litigation for the past 27 years. Our subsidiaries have been named as defendants in lawsuits alleging exposure to asbestos in products manufactured by us. As of July 3, 2015, we were a defendant in approximately 532 cases brought in state and federal courts throughout the United States. In the six months ended July 3, 2015, 49 asbestos cases were brought against us. In the calendar year 2014, 104 asbestos cases were brought against us. In the last 27 years, we have had no cases proceed to verdict. In many of the cases, we were dismissed as a defendant before trial for lack of product identification. As of July 3, 2015, 50,637 asbestos cases have been dismissed. In the six months ended July 3, 2015, 2,750 asbestos cases were dismissed. As of December 31, 2014, 47,887 cases were dismissed. With regards to the approximately 532 remaining pending cases, we are aggressively defending these cases based upon either lack of product identification as to whether we manufactured asbestos-containing product and/or lack of exposure to asbestos dust from the use of our product.

As of July 3, 2015, 0 pending lawsuits were brought on behalf of plaintiffs by a single admiralty law firm (“MARDOC”) and seek unspecified damages. Plaintiffs in the MARDOC cases generally allege that they formerly worked in the maritime industry and sustained asbestos-related injuries from products that General Cable ceased manufacturing in the mid-1970s. The MARDOC cases are managed and supervised by a federal judge in the United States District Court for the Eastern District of Pennsylvania (“District Court”) by reason of a transfer by the judicial panel on Multidistrict Litigation (“MDL”). In September 2014, upon receipt from the MDL Court of a current statistical report listing numbers of outstanding cases as well as a list identifying outstanding Maritime/MARDOC cases by plaintiff name, General Cable recorded a dismissal of 25,759 cases reducing its number of pending Maritime/MARDOC cases to 2,679. As of July 3, 2015, upon further review of the outstanding cases, General Cable recorded a dismissal of the remaining 2,679 Maritime/MARDOC cases.

For cases outside the MDL as of July 3, 2015, plaintiffs have asserted monetary damages in 224 cases. In 99 of these cases, plaintiffs allege only damages in excess of some dollar amount (about \$523 thousand per plaintiff); in these cases there are no claims for specific dollar amounts requested as to any defendant. In the 124 other cases pending in state and federal district courts (outside the MDL), plaintiffs seek approximately \$470 million in damages from as many as 50 defendants. In one case, plaintiffs have asserted damages related to General Cable in the amount of \$10 million. In addition, in relation to these 224 cases, there are claims of \$321 million in punitive damages from all of the defendants. However, many of the plaintiffs in these cases allege non-malignant injuries. As of July 3, 2015 and December 31, 2014, we had accrued, on a gross basis, approximately \$4.3 million and \$4.7 million, respectively, and as of July 3, 2015 and December 31, 2014, had recovered approximately \$0.4 million and \$0.5 million of insurance recoveries for these lawsuits, respectively. The net amount of \$3.9 million and \$4.2 million, as of July 3, 2015 and December 31, 2014, respectively, represents our best estimate in order to cover resolution of current and future asbestos-related claims.

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The components of the asbestos litigation reserve are current and future asbestos-related claims. The significant assumptions are: (1) the number of cases per state, (2) an estimate of the judgment per case per state, (3) an estimate of the percentage of cases per state that would make it to trial and (4) the estimated total liability percentage, excluding insurance recoveries, per case judgment. Management's estimates are based on the Company's historical experience with asbestos related claims. The Company's current history of asbestos claims does not provide sufficient and reasonable information to estimate a range of loss for potential future, unasserted asbestos claims because the number and the value of the alleged damages of such claims have not been consistent. As such, the Company does not believe a reasonably possible range can be estimated with respect to asbestos claims that may be filed in the future.

Settlement payments are made, and the asbestos accrual is relieved, when we receive a fully executed settlement release from the plaintiff's counsel. As of July 3, 2015 and December 31, 2014, aggregate settlement costs were \$9.6 million and \$9.5 million, respectively. For the six months ended July 3, 2015 and June 27, 2014, settlement costs totaled \$0.1 million and \$0.4 million, respectively. As of July 3, 2015 and December 31, 2014, aggregate litigation costs were \$25.4 million and \$24.7 million, respectively. For the six months ended July 3, 2015 and June 27, 2014, litigation costs were \$0.7 million and \$0.9 million, respectively.

In January 1994, we entered into a settlement agreement with certain principal primary insurers concerning liability for the costs of defense, judgments and settlements, if any, in all of the asbestos litigation described above. Subject to the terms and conditions of the settlement agreement, the insurers were responsible for a substantial portion of the costs and expenses incurred in the defense or resolution of this litigation. However, one of the insurers participating in the settlement that was responsible for a significant portion of the contribution under the settlement agreement entered into insurance liquidation proceedings and another became insolvent. As a result, the contribution of the insurers has been reduced and we have had to bear substantially most of the costs relating to these lawsuits.

European Commission competition matter

As part of the Company's acquisition of Silec Cable, S.A.S ("Silec") in December 2005, SAFRAN SA ("SAFRAN"), agreed to indemnify the Company for the full amount of losses arising from, related to or attributable to practices, if any, that are similar to previous practices investigated by the French competition authority for alleged competition law violations related to medium-and high voltage cable markets. The Company has asserted a claim under this indemnity against SAFRAN related to the European Commission's Statement of Objections, discussed below, to preserve the Company's rights in case of an adverse European Commission decision.

On July 5, 2011, the European Commission issued a Statement of Objections in relation to its ongoing competition investigation to a number of wire and cable manufacturers in the submarine and underground power cables business, including our Spanish affiliate, Grupo General Cable Sistemas, and its French subsidiary, Silec. The Statement of Objections alleged that the two affiliates engaged in violations of competition law in the underground power cables businesses for limited periods of time. The allegations related to Grupo General Cable Sistemas claimed that it had participated in a cartel from January 2003 to May 2007, while the allegations related to Silec were for the ten month period following its December 22, 2005 acquisition from SAFRAN by Grupo General Cable Sistemas.

Following our formal responses to the Statement of Objections in October 2011 and a hearing in 2012, the European Commission issued a final decision on April 2, 2014. In the decision, the claims of infringement against Grupo General Cable Sistemas were dismissed for lack of evidence of alleged cartel activity. With regard to Silec, the European Commission's decision imposed a fine of 1.9 million Euros related to the period Silec has been owned by us. This fine was based on participation that allegedly commenced well before Silec was acquired by us. On June 13, 2014, we filed an appeal with the General Court of the European Union challenging the European Commission's decision as to Silec in Europe based on established precedent. We also continue to pursue our claim for full indemnification for the Silec fine under the terms of the acquisition agreement with SAFRAN executed in 2005.

Transformer damage claims

In March 2012, we received formal notice of a claim for damages arising from a transformer fire that occurred in December 2010 allegedly resulting in loss of equipment and some consequential damages at a metal processing facility in Iceland. We supplied and installed cables and terminations to the transformer, which was manufactured and installed by an independent third party, during 2006 and the first quarter of 2007. Our work was inspected and accepted by the customer in March 2007. In August 2012, the customer initiated arbitration proceedings before the ICC Tribunal with a request to arbitrate in Pennsylvania. In September 2012, we initiated litigation in Pennsylvania state court seeking a declaration that we are not liable for any damages associated with the alleged loss resulting from the transformer fire and seeking to enjoin the ICC arbitration proceedings. The customer then moved the case from state to federal district court in the Western District of Pennsylvania which determined on motion that the ICC Tribunal not the court should decide whether the claims were arbitrable in the first instance. The arbitration was conducted before the ICC Tribunal in April 2015, and the parties filed post-hearing briefs. We are currently awaiting a decision from the ICC Tribunal. We continue to believe we have substantial defenses to potential liability in regard to the transformer fire and

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claimed loss. We currently estimate our range of possible loss from the arbitration proceeding to be between \$0 million and \$18 million.

Brazil tax matters

One of our Brazilian subsidiaries is involved in administrative proceedings with State treasury offices regarding whether tax incentives granted to us by one Brazilian state are applicable to goods sold in another Brazilian State. We believe we correctly relied on the tax incentives granted and that we have substantial defenses to their disallowance by the Brazilian State claimant. The total amount of taxes allegedly due for the infractions including potential interest and penalties is up to \$8 million. In September 2012, an Administrative Court found that we were not liable for any incentive tax payments claimed by the State treasury office, however this determination was overturned on appeal and has since been further appealed. This appeal remains pending at the Brazilian Courts. Despite the pending appeal, in October 2014, the State issued a summons to recover the approximately \$8 million of contested incentives described above, and we are complying with the terms of the State's summons while continuing to contest the Court's ruling.

One of our Brazilian subsidiaries has received formal notices of infractions from the Brazilian state authorities related to the failure to timely file electronic records with the state authorities in regard to inventories, good receipts, and invoices from acquisitions. The total amount due for the infractions including potential interest and penalties is up to \$20 million. As of July 3, 2015, based on ongoing proceedings, we have accrued approximately \$2.5 million, which represents our best estimate of the probable loss upon resolution of these claims. Subsequent to July 3, 2015, these infractions were accepted into the State tax amnesty program, and the amounts accrued were reduced to approximately \$0.5 million, which is the amount to be paid based on the resolution of these claims.

Our Brazilian subsidiaries have received notifications of various other claims related to disputed tax credits taken on Federal Tax Offset returns, which are in various phases of litigation. We believe we correctly applied the tax credits taken and that we have substantial defenses to these claims. The total amount of taxes allegedly due for the disputed credits, including potential interest and penalties is up to \$12 million.

At this time, we believe we have defenses to all remaining claims or are unable to predict an estimated range of damages and whether or not a liability will exist for these remaining claims.

Brazil Labor Matter

One of our Brazilian subsidiaries has received infraction notices issued by the Department of Labor. Subsequently, the Brazilian Federal Labor Public Prosecutor filed a related lawsuit claiming collective punitive damages, in the amount of approximately \$10 million. In March 2015, the Lower Labor Court rendered a decision granting collective punitive damages of approximately \$1.6 million. The Brazilian subsidiary is appealing this decision, and as of July 3, 2015, we have accrued our best estimate of the probable loss upon resolution of this claim, which is immaterial.

Government and internal investigations

We have been reviewing, with the assistance of external counsel, certain commission payments involving sales to customers of our subsidiary in Angola. The review has focused upon payment practices with respect to employees of public utility companies, use of agents in connection with such payment practices, and the manner in which the payments were reflected in our books and records. We have determined at this time that certain employees in our Portugal and Angola subsidiaries directly and indirectly made or directed payments at various times from 2002 through 2013 to officials of Angola government-owned public utilities that raise concerns under the FCPA and possibly under the laws of other jurisdictions. Based on an analysis completed with the assistance of our external counsel and forensic accountants, we have concluded at this time, that we are able to reasonably estimate the profit derived from sales made to the Angolan government-owned public utilities in connection with the payments described above which we believe is likely to ultimately be disgorged. As a result, we recorded an estimated charge in the amount of \$24 million as an accrual as of December 31, 2014. There was no change to the accrual in the second quarter of 2015. The accrued amount reflects the probable and estimable amount of the Angola-related profits that the Company believes is subject to being disgorged, and does not include any provision for any fines, civil or criminal penalties, or other relief, any or all of which could be substantial. We also have been reviewing, with the assistance of external counsel, our use and payment of agents in connection with our Thailand and India operations and certain transactions in our Egypt and China businesses, which may have implications under the FCPA. We have voluntarily disclosed these matters to the SEC and the DOJ and have provided them with additional information at their request, including information in response to an SEC subpoena. The SEC and DOJ inquiries into these matters are ongoing. We continue to cooperate with the DOJ and the SEC with respect to these matters. At this time, we are unable to predict the nature of any action that may be taken by the DOJ or SEC or any remedies these agencies may pursue as a result of such actions. We are continuing to implement a third party screening process on sales agents that we use outside of the United

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States, including, among other things, a review of the agreements under which they were retained and a risk-based assessment of such agents to determine the scope of due diligence measures to be performed by a third-party investigative firm. We also have provided anti-corruption training to our global sales force, and ultimately will provide such training to all salaried employees. In addition, we have hired a Chief Compliance Officer, who is responsible for the day-to-day management of our compliance function. The Chief Compliance Officer reports to our Chief Executive Officer, and also has a reporting relationship with the Audit Committee.

As previously disclosed, we conducted internal investigations, subject to the oversight of the Audit Committee of our Board of Directors and with the assistance of external counsel, principally relating to matters resulting in restatements of a number of our previously issued financial statements. The matters addressed in the investigations included (i) inventory accounting errors addressed in the restatements, including those resulting from inventory theft in Brazil, as well as the timing of internal reporting of the inventory accounting issues to senior corporate management at our headquarters in Highland Heights, Kentucky and (ii) historical revenue recognition accounting practices with regard to “bill and hold” sales in Brazil related to aerial transmission projects, including instances where we determined that the requirements for revenue recognition under GAAP with respect to the bill and hold sales were not met. (“Bill and hold” sales generally are sales meeting specified criteria under GAAP that enable the seller to recognize revenue at the time title to goods and ownership risk is transferred to the customer, even though the seller does not ship the goods until a later time. In typical sales transactions other than those accounted for as bill and hold, title to goods and ownership risk is transferred to the customer at the time of shipment or delivery.) In connection with these matters, among others, our management identified control deficiencies that constituted material weaknesses in our internal control over financial reporting. These material weaknesses resulted in accounting errors that caused us to issue two sets of restated financial statements. In March 2013, principally to correct the inventory accounting errors, we issued restated consolidated financial statements as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009, and unaudited restated financial statements for interim periods in 2011 and interim periods ended on March 30, 2012 and June 29, 2012. In January 2014, principally to correct errors relating to revenue recognition with respect to the bill and hold sales, we issued restated consolidated financial statements (which also encompassed matters addressed in the earlier restatement) as of December 31, 2012, 2011 and 2010 and for the years ended December 31, 2012, 2011, 2010 and 2009, and unaudited restated financial statements for interim periods in 2011 and 2012 and the interim period ended on March 29, 2013.

We voluntarily contacted the SEC to advise it of our initial internal investigation, and we have continued to provide information to the SEC on an ongoing basis, including, among other things, information regarding the matters described above and certain earnings management activities by employees prior to the end of 2012. As we previously disclosed, these earnings management activities (none of which identified to date had a material effect on our consolidated financial statements) were designed to delay the reporting of expenses or other charges, including improper capitalization of costs, misuse of accruals and failure to timely report inventory shortfalls identified through physical inventory counts. The SEC has issued a formal order of investigation. Pursuant to the formal order, the SEC issued subpoenas to us seeking relevant documents and to certain of our current and former employees seeking their testimony. The SEC has requested information regarding, among other things, the above-described Angola matter, matters that were subject to our internal investigations and earnings management activities by employees. We continue to cooperate with the SEC in connection with its investigation.

Any determination that our operations or activities are not in compliance with existing laws or regulations could result in the imposition of substantial fines, civil and criminal penalties, and equitable remedies, including disgorgement and injunctive relief. Because the government investigations and our review regarding commission payment practices and our use and payment of agents described above are ongoing, we are unable to predict their duration, scope, results, or consequences. Dispositions of these types of matters can result in modifications to business practices and compliance programs, and in some cases the appointment of a monitor to review future business and practices with the objective of effecting compliance with the FCPA and other applicable laws. At this time, we cannot reasonably estimate the amount or range of additional possible loss that we may incur above the amount accrued to date in connection with the foregoing matters.

Purported class action and derivative litigation

Litigation was initiated against us and certain of our current and former directors, executive officers and employees following the restating of our financial statements principally as a result of the matters described above under “Government and internal investigations” relating to our Brazilian business.

Two civil complaints were filed in the United States District Court for the Southern District of New York on October 21, 2013 and December 4, 2013 by named plaintiffs, on behalf of purported classes of persons who purchased or otherwise acquired our publicly traded securities, against us, Gregory Kenny, our former President and Chief Executive Officer, and Brian Robinson, our Executive Vice President and Chief Financial Officer. On our motion, the complaints were transferred to the United States District Court for the Eastern District of Kentucky, the actions were consolidated, and a consolidated complaint was filed in that Court on May 20, 2014 by City of Livonia Employees Retirement System, as lead plaintiff on behalf of a purported class of all persons or entities who purchased our securities between November 3, 2010 and October 14, 2013 (the “City of Livonia Complaint”). The City of Livonia Complaint alleged claims under the antifraud and controlling person liability provisions of the Exchange Act,

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alleging generally, among other assertions, that we employed inadequate internal financial reporting controls that resulted in, among other things, improper revenue recognition, understated cost of sales, overstated operating income, net income and earnings per share, and the failure to detect inventory lost through theft; that we issued materially false financial results that had to be restated on two occasions; and that statements of Messrs. Kenny and Robinson that they had tested and found effective our internal controls over financial reporting and disclosure were false. The City of Livonia Complaint alleged that as a result of the foregoing, our stock price was artificially inflated and the plaintiffs suffered damages in connection with their purchase of our stock. The City of Livonia Complaint sought damages in an unspecified amount; reasonable costs and expenses, including counsel and experts fees; and such equitable injunctive or other relief as the Court deems just and proper. On January 27, 2015, the Court dismissed the City of Livonia Complaint, with prejudice, based on plaintiff's failure to state a claim upon which relief could be granted. On February 24, 2015, plaintiff filed a motion to alter or amend the January 27, 2015 judgment and for leave to file the proposed amended complaint, which the lower Court also denied. On June 9, 2015, plaintiff appealed the lower Court's decisions to the Sixth Circuit Court of Appeals, which appeal is currently pending.

In addition, a derivative complaint was filed on January 7, 2014 in the Campbell County, Kentucky Circuit Court against all but one member of our Board of Directors, including Mr. Kenny, two former directors, Mr. Robinson and two former officials, one of whom is our former executive officer. The derivative complaint alleges that the defendants breached their fiduciary duties by knowingly failing to ensure that we implemented and maintained adequate internal controls over our accounting and financial reporting functions and by knowingly disseminating to stockholders materially false and misleading statements concerning our financial results and internal controls. The derivative complaint seeks damages in an unspecified amount, appropriate equitable relief to remedy the alleged breaches of fiduciary duty, attorneys' fees, experts' fees and other costs. On March 5, 2014, the derivative case was placed on inactive status until a motion is filed by a party to reinstate the action to the Court's active docket.

We believe the derivative complaint, insofar as it relates to our current and former directors, including Mr. Kenny, and to Mr. Robinson, and the City of Livonia Complaint are without merit and intend to vigorously contest the actions.

Other

In addition, we are involved in various routine legal proceedings and administrative actions incidental to our business. In the opinion of our management, these routine proceedings and actions should not, individually or in the aggregate, have a material adverse effect on our consolidated results of operations, cash flows or financial position. However, in the event of unexpected future developments, it is possible that the ultimate resolution of these matters or other similar matters, if unfavorable, may have such adverse effects.

In accordance with GAAP, we record a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. To the extent additional information arises or our strategies change, it is possible that our estimate of our probable liability in these matters may change.

In Europe as it relates to the 2005 purchase of shares of Silec, the Company has pledged to the bank the following: Silec shares, segment assets such as land and buildings and certain General Cable entities in Spain and Portugal, which have been designated as guarantors.

The General Cable Executive Severance Benefit Plan ("Severance Plan"), effective January 1, 2008, applicable to our U.S. executives holding a position of Executive Vice President or above prior to August 1, 2014, and the 2014 Executive Officer Severance Plan ("2014 Severance Plan"), applicable to the Company's executive officers holding a position of Executive Vice President or above or the position of Chief Financial Officer, General Counsel, or Chief Human Resources Officer and were hired or first promoted into such position after August 1, 2014, each include a change in control provision such that the executives may receive payments or benefits in accordance with the Severance Plan or 2014 Severance Plan, as applicable, to the extent that both a change of control and a triggering event, each as defined in the Severance Plan, occur. Unless there are circumstances of ineligibility, as defined, the Company must provide payments and benefits upon both a change in control and a triggering event.

The Company has entered into various operating lease agreements related principally to certain administrative, manufacturing and distribution facilities and transportation equipment. At July 3, 2015, future minimum rental payments required under non-cancelable lease agreements during the twelve month periods beginning July 3, 2015 through July 3, 2020 and thereafter are \$37.9 million, \$27.3 million, \$12.5 million, \$7.1 million and \$5.6 million, respectively, and \$5.6 million thereafter.

As of July 3, 2015, the Company had \$55.4 million in letters of credit (including the \$41.2 million outstanding on the Company's Revolving Credit Facility), \$173.9 million in various performance bonds and \$170.3 million in other guarantees. Other guarantees include bank guarantees and advance payment bonds. These letters of credit, performance bonds and guarantees are periodically renewed and are generally related to risk associated with self-insurance claims, defined benefit plan obligations, contract performance, quality and other various bank and financing guarantees. Advance payment bonds are often required by customers when the Company obtains advance payments to secure the production of cable for long term contracts. The advance payment bonds provide the customer protection on their deposit in the event that the Company does not perform under the contract.

19. Unconsolidated Affiliated Companies

Unconsolidated affiliated companies are those in which the Company generally owns less than 50 percent of the outstanding voting shares. The Company does not control these companies and accounts for its investments in them on the equity method basis. The unconsolidated affiliated companies primarily manufacture or market wire and cable products in the Latin America and Africa/Asia Pacific segments. The Company's share of the income of these companies is reported in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) under "Equity in net earnings of affiliated companies." For the three fiscal months ended July 3, 2015 and June 27, 2014, equity in net earnings of affiliated companies was \$0.0 million and \$0.4 million, respectively. For the six fiscal months ended July 3, 2015 and June 27, 2014, equity in net earnings of affiliated companies was \$0.2 million and \$0.6 million, respectively. The net investment in unconsolidated affiliated companies was \$8.7 million and \$17.5 million as of July 3, 2015 and December 31, 2014, respectively. As of July 3, 2015, the Company's ownership percentage was as follows: PDTL Trading Company Ltd. 49%, Colada Continua Chilean, S.A. 41%, Nostag GmbH & Co. KG 33%, Pakistan Cables Limited 24.6% and Thai Copper Rod Company Ltd. 18%.

20. Fair Value Disclosure

The fair market values of the Company's financial instruments are determined based on the fair value hierarchy as discussed in *ASC 820 - Fair Value Measurements*.

The Company carries derivative assets and liabilities (Level 2) and marketable equity securities (Level 1) held in the rabbi trust as part of the Company's Deferred Compensation Plan at fair value. The fair values of derivative assets and liabilities traded in the over-the-counter market are determined using quantitative models that require the use of multiple market inputs including interest rates, prices and indices to generate pricing and volatility factors, which are used to value the position. The predominance of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third-party pricing services. Marketable equity securities are recorded at fair value, which are based on quoted market prices.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below (in millions).

	Fair Value Measurement							
	July 3, 2015				December 31, 2014			
	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3	Fair Value
Assets:								
Derivative assets	\$ —	\$ 1.2	\$ —	\$ 1.2	\$ —	\$ 4.2	\$ —	\$ 4.2
Equity securities ⁽¹⁾	20.7	—	—	20.7	22.1	—	—	22.1
Total assets	\$ 20.7	\$ 1.2	\$ —	\$ 21.9	\$ 22.1	\$ 4.2	\$ —	\$ 26.3
Liabilities:								
Derivative liabilities	\$ —	\$ 7.7	\$ —	\$ 7.7	\$ —	\$ 7.8	\$ —	\$ 7.8
Total liabilities	\$ —	\$ 7.7	\$ —	\$ 7.7	\$ —	\$ 7.8	\$ —	\$ 7.8

(1) Balance represents the market value of the assets, exclusive of the market value of restricted stock and restricted stock units held ("Deferred Stock") and the General Cable Stock Fund by participants' elections, held in the Rabbi Trust in connection with the Company's deferred compensation plan at July 3, 2015 and December 31, 2014 classified as "other non-current assets" in the Condensed Consolidated Balance Sheets. The market value of mutual fund investments and the General Cable Stock Fund in the Rabbi Trust was \$32.8 million and \$31.9 million as of July 3, 2015 and December 31, 2014, respectively. Amounts payable to the plan participants at July 3, 2015 and December 31, 2014, excluding the Deferred Stock, were \$22.8 million and \$23.5 million, respectively, and are classified as "other liabilities" in the Condensed Consolidated Balance Sheets.

At July 3, 2015, there were no material financial assets or financial liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3). Similarly, there were no material nonfinancial assets or nonfinancial liabilities measured at fair value on a non-recurring basis.

21. Venezuelan Operations

First quarter 2014 devaluation and first quarter 2014 government actions

On January 24, 2014, the Venezuelan government announced the establishment of a dual exchange rate system. A rate of 6.30 BsF per U.S. dollar was to be applied to priority sectors, while other sectors of the economy were eligible to apply an exchange rate determined based on the results of the Venezuelan central bank's system of weekly SICAD 1 currency auctions to a wider range of transactions. In addition, on January 24, 2014, the Venezuelan government issued Exchange Agreement No. 25, which stated that the rate of exchange established in the most recent SICAD 1 auction would be used for payments related to foreign investments, royalties and the use and exploitation of patents, trademarks, licenses, franchises and technology. During January 2014, the Venezuelan government also announced the replacement of CADIVI with a new foreign currency administration, the National Center for Foreign Commerce (CENCOEX).

On February 19, 2014, the Venezuelan government announced plans for another currency exchange mechanism ("SICAD 2") which allowed authorized foreign exchange operators, such as regulated banks and capital market brokers, to act as intermediaries in the sale or acquisitions of foreign currency. The SICAD 2 rate was intended to more closely resemble a market-driven exchange rate compared to the rates provided by Venezuela's other regulated exchange mechanisms. SICAD 2 became effective on March 24, 2014.

After consultation with Venezuelan legal counsel, management had determined in the first quarter of 2014 that "foreign investments" in Exchange Agreement No. 25 should be interpreted to mean that future dividend remittances would be transacted at the exchange rate established through the SICAD 1 auction process, and should be used as the exchange rate required to remeasure the Company's net monetary assets, after giving consideration to the U.S. dollar-denominated payables noted above which the Company expected the Venezuelan government to approve and settle by using U.S. dollars obtained at the official rate.

Effective in the first quarter of 2014, the Company expected that the majority of its Venezuelan subsidiary's net monetary assets would have been remeasured at the SICAD 1 rate since that is the rate the Company believed, would have been applicable for future dividend remittances. In applying the March 28, 2014 SICAD 1 exchange rate of 10.8 BsF per U.S. dollar to certain of its monetary assets and liabilities, the Company recorded a devaluation charge of \$83.1 million which was included in Other income (expense) within the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

At March 28, 2014, the Company did not intend to utilize the SICAD 2 foreign exchange mechanism at the prevailing exchange rates. The Company assessed a number of factors, including the limited number of SICAD 2 auctions held to date at the time, the Company's ability to access the SICAD 2 exchange at that date, the restrictions placed on eligible participants, the amount of U.S. dollars available for purchase through the auction process, and the historical lack of official information about the resulting SICAD 2 rate at that date. At that time, based upon its assessment, the Company did not believe it would be appropriate to use rates from the SICAD 2 exchange system for financial reporting purposes.

In addition to the aforementioned exchange controls, the Venezuelan President used decree power to pass the Law of Costs, Earnings, and Fair Profits, which became effective in January 2014, authorizing, among other things, the Venezuelan government to set maximum pricing limits in the private sector. Therefore, the majority of the Company's product portfolio in Venezuela is subject to price controls, which restricts the Company's ability to increase prices more than 30% higher than product costs. Until this law is removed or revised to allow for a higher level of pricing, the Venezuelan operating profit margin is expected to be lower than historical and previously projected future profit levels.

Fourth quarter 2014 devaluation and fourth quarter 2014 government actions

As of December 31, 2014, given increased uncertainties and lack of liquidity, the Company determined the SICAD 2 floating auction rate was the appropriate rate to use for financial reporting purposes. As of December 30, 2014, the Venezuela President took over the Central Bank's exchange mechanisms, removing the head of the CENCOEX. In addition, the SICAD 1 auctions had been increasingly restricted. The Company, in one SICAD 1 auction, was awarded \$11.2 million for the purchase of copper pounds in the fourth quarter of 2014; however, as of December 31, 2014 the \$11.2 million awarded had not been authorized for payment. There had been no companies authorized for payment since October that were awarded U.S. dollars through the SICAD 1 auctions. In addition, ongoing labor negotiations and expected continuing social unrest in Venezuela were expected to result in lower than historical and previously projected future profit levels.

As of December 31, 2014, the Company had not participated in the SICAD 2 auctions, given the low dollar values awarded were generally not sufficient to purchase needed quantities of copper pounds. However, to maintain liquidity, the Company intended

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to participate in future auctions. Although there were uncertainties related to the SICAD 2 auctions, at December 31, 2014 the Company believed the SICAD 2 floating rate would be applicable for future dividend remittances.

As of December 31, 2014, the Company used the SICAD 2 rate of approximately 50 BsF per U.S. dollar to remeasure all of its BsF-denominated assets and liabilities of its Venezuelan subsidiary.

2015 devaluation and 2015 government actions

A new Venezuelan currency exchange system, known as the “Marginal Currency System” (or “SIMADI”), opened for trading on February 12, 2015, replacing the previous SICAD 2 mechanism. In the three months ended April 3, 2015, the Company began to use the SIMADI rate of approximately 192.7125 BsF per U.S. dollar to remeasure all of its BsF-denominated assets and liabilities of its Venezuelan subsidiary. As a result the Company recorded other expense of \$22.5 million for the quarter ended April 3, 2015, which was included in Other income (expense) within the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). As of July 3, 2015, the Company continued to use the SIMADI rate of approximately 197.0514 BsF per U.S. dollar to remeasure all of its BsF-denominated assets and liabilities of its Venezuelan subsidiary.

The SIMADI is intended to provide limited access to a free market rate of exchange. The only way to obtain USD through SIMADI is through the supply and demand available within the country’s financial institutions. The Company believes that significant uncertainty exists regarding the exchange mechanisms in Venezuela, including how any such mechanisms will operate in the future and the availability of U.S. dollars under each mechanism including SIMADI. As of July 3, 2015, the Company has participated in several SIMADI auctions, but was not awarded any U.S. dollars. Further, the low dollar values awarded are generally not sufficient to purchase needed quantities of copper pounds. However, to maintain liquidity the Company intends to participate in future auctions, if available. Although there were uncertainties related to the SIMADI auctions, at July 3, 2015 the Company believed the SIMADI floating rate would be applicable for future dividend remittances.

2015 Venezuela financial results

During the three and six months ended July 3, 2015, the Company did not settle any U.S. dollar denominated intercompany payables and accounts payable in Venezuela. During the three and six months ended June 27, 2014, the Company settled \$2.2 million and \$5.2 million of U.S. dollar denominated intercompany payables and accounts payable in Venezuela primarily at the prior official rate, 6.30 BsF per U.S. dollar, respectively.

At July 3, 2015 and December 31, 2014, the Company’s total assets in Venezuela were approximately \$ 13 million and \$43 million and total liabilities were approximately \$46 million and \$51 million, respectively. At July 3, 2015 and December 31, 2014, total assets included BsF denominated monetary assets of approximately \$10 million and \$37 million, which consisted primarily of approximately \$9 million and \$31 million of cash, and approximately \$1 million and \$2 million of accounts receivable, respectively. At July 3, 2015 and December 31, 2014, total liabilities included BsF denominated monetary liabilities of approximately \$2 million and \$7 million, which consisted primarily of accounts payable and other current and non-current accruals, respectively.

The Company's sales in Venezuela were less than 1% and 2% of consolidated net sales for the three fiscal months ended July 3, 2015 and June 27, 2014, respectively. The Company's sales in Venezuela were less than 1% and 2% of consolidated net sales for the six fiscal months ended July 3, 2015 and June 27, 2014, respectively. Operating income in Venezuela was 3% of consolidated operating income for the three fiscal months ended July 3, 2015 and operating loss in Venezuela was 5% of consolidated operating income for the three fiscal months ended June 27, 2014. Operating loss in Venezuela was 11% of consolidated operating income for the six fiscal months ended July 3, 2015 and 36% of consolidated operating loss for the six fiscal months ended June 27, 2014.

For the three and six fiscal months ended July 3, 2015 and June 27, 2014, 100% of Venezuela's sales were BsF denominated. For the three months ended July 3, 2015 and June 27, 2014, Venezuela's cost of sales were approximately 100% and 45% BsF denominated, respectively. For the six months ended July 3, 2015 and June 27, 2014, Venezuela's cost of sales were approximately 87% and 50% BsF denominated, respectively.

At July 3, 2015 and December 31, 2014, there were approximately \$44.3 million of U.S. dollar payables outstanding all greater than 180 days. All monetary assets and liabilities were remeasured at the SIMADI rate at July 3, 2015. All monetary assets and liabilities were remeasured at the SICAD 2 rate at December 31, 2014. Currency exchange controls in Venezuela continue to limit the Company’s ability to repatriate funds from Venezuela. We do not consider the net assets of Venezuela to be integral to the Company’s ability to service its debt or operational requirements.

22. Supplemental Guarantor Condensed Financial Information

General Cable Corporation ("Parent Company") and its U.S. 100% wholly-owned subsidiaries ("Guarantor Subsidiaries") fully and unconditionally guarantee the \$600.0 million of 5.75% Senior Notes due in 2022 of the Parent Company on a joint and several basis. The following tables present financial information about the Parent Company, Guarantor Subsidiaries and Non-Guarantor Subsidiaries in millions. Intercompany transactions are eliminated in the "Eliminations" column of the Supplemental Guarantor Condensed Financial Information tables. The results of the Asia Pacific Operations have been reclassified as discontinued operations for all periods presented. The Asia Pacific Operations are included as Non-Guarantor Subsidiaries in the schedules below. Refer to Note 3 - Assets and Liabilities Held for Sale and Discontinued Operations for additional details.

**Condensed Statements of Operations and Comprehensive Income (Loss) Information
Three Fiscal Months Ended July 3, 2015**

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	\$ —	\$ 503.1	\$ 610.3	\$ —	\$ 1,113.4
Intercompany	17.1	62.0	36.0	(115.1)	—
	17.1	565.1	646.3	(115.1)	1,113.4
Cost of sales	—	499.9	588.3	(98.0)	990.2
Gross profit	17.1	65.2	58.0	(17.1)	123.2
Selling, general and administrative expenses	16.0	41.7	57.2	(17.1)	97.8
Intangible asset impairment charges	—	—	1.7	—	1.7
Operating income (loss)	1.1	23.5	(0.9)	—	23.7
Other income (expense)	—	(2.5)	(3.5)	—	(6.0)
Interest income (expense):					
Interest expense	(14.4)	(16.4)	(10.1)	15.6	(25.3)
Interest income	13.8	1.9	0.4	(15.6)	0.5
	(0.6)	(14.5)	(9.7)	—	(24.8)
Income (loss) before income taxes	0.5	6.5	(14.1)	—	(7.1)
Income tax (provision) benefit	(0.2)	12.2	(6.5)	—	5.5
Equity in net earnings of affiliated companies and subsidiaries	(7.2)	(25.9)	—	33.1	—
Net income (loss) from continuing operations	(6.9)	(7.2)	(20.6)	33.1	(1.6)
Net income (loss) from discontinued operations, net of taxes	—	—	(6.8)	—	(6.8)
Net income (loss) including noncontrolling interest	(6.9)	(7.2)	(27.4)	33.1	(8.4)
Less: net income (loss) attributable to noncontrolling interest	—	—	(1.5)	—	(1.5)
Net income (loss) attributable to Company common shareholders	\$ (6.9)	\$ (7.2)	\$ (25.9)	\$ 33.1	\$ (6.9)
Comprehensive income (loss):					
Net income (loss)	\$ (6.9)	\$ (7.2)	\$ (27.4)	\$ 33.1	\$ (8.4)
Currency translation gain (loss)	(12.8)	(12.8)	(17.0)	29.0	(13.6)
Defined benefit plan adjustments, net of tax	1.8	1.8	0.6	(2.4)	1.8
Comprehensive income (loss), net of tax	(17.9)	(18.2)	(43.8)	59.7	(20.2)
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	—	—	(2.3)	—	(2.3)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	\$ (17.9)	\$ (18.2)	\$ (41.5)	\$ 59.7	\$ (17.9)

Condensed Statements of Operations and Comprehensive Income (Loss) Information
Three Fiscal Months Ended June 27, 2014

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	\$ —	\$ 542.7	\$ 844.6	\$ —	\$ 1,387.3
Intercompany	15.4	64.3	60.7	(140.4)	—
	15.4	607.0	905.3	(140.4)	1,387.3
Cost of sales	—	544.4	841.7	(125.0)	1,261.1
Gross profit	15.4	62.6	63.6	(15.4)	126.2
Selling, general and administrative expenses	12.4	47.1	57.2	(15.4)	101.3
Intangible asset impairment charges	—	2.1	—	—	2.1
Operating income (loss)	3.0	13.4	6.4	—	22.8
Other income (expense)	—	0.2	3.2	—	3.4
Interest income (expense):					
Interest expense	(16.4)	(15.7)	(13.9)	16.9	(29.1)
Interest income	13.2	3.6	0.7	(16.9)	0.6
	(3.2)	(12.1)	(13.2)	—	(28.5)
Income (loss) before income taxes	(0.2)	1.5	(3.6)	—	(2.3)
Income tax (provision) benefit	—	(4.5)	(7.3)	—	(11.8)
Equity in net earnings of affiliated companies and subsidiaries	(24.6)	(21.6)	0.3	46.3	0.4
Net income (loss) from continuing operations	(24.8)	(24.6)	(10.6)	46.3	(13.7)
Net income (loss) from discontinued operations, net of taxes	—	—	(9.0)	—	(9.0)
Net income (loss) including noncontrolling interest	(24.8)	(24.6)	(19.6)	46.3	(22.7)
Less: net income (loss) attributable to noncontrolling interest	—	—	2.1	—	2.1
Net income (loss) attributable to Company common shareholders	\$ (24.8)	\$ (24.6)	\$ (21.7)	\$ 46.3	\$ (24.8)
Comprehensive income (loss):					
Net income (loss)	\$ (24.8)	\$ (24.6)	\$ (19.6)	\$ 46.3	\$ (22.7)
Currency translation gain (loss)	10.4	10.4	4.2	(16.0)	9.0
Defined benefit plan adjustments, net of tax	4.1	4.1	3.4	(7.4)	4.2
Comprehensive income (loss), net of tax	(10.3)	(10.1)	(12.0)	22.9	(9.5)
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	—	—	0.8	—	0.8
Comprehensive income (loss) attributable to Company common shareholders, net of tax	\$ (10.3)	\$ (10.1)	\$ (12.8)	\$ 22.9	\$ (10.3)

Condensed Statements of Operations and Comprehensive Income (Loss) Information
Six Fiscal Months Ended July 3, 2015

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	\$ —	\$ 1,043.5	\$ 1,241.0	\$ —	\$ 2,284.5
Intercompany	38.2	124.7	83.3	(246.2)	—
	38.2	1,168.2	1,324.3	(246.2)	2,284.5
Cost of sales	—	1,026.9	1,228.7	(208.0)	2,047.6
Gross profit	38.2	141.3	95.6	(38.2)	236.9
Selling, general and administrative expenses	36.5	88.9	108.1	(38.2)	195.3
Intangible asset impairment charges	—	—	1.7	—	1.7
Operating income (loss)	1.7	52.4	(14.2)	—	39.9
Other income (expense)	0.7	(4.0)	(28.5)	—	(31.8)
Interest income (expense):					
Interest expense	(29.8)	(33.6)	(19.2)	32.9	(49.7)
Interest income	28.6	4.3	1.0	(32.9)	1.0
	(1.2)	(29.3)	(18.2)	—	(48.7)
Income (loss) before income taxes	1.2	19.1	(60.9)	—	(40.6)
Income tax (provision) benefit	(0.8)	6.6	(1.7)	—	4.1
Equity in net earnings of affiliated companies and subsidiaries	(45.4)	(71.1)	0.1	116.6	0.2
Net income (loss) from continuing operations	(45.0)	(45.4)	(62.5)	116.6	(36.3)
Net income (loss) from discontinued operations, net of taxes	—	—	(13.0)	—	(13.0)
Net income (loss) including noncontrolling interest	(45.0)	(45.4)	(75.5)	116.6	(49.3)
Less: net income (loss) attributable to noncontrolling interest	—	—	(4.3)	—	(4.3)
Net income (loss) attributable to Company common shareholders	\$ (45.0)	\$ (45.4)	\$ (71.2)	\$ 116.6	\$ (45.0)
Comprehensive income (loss):					
Net income (loss)	\$ (45.0)	\$ (45.4)	\$ (75.5)	\$ 116.6	\$ (49.3)
Currency translation gain (loss)	(53.8)	(53.8)	(36.2)	85.6	(58.2)
Defined benefit plan adjustments, net of tax	4.8	4.8	2.4	(7.2)	4.8
Comprehensive income (loss), net of tax	(94.0)	(94.4)	(109.3)	195.0	(102.7)
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	—	—	(8.7)	—	(8.7)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	\$ (94.0)	\$ (94.4)	\$ (100.6)	\$ 195.0	\$ (94.0)

Condensed Statements of Operations and Comprehensive Income (Loss) Information
Six Fiscal Months Ended June 27, 2014

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	\$ —	\$ 1,018.4	\$ 1,670.4	\$ —	\$ 2,688.8
Intercompany	33.1	145.9	115.3	(294.3)	—
	33.1	1,164.3	1,785.7	(294.3)	2,688.8
Cost of sales	—	1,030.6	1,675.4	(261.2)	2,444.8
Gross profit	33.1	133.7	110.3	(33.1)	244.0
Selling, general and administrative expenses	27.2	88.6	126.6	(33.1)	209.3
Goodwill impairment charge	—	—	93.5	—	93.5
Intangible asset impairment charges	—	2.1	72.9	—	75.0
Operating income (loss)	5.9	43.0	(182.7)	—	(133.8)
Other income (expense)	—	(2.7)	(90.1)	—	(92.8)
Interest income (expense):					
Interest expense	(31.4)	(32.4)	(26.7)	34.6	(55.9)
Interest income	27.3	7.3	1.5	(34.6)	1.5
	(4.1)	(25.1)	(25.2)	—	(54.4)
Income (loss) before income taxes	1.8	15.2	(298.0)	—	(281.0)
Income tax (provision) benefit	(0.3)	(5.2)	9.8	—	4.3
Equity in net earnings of affiliated companies and subsidiaries	(341.7)	(351.7)	0.4	693.6	0.6
Net income (loss) from continuing operations	(340.2)	(341.7)	(287.8)	693.6	(276.1)
Net income (loss) from discontinued operations, net of taxes	—	—	(86.0)	—	(86.0)
Net income (loss) including noncontrolling interest	(340.2)	(341.7)	(373.8)	693.6	(362.1)
Less: net income (loss) attributable to noncontrolling interest	—	—	(21.9)	—	(21.9)
Net income (loss) attributable to Company common shareholders	\$ (340.2)	\$ (341.7)	\$ (351.9)	\$ 693.6	\$ (340.2)
Comprehensive income (loss):					
Net income (loss)	\$ (340.2)	\$ (341.7)	\$ (373.8)	\$ 693.6	\$ (362.1)
Currency translation gain (loss)	0.6	0.6	(3.9)	0.9	(1.8)
Defined benefit plan adjustments, net of tax	5.0	5.0	3.6	(8.5)	5.1
Comprehensive income (loss), net of tax	(334.6)	(336.1)	(374.1)	686.0	(358.8)
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	—	—	(24.2)	—	(24.2)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	\$ (334.6)	\$ (336.1)	\$ (349.9)	\$ 686.0	\$ (334.6)

Condensed Balance Sheets Information
July 3, 2015

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ —	\$ 4.2	\$ 98.1	\$ —	\$ 102.3
Receivables, net of allowances	—	272.4	584.9	—	857.3
Inventories	—	382.2	515.6	—	897.8
Deferred income taxes	—	28.3	8.0	—	36.3
Prepaid expenses and other	1.5	19.5	46.7	—	67.7
Current assets of discontinued operations	—	—	252.7	—	252.7
Total current assets	1.5	706.6	1,506.0	—	2,214.1
Property, plant and equipment, net	0.5	200.3	403.2	—	604.0
Deferred income taxes	—	26.6	27.4	(26.6)	27.4
Intercompany accounts	1,138.5	204.2	62.8	(1,405.5)	—
Investment in subsidiaries	175.6	715.8	—	(891.4)	—
Goodwill	—	13.8	9.5	—	23.3
Intangible assets, net	—	10.5	33.5	—	44.0
Unconsolidated affiliated companies	—	8.4	0.3	—	8.7
Other non-current assets	11.4	30.7	20.5	—	62.6
Non-current assets of discontinued operations	—	—	106.0	—	106.0
Total assets	\$ 1,327.5	\$ 1,916.9	\$ 2,169.2	\$ (2,323.5)	\$ 3,090.1
Liabilities and Total Equity					
Current liabilities:					
Accounts payable	\$ —	\$ 155.8	\$ 469.9	\$ —	\$ 625.7
Accrued liabilities	11.5	114.2	212.3	—	338.0
Current portion of long-term debt	—	—	217.9	—	217.9
Current liabilities of discontinued operations	—	—	128.5	—	128.5
Total current liabilities	11.5	270.0	1,028.6	—	1,310.1
Long-term debt	779.7	180.1	9.7	—	969.5
Deferred income taxes	191.6	—	17.7	(26.6)	182.7
Intercompany accounts	—	1,205.5	200.0	(1,405.5)	—
Other liabilities	1.6	85.7	119.0	—	206.3
Non-current liabilities of discontinued operations	—	—	15.5	—	15.5
Total liabilities	984.4	1,741.3	1,390.5	(1,432.1)	2,684.1
Redeemable noncontrolling interest	—	—	18.2	—	18.2
Total Company shareholders' equity	343.1	175.6	715.8	(891.4)	343.1
Noncontrolling interest	—	—	44.7	—	44.7
Total liabilities, redeemable noncontrolling interest and equity	\$ 1,327.5	\$ 1,916.9	\$ 2,169.2	\$ (2,323.5)	\$ 3,090.1

Condensed Balance Sheets Information
December 31, 2014

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ —	\$ 1.2	\$ 135.5	\$ —	\$ 136.7
Receivables, net of allowances	—	273.7	621.4	—	895.1
Inventories	—	406.9	519.7	—	926.6
Deferred income taxes	—	15.6	8.4	—	24.0
Prepaid expenses and other	1.6	30.6	67.7	—	99.9
Current assets of discontinued operations	—	—	313.8	—	313.8
Total current assets	1.6	728.0	1,666.5	—	2,396.1
Property, plant and equipment, net	0.5	209.0	461.2	—	670.7
Deferred income taxes	—	—	18.4	—	18.4
Intercompany accounts	1,280.8	402.4	94.1	(1,777.3)	—
Investment in subsidiaries	269.9	643.9	—	(913.8)	—
Goodwill	—	13.8	9.0	—	22.8
Intangible assets, net	—	11.4	39.1	—	50.5
Unconsolidated affiliated companies	—	8.3	9.2	—	17.5
Other non-current assets	12.1	33.7	25.0	—	70.8
Non-current assets of discontinued operations	—	—	119.9	—	119.9
Total assets	\$ 1,564.9	\$ 2,050.5	\$ 2,442.4	\$ (2,691.1)	\$ 3,366.7
Liabilities and Total Equity					
Current liabilities:					
Accounts payable	\$ —	\$ 106.8	\$ 445.9	\$ —	\$ 552.7
Accrued liabilities	11.2	114.5	254.2	—	379.9
Current portion of long-term debt	125.0	—	266.6	—	391.6
Current liabilities of discontinued operations	—	—	158.6	—	158.6
Total current liabilities	136.2	221.3	1,125.3	—	1,482.8
Long-term debt	778.8	136.8	18.3	—	933.9
Deferred income taxes	196.8	(40.9)	22.4	—	178.3
Intercompany accounts	—	1,374.5	402.8	(1,777.3)	—
Other liabilities	1.0	88.9	138.8	—	228.7
Non-current liabilities of discontinued operations	—	—	16.0	—	16.0
Total liabilities	1,112.8	1,780.6	1,723.6	(1,777.3)	2,839.7
Redeemable noncontrolling interest	—	—	13.8	—	13.8
Total Company shareholders' equity	452.1	269.9	643.9	(913.8)	452.1
Noncontrolling interest	—	—	61.1	—	61.1
Total liabilities, redeemable noncontrolling interest and equity	\$ 1,564.9	\$ 2,050.5	\$ 2,442.4	\$ (2,691.1)	\$ 3,366.7

Condensed Statements of Cash Flows Information
Six Fiscal Months Ended July 3, 2015

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash flows of operating activities from continuing operations	\$ 3.2	\$ 142.1	\$ (9.6)	\$ (6.9)	\$ 128.8
Net cash flows of operating activities from discontinued operations	—	—	0.7	—	0.7
Net cash flows of operating activities	3.2	142.1	(8.9)	(6.9)	129.5
Cash flows of investing activities:					
Capital expenditures	—	(11.6)	(18.7)	—	(30.3)
Proceeds from properties sold	—	0.1	0.2	—	0.3
Disposal of subsidiaries, net of cash disposed of	—	—	22.7	—	22.7
Intercompany accounts	—	7.8	—	(7.8)	—
Other	—	(0.1)	0.4	—	0.3
Net cash flows of investing activities from continuing operations	—	(3.8)	4.6	(7.8)	(7.0)
Net cash flows of investing activities from discontinued operations	—	—	(4.4)	—	(4.4)
Net cash flows of investing activities	—	(3.8)	0.2	(7.8)	(11.4)
Cash flows of financing activities:					
Dividends paid to shareholders	(17.7)	—	—	—	(17.7)
Intercompany accounts	139.3	(154.3)	0.3	14.7	—
Proceeds from debt	—	1,358.1	481.7	—	1,839.8
Repayments of debt	(125.0)	(1,314.7)	(510.0)	—	(1,949.7)
Dividends paid to noncontrolling interest	—	—	(0.1)	—	(0.1)
Proceeds from exercise of stock options	0.2	—	—	—	0.2
Net cash flows of financing activities from continuing operations	(3.2)	(110.9)	(28.1)	14.7	(127.5)
Net cash flows of financing activities from discontinued operations	—	—	(3.4)	—	(3.4)
Net cash flows of financing activities	(3.2)	(110.9)	(31.5)	14.7	(130.9)
Effect of exchange rate changes on cash and cash equivalents	—	(24.4)	(13.8)	—	(38.2)
Increase (decrease) in cash and cash equivalents	—	3.0	(54.0)	—	(51.0)
Cash and cash equivalents – beginning of period	—	1.2	204.6	—	205.8
Cash and cash equivalents – end of period	\$ —	\$ 4.2	\$ 150.6	\$ —	\$ 154.8
Less cash and cash equivalents of discontinued operations	—	—	52.5	—	52.5
Cash and cash equivalents of continuing operations – end of period	\$ —	\$ 4.2	\$ 98.1	\$ —	\$ 102.3

Condensed Statements of Cash Flows Information
Six Fiscal Months Ended June 27, 2014

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash flows of operating activities from continuing operations	\$ 1.4	\$ (43.6)	\$ (53.3)	\$ —	\$ (95.5)
Net cash flows of operating activities from discontinued operations	—	—	(14.8)	—	(14.8)
Net cash flows of operating activities	1.4	(43.6)	(68.1)	—	(110.3)
Cash flows of investing activities:					
Capital expenditures	—	(13.4)	(28.5)	—	(41.9)
Proceeds from properties sold	—	0.6	0.2	—	0.8
Other	—	(1.9)	1.9	—	—
Net cash flows of investing activities from continuing operations	—	(14.7)	(26.4)	—	(41.1)
Net cash flows of investing activities from discontinued operations	—	—	(3.5)	—	(3.5)
Net cash flows of investing activities	—	(14.7)	(29.9)	—	(44.6)
Cash flows of financing activities:					
Dividends paid to shareholders	(17.8)	—	—	—	(17.8)
Excess tax benefits (deficiencies) from stock-based compensation	(0.1)	—	—	—	(0.1)
Intercompany accounts	46.9	(16.0)	(30.9)	—	—
Proceeds from debt	—	643.6	504.0	—	1,147.6
Repayments of debt	—	(570.2)	(406.2)	—	(976.4)
Purchase of noncontrolling interest	—	(1.5)	1.2	—	(0.3)
Dividends paid to noncontrolling interest	—	—	(0.7)	—	(0.7)
Repurchase of common shares	(30.7)	—	—	—	(30.7)
Proceeds from exercise of stock options	0.1	—	—	—	0.1
Net cash flows of financing activities from continuing operations	(1.6)	55.9	67.4	—	121.7
Net cash flows of financing activities from discontinued operations	—	—	(1.0)	—	(1.0)
Net cash flows of financing activities	(1.6)	55.9	66.4	—	120.7
Effect of exchange rate changes on cash and cash equivalents	—	1.9	(87.4)	—	(85.5)
Increase (decrease) in cash and cash equivalents	(0.2)	(0.5)	(119.0)	—	(119.7)
Cash and cash equivalents - beginning of period	0.2	2.2	416.4	—	418.8
Cash and cash equivalents - end of period	\$ —	\$ 1.7	\$ 297.4	\$ —	\$ 299.1
Less cash and cash equivalents of discontinued operations	—	—	69.0	—	69.0
Cash and cash equivalents of continuing operations – end of period	\$ —	\$ 1.7	\$ 228.4	\$ —	\$ 230.1

Intercompany Activity

The Parent Company and its Guarantor Subsidiaries participate in a cash pooling program. As part of this program, cash balances are generally swept on a daily basis between the Guarantor Subsidiaries' bank accounts and those of the Parent Company. There are a significant number of the Company's subsidiaries that participate in this cash pooling arrangement and there are thousands of transactions per week that occur between the Parent Company and Guarantor Subsidiaries, all of which are accounted for through the intercompany accounts.

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Parent Company transactions include interest, dividends, tax payments and intercompany sales transactions related to administrative costs incurred by the Parent Company, which are billed to Guarantor Subsidiaries on a cost-plus basis. These costs are reported in the Parent's "Selling, general and administrative expenses" on the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) Information for the respective period(s). All intercompany transactions are presumed to be settled in cash when they occur and are included in operating activities on the statement of cash flows. Non-operating cash flow changes are classified as financing activities.

A summary of cash and non-cash transactions of the Parent Company's intercompany account is provided below for the six fiscal months ended July 3, 2015 and the twelve months ended December 31, 2014:

(in millions)	July 3, 2015	December 31, 2014
Beginning Balance	\$ 1,280.8	\$ 1,305.5
Non-cash transactions		
Deferred tax	(7.1)	21.4
Equity based awards	4.2	13.8
Foreign currency and other	(0.1)	5.1
Cash transactions	(139.3)	(65.0)
Ending Balance	<u>\$ 1,138.5</u>	<u>\$ 1,280.8</u>

Dividends

There were no cash dividend payments to the Parent Company from the Guarantor Subsidiaries in the six fiscal months ended July 3, 2015 or June 27, 2014.

Parent Company Long-Term Debt

At July 3, 2015 and December 31, 2014, the Parent Company was party to the following long-term financing arrangements:

(in millions)	July 3, 2015	December 31, 2014
5.75% Senior Notes due 2022	\$ 600.0	\$ 600.0
Subordinated Convertible Notes due 2029	429.5	429.5
Debt discount on Subordinated Convertible Notes due 2029	(258.8)	(259.7)
Senior Floating Rate Notes	—	125.0
Other	9.0	9.0
Total Parent Company debt	<u>779.7</u>	<u>903.8</u>
Less current maturities	—	125.0
Parent Company Long-term debt	<u>\$ 779.7</u>	<u>\$ 778.8</u>

(in millions)	Q2 2016	Q2 2017	Q2 2018	Q2 2019	Q2 2020
Debt maturities twelve month period ending	\$ —	\$ —	\$ —	\$ —	\$ —

For long-term debt related to the Parent Company, refer to Note 9 "Long-Term Debt" of the Notes to the Condensed Consolidated Financial Statements.

Commitments and Contingencies

For contingencies and guarantees related to the Parent Company, refer to Note 18 "Commitments and Contingencies" of the Notes to the Condensed Consolidated Financial Statements.

GENERAL CABLE CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the Company's financial position, changes in financial condition and results of operations. MD&A is provided as a supplement to the Company's Condensed Consolidated Financial Statements and the accompanying Notes to Condensed Consolidated Financial Statements ("Notes") and should be read in conjunction with the Condensed Consolidated Financial Statements and Notes.

Disclosure Regarding Forward-Looking Statements

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

Actual results may differ materially from those discussed in forward-looking statements as a result of factors, risks and uncertainties over many of which we have no control. These factors, risks and uncertainties include, but are not limited to, the following: (1) general economic conditions, particularly those in the construction, energy and information technology sectors; (2) the volatility in the price of raw materials, particularly copper and aluminum; (3) impairment charges with respect to our long-lived assets; (4) our ability to execute our plan to exit all of our Asia Pacific and African operations; (5) our ability to achieve all of our anticipated cost savings associated with our previously announced global restructuring plan; (6) our ability to invest in product development, to improve the design and performance of our products; (7) economic, political and other risks of maintaining facilities and selling products in foreign countries; (8) domestic and local country price competition; (9) our ability to successfully integrate and identify acquisitions; (10) the impact of technology; (11) our ability to maintain relationships with our distributors and retailers; (12) the changes in tax rates and exposure to new tax laws; (13) our ability to adapt to current and changing industry standards; (14) our ability to execute large customer contracts; (15) our ability to maintain relationships with key suppliers; (16) the impact of fluctuations in foreign currency rates; (17) compliance with foreign and U.S. laws and regulations, including the Foreign Corrupt Practices Act; (18) our ability to negotiate extensions of labor agreements; (19) our ability to continue our uncommitted accounts payable confirming arrangements; (20) our exposure to counterparty risk in our hedging arrangements; (21) our ability to achieve target returns on investments in our defined benefit plans; (22) possible future environmental liabilities and asbestos litigation; (23) our ability to attract and retain key employees; (24) our ability to make payments on our indebtedness; (25) our ability to comply with covenants in our existing or future financing agreements; (26) lowering of one or more of our debt ratings; (27) our ability to maintain adequate liquidity; (28) our ability to maintain effective disclosure controls and procedures and internal control over financial reporting; (29) the trading price of our common stock; and (30) and other material factors.

See Item 1A of the Company's 2014 Annual Report on Form 10-K as filed with the SEC on March 2, 2015 and Part II, Item 1A of this Form 10-Q for a more detailed discussion on some of these risks.

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

Overview

The Company is a global leader in the development, design, manufacture, marketing and distribution of copper, aluminum and fiber optic wire and cable products for use in the energy, industrial, construction, specialty and communications markets. The Company additionally engages in the design, integration, and installation on a turn-key basis for products such as high and extra-high voltage terrestrial and submarine systems. In the fourth quarter of 2014, the Company reorganized its reportable segments as a result of a change to what the chief operating decision maker uses to measure profitability and allocate resources. Accordingly, the Company analyzes its worldwide operations based on four geographical segments: North America, Europe, Latin America,

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and Africa/Asia Pacific. Due to the change in reportable segments, the Company recast its prior years financial information. As of July 3, 2015, the Company manufactured its product lines in 47 manufacturing facilities and sold its products through its global operations. Additional financial information regarding the segments appears in Note 17 - Segment Information. The Company's guiding principles are as follows:

- Focusing on delivering increased returns from the Company's core strategic operations in North America, Latin America and Europe by leveraging economies of scale and capitalizing on the Company's leading positions across key markets where the Company has built long-standing customer relationships, efficient supply chains and a wide range of product offerings;
- Simplifying the geographic portfolio and reducing operational complexity by continuing on a strategy to exit its operations in Africa and Asia Pacific;
- Capitalizing on the Company's leading market positions to benefit from key end markets, such as electricity transmission and distribution, power generation and communications;
- Strengthening and expanding customer relationships by providing a diverse product line coupled with a high level of quality and customer service;
- Continuing to increase cash flow through operational excellence by leveraging the Company's operating systems, logistical expertise, Lean Six Sigma ("Lean") manufacturing tools and techniques to increase margins as well as focusing on delivering improved returns through the Company's restructuring program;
- Managing the Company's product portfolio by pursuing market share in fast growing and value added product lines, including the Company's position in turnkey projects, communications, transportation, industrial and specialty cables;
- Leveraging the Company's diversity and intellectual property through the sharing of best practices across the organization; and
- Maintaining high operational standards through compliance, sustainability, safety, and innovation.

By operating under these guiding principles, the Company has been able to build a strong market position in the areas in which it competes. The Company considers its key performance indicators to be volume, as measured in metal pounds sold, operating income, net income, adjusted operating income, earnings per share, operating cash flows, the cash conversion cycle, returns on capital employed and invested capital and working capital efficiency.

Significant Current Business Trends and Events

The wire and cable industry is competitive, mature and cost driven with minimal differentiation for many product offerings among industry participants from a manufacturing or technology standpoint. Over the last several years, the Company and the industry have experienced stable demand with pockets of relative demand strength. In certain markets, however, global demand remains below historical levels. The following are significant trends and events that affected the financial results in the three and six months ended July 3, 2015.

Effect of copper and aluminum prices

The Company's reported (GAAP) results are directly influenced by the price of copper, and to a lesser extent, aluminum. The price of copper and aluminum as traded on the London Metal Exchange ("LME") and Commodity Exchange, Inc. ("COMEX") has historically been subject to considerable volatility. The Company continues to experience volatile commodity pricing, primarily copper and aluminum, as well as volatility in other cost inputs. Volatility in the price of copper and aluminum and other raw materials, as well as fuel and energy, may in turn lead to significant fluctuations in our cost of sales or revenues. A significant portion of the Company's electric utility and telecommunications business and, to a lesser extent, the Company's electrical infrastructure business has metal escalators and de-escalators included in customer contracts under a variety of price setting and recovery formulas. The remainder of the Company's business requires that volatility in the cost of metals be recovered through negotiated price changes with customers. In these instances, the ability to change the Company's selling prices may lag the movement in metal prices by a period of time as the customer price changes are implemented.

Therefore, in the short-term, during periods of escalating raw material cost inputs, to the extent the Company is able to increase prices in the market to recover the higher raw material costs, the Company will generally experience an increase in gross profit from the sale of its relatively lower value inventory as computed under the weighted average inventory costing method. If the Company is unable to increase prices with the rise in the raw material market prices due to low levels of demand or market dynamics, the Company will experience lower gross profit. Conversely, during periods of declining raw material cost inputs, to the extent the Company has to decrease prices in the market due to competitive pressure as the current cost of metals declines, the Company will generally experience downward pressure on its gross profit due to the sale of relatively higher value inventory as computed under the weighted average inventory costing method. If the Company is able to maintain price levels in an environment in which raw material prices are declining due to high levels of demand, the Company will experience higher gross profit. There is no exact future measure of the effect to the Company's profitability of the change of raw material cost inputs due to the unique

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set of selling variables and the high volume of transactions in any given period, each of which involves numerous individual pricing decisions. In the six months ended July 3, 2015, a 1% change in copper and aluminum costs would have impacted the cost of sales by approximately \$10 million. This impact would directly impact gross profit if the Company was unable to change the price of copper and aluminum. To help reduce this volatility, the Company has implemented various pricing mechanisms and hedges a portion of its metal purchases when there is a firm price commitment for a future delivery, but the Company does not engage in speculative metals trading.

Africa and Asia Pacific divestiture program

As part of the divestiture plan, in the first quarter of 2015, the Company completed the sale of its interests in certain joint ventures including Dominion Wire and Cables ("Fiji"), 51% interest, and Keystone Electric Wire and Cable ("Keystone"), 20% interest, for cash consideration of \$9.3 million and \$11.0 million, respectively. In the fourth quarter of 2014, the Company completed the sale of its interest in Phelps Dodge International Philippines, Inc. ("PDP") and Phelps Dodge Philippines Energy Products Corporation ("PDEP") for cash consideration of \$67.1 million. On June 25, 2015, the Company announced it has reached a definitive agreement to sell substantially all of its Asia Pacific operations for cash consideration of approximately \$205 million which includes preliminary estimated net cash of \$30 million available at the closing of the purchased businesses, subject to customary working capital adjustments at the respective closing dates.

The results of the Asia Pacific Operations have been reclassified as discontinued operations for all periods presented. Previously the results of these businesses included certain allocated corporate costs, which have been reallocated to the remaining continuing operations within the Africa/Asia Pacific segment on a retrospective basis. As a result of the Company's strategic shift out of the Asia Pacific Operations, the Africa/Asia Pacific segment is now comprised primarily of the Company's Africa businesses. The financial results of the Company's Africa businesses are presented as continuing operations in the Condensed Consolidated Financial Statements.

Restructuring activities

In July 2014, the Company announced that it was implementing a restructuring program. The restructuring program, which builds on previously launched productivity and asset optimization plans, generated approximately \$16 million of savings in the first half of 2015, and is expected to generate ongoing annual savings of approximately \$90 million beginning in 2016. The restructuring program is focused on the closure of certain underperforming assets as well as the consolidation and realignment of other facilities. The Company is also implementing reductions in SG&A expenses globally. The restructuring program related to continuing operations is expected to result in cumulative pre-tax charges of approximately \$210 million, which includes approximately \$85 million of cash costs. The remainder of the charges are expected to be non-cash, primarily related to accelerated depreciation and the write-off of property, plant and equipment resulting from facility closures, as well as asset impairment charges for asset groups to be held-and-used in locations which are being restructured and it has been determined the undiscounted cash flows expected to result from the use and eventual disposition of the assets are less than their carrying value. In the three and six months ended July 3, 2015, costs incurred were \$3.7 million and \$7.6 million in the North America segment, \$12.4 million and \$21.5 million in the Europe segment, and \$3.1 million and \$6.0 million in the Latin America segment. These actions are anticipated to result in the elimination of approximately 1,200 positions globally, representing nearly 9% of our workforce.

Events affecting Venezuelan Operations

A new Venezuelan currency exchange system, known as the "Marginal Currency System" (or "SIMADI"), opened for trading on February 12, 2015, replacing the previous SICAD 2 mechanism. The SIMADI is intended to provide limited access to a free market rate of exchange. The only way to obtain USD through SIMADI is through the supply and demand available within Venezuela's financial institutions. The Company believes that significant uncertainty exists regarding the exchange mechanisms in Venezuela, including how any such mechanisms will operate in the future and the availability of U.S. dollars under each mechanism including SIMADI. As of July 3, 2015, the Company has participated in several SIMADI auctions, but has not been awarded any U.S. dollars. Further, the low dollar values awarded are generally not sufficient to purchase needed quantities of copper pounds. However, to maintain liquidity the Company intends to participate in future auctions, if sufficient dollars become available. Although there were uncertainties related to the SIMADI auctions, at July 3, 2015 the Company believed the SIMADI floating rate would be applicable for future dividend remittances.

In the first half of 2015, operating results of the Venezuelan subsidiary continued to decline due to the Venezuelan government's foreign exchange laws, price controls and social unrest. Economic conditions, including low demand principally due to weak infrastructure investment, as well as ongoing sourcing challenges and government intervention in labor management matters have caused significant declines in sales and production levels at our Venezuelan operations. As of July 3, 2015, the Venezuelan subsidiary does not have the immediate ability to pay for copper imports and ceased manufacturing operations until copper becomes available. The copper plant has been idle since February 2015, and the aluminum plant is producing at extremely low levels. As of July 3, 2015, the Venezuelan government's default risk remained high as external finances continued to deteriorate due to the

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strong decrease in oil prices and downgrade in its credit rating. The Company's ability to manage labor force reductions, decisions about product mix, pricing, and sourcing of raw materials or other inputs into the production process is becoming increasingly restrictive. Additional financial information regarding the Venezuela operations appears in Note 21 - Venezuelan Operations.

Seasonality

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

Other Trends

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

- Global demand and pricing are uneven as a result of macroeconomic factors, and therefore, continues to hamper growth in key end markets;
- Currency volatility and continued political uncertainty in certain markets;
- Volatility in the price of copper and aluminum;
- Competitive price pressures in certain markets;
- New commodity deposits are more difficult to find, harder and more expensive to extract, and lower in quantities;
- End market demand in Latin America continues to be hampered by inconsistent construction spending and electrical infrastructure investment;
- Recovery is slow in Europe and demand continues to be uneven for a broad spectrum of products in Europe;
- The U.S. market has remained relatively stable compared to the uneven and challenging operating environments of the emerging economies;
- New communications networks are an enabling technology, which require communication infrastructure investment;
- Climate change concerns are resulting in increased regulatory energy mandates, emphasizing renewable sources of energy;
- Project timing continues to be volatile thereby impacting demand in all segments; and
- Countries are seeking greater energy independence for political and economic reasons.

The Company's overall financial results discussed in this section of the quarterly report reflect the above trends.

Results of Operations

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

	Three Fiscal Months Ended				Six Fiscal Months Ended			
	July 3, 2015		June 27, 2014		July 3, 2015		June 27, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	\$ 1,113.4	100.0 %	\$ 1,387.3	100.0 %	\$ 2,284.5	100.0 %	\$ 2,688.8	100.0 %
Cost of sales	990.2	88.9 %	1,261.1	90.9 %	2,047.6	89.6 %	2,444.8	90.9 %
Gross profit	123.2	11.1 %	126.2	9.1 %	236.9	10.4 %	244.0	9.1 %
Selling, general and administrative expenses	97.8	8.8 %	101.3	7.3 %	195.3	8.5 %	209.3	7.8 %
Goodwill impairment charge	—	—%	—	—%	—	—%	93.5	3.5 %
Intangible asset impairment charges	1.7	0.2 %	2.1	0.2 %	1.7	0.1 %	75.0	2.8 %
Operating income (loss)	23.7	2.1 %	22.8	1.6 %	39.9	1.7 %	(133.8)	(5.0)%
Other income (expense)	(6.0)	(0.5)%	3.4	0.2 %	(31.8)	(1.4)%	(92.8)	(3.5)%
Interest expense, net	(24.8)	(2.2)%	(28.5)	(2.1)%	(48.7)	(2.1)%	(54.4)	(2.0)%
Income (loss) before income taxes	(7.1)	(0.6)%	(2.3)	(0.2)%	(40.6)	(1.8)%	(281.0)	(10.5)%
Income tax (provision) benefit	5.5	0.5 %	(11.8)	(0.9)%	4.1	0.2 %	4.3	0.2 %
Equity in net earnings of affiliated companies	—	—%	0.4	—%	0.2	—%	0.6	—%
Net income (loss) from continuing operations	(1.6)	(0.1)%	(13.7)	(1.0)%	(36.3)	(1.6)%	(276.1)	(10.3)%
Net income (loss) from discontinued operations, net of taxes	(6.8)	(0.6)%	(9.0)	(0.6)%	(13.0)	(0.6)%	(86.0)	(3.2)%
Net income (loss) including noncontrolling interest	(8.4)	(0.8)%	(22.7)	(1.6)%	(49.3)	(2.2)%	(362.1)	(13.5)%
Less: net income (loss) attributable to noncontrolling interest	(1.5)	(0.1)%	2.1	0.2 %	(4.3)	(0.2)%	(21.9)	(0.8)%
Net income (loss) attributable to Company common shareholders	<u>\$ (6.9)</u>	<u>(0.6)%</u>	<u>\$ (24.8)</u>	<u>(1.8)%</u>	<u>\$ (45.0)</u>	<u>(2.0)%</u>	<u>\$ (340.2)</u>	<u>(12.7)%</u>

Three Fiscal Months Ended July 3, 2015 Compared with Three Fiscal Months Ended June 27, 2014 - Continuing Operations

Net Sales

The following tables set forth net sales, metal-adjusted net sales, and metal pounds sold by segment, in millions. For the metal-adjusted net sales results, net sales for the three months ended June 27, 2014 have been adjusted to reflect the three months ended July 3, 2015 copper average price of \$2.77 per pound (a \$0.33 decrease compared to the same period in 2014) and the aluminum average price of \$0.92 per pound (a \$0.08 decrease compared to the same period in 2014). Metal-adjusted net sales, a non-GAAP financial measure, are provided herein in order to eliminate an estimate of metal price volatility from the comparison of revenues from one period to another. The comparable GAAP financial measure is set forth below.

See previous discussion of metal price volatility in “Significant Current Business Trends and Events - Effect of copper and aluminum prices”.

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	Net Sales Three Fiscal Months Ended			
	July 3, 2015		June 27, 2014	
	Amount	%	Amount	%
North America	\$ 609.4	55%	\$ 645.3	47%
Europe	250.9	23%	349.7	25%
Latin America	188.8	17%	302.3	22%
Africa/Asia Pacific	64.3	5%	90.0	6%
Total net sales	<u>\$ 1,113.4</u>	<u>100%</u>	<u>\$ 1,387.3</u>	<u>100%</u>

	Metal-Adjusted Net Sales Three Fiscal Months Ended			
	July 3, 2015		June 27, 2014	
	Amount	%	Amount	%
North America	\$ 609.4	55%	\$ 616.4	47%
Europe	250.9	23%	337.3	26%
Latin America	188.8	17%	281.8	21%
Africa/Asia Pacific	64.3	5%	84.7	6%
Total metal-adjusted net sales	<u>\$ 1,113.4</u>	<u>100%</u>	<u>\$ 1,320.2</u>	<u>100%</u>
Metal adjustment	—		67.1	
Total net sales	<u>\$ 1,113.4</u>		<u>\$ 1,387.3</u>	

	Metal Pounds Sold Three Fiscal Months Ended			
	July 3, 2015		June 27, 2014	
	Pounds	%	Pounds	%
North America	138.7	55%	134.3	46%
Europe	41.4	16%	53.8	18%
Latin America	56.7	22%	84.5	29%
Africa/Asia Pacific	16.4	7%	19.4	7%
Total metal pounds sold	<u>253.2</u>	<u>100%</u>	<u>292.0</u>	<u>100%</u>

Net sales decreased \$273.9 million to \$1,113.4 million for the three months ended July 3, 2015 from \$1,387.3 million for the three months ended June 27, 2014. After adjusting the three months ended June 27, 2014 net sales to reflect the \$0.33 decrease in the average monthly copper price per pound and the \$0.08 decrease in the average monthly aluminum price per pound, net sales of \$1,113.4 million reflects a decrease of \$206.8 million, or 16%, from the metal adjusted net sales of \$1,320.2 million in the three months ended June 27, 2014. Volume, as measured by metal pounds sold, decreased 38.8 million pounds, or 13%, to 253.2 million pounds in the three months ended July 3, 2015 as compared to 292.0 million pounds for the three months ended June 27, 2014. Metal pounds sold, a non-GAAP measure, is provided herein as the Company believes this metric to be an appropriate measure of sales volume since it is not impacted by metal prices or foreign currency exchange rate changes. The decrease in sales on a metal adjusted basis is primarily due to unfavorable foreign currency exchange rate changes of \$152.3 million on the translation of reported revenues and lower volume of \$77.1 million partially offset by favorable selling price and product mix of approximately \$22.6 million.

Metal-adjusted net sales in the North America segment decreased \$7.0 million, or 1%. The decrease in sales on a metal adjusted basis is primarily due to unfavorable foreign currency exchange rate changes of \$10.6 million on the translation of reported revenues, principally related to the Canadian dollar, and unfavorable selling price and product mix of approximately \$5.1 million partially offset by increased volume of \$8.7 million. Volume, as measured by metal pounds sold, increased 4.4 million pounds, or 3%, in the three months ended July 3, 2015 compared to the three months ended June 27, 2014. The increase was primarily attributable to favorable market demand for electric utility distribution products coupled with volume improvement in the Company's communication and aluminum rod businesses.

Metal-adjusted net sales in the Europe segment decreased \$86.4 million, or 26%. The decrease in sales on a metal adjusted basis is due to unfavorable foreign currency exchange rate changes of \$67.4 million on the translation of reported revenues and lower volume of \$24.7 million partially offset by favorable selling price and product mix of approximately \$5.7 million. Volume, as

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measured by metal pounds sold, decreased by 12.4 million pounds, or 23%, for the three months ended July 3, 2015 compared to the three months ended June 27, 2014. The decrease in demand was primarily attributable to exiting of certain businesses as a result of the Company's restructuring program initiated in July 2014 and lower project turnkey activity in the three months ended July 3, 2015 compared to the three months ended June 27, 2014.

Metal-adjusted net sales in the Latin America segment decreased \$93.0 million or 33%. The decrease in metal adjusted net sales is primarily due to unfavorable foreign currency exchange rate changes of \$61.5 million on the translation of reported revenues due to the weakening of certain currencies in Latin America relative to the U.S. dollar and decreased volume of \$55.3 million, partially offset by favorable selling price and product mix of approximately \$23.8 million. Volume, as measured by metal pounds sold, decreased by 27.8 million pounds, or 33%, in the three months ended July 3, 2015 compared to the three months ended June 27, 2014. The decrease in volume sold is primarily attributable to decreased demand for aerial transmission projects in Brazil, economic and political instability in Venezuela and decreased Chilean copper rod sales within the region in the three months ended July 3, 2015 as compared to the three months ended June 27, 2014.

Metal-adjusted net sales in the Africa/Asia Pacific segment decreased \$20.4 million or 24%. The decrease in sales on a metal adjusted basis reflects unfavorable foreign currency exchange rate changes of \$12.8 million on the translation of reported revenues primarily due to the weakening of certain currencies in Africa relative to the U.S. dollar, decreased volume of \$5.8 million and unfavorable selling price and product mix of approximately \$1.8 million. Volume, as measured by metal pounds sold, decreased by 3.0 million pounds, or 15%, in the three months ended July 3, 2015 compared to the three months ended June 27, 2014. The decrease in volume sold is primarily attributable to weak economic conditions in Africa.

Cost of Sales

Cost of sales decreased \$270.9 million to \$990.2 million in the three months ended July 3, 2015 from \$1,261.1 million in the three months ended June 27, 2014. The percentage decrease in cost of sales is consistent with the percentage decrease in sales. As previously noted, cost of sales is raw material intensive with copper and aluminum comprising the major cost components for cable products. At current metal prices, material costs are approximately 85% of total product costs with copper and aluminum metal costs comprising approximately 50% of total product cost.

Gross Profit

Gross profit decreased \$3.0 million, or 2% for the three months ended July 3, 2015 as compared to the three months ended June 27, 2014. Gross profit as a percentage of sales was 11% and 9% for the three months ended July 3, 2015 and June 27, 2014, respectively. The increase in gross profit margin is primarily due to strong production and contract service and installation activity in the submarine turnkey project business and the benefit of global restructuring initiatives in the three months ended July 3, 2015.

Selling, General and Administrative Expense

Selling, general and administrative expense ("SG&A") decreased \$3.5 million, or 3% for the three months ended July 3, 2015 as compared to the three months ended June 27, 2014 primarily due to the benefit of global restructuring initiatives which have lowered the Company's ongoing SG&A base and a favorable impact of \$10.5 million related to foreign currency exchange rate changes, partially offset by costs incurred as part of the global restructuring plan of \$16.8 million. SG&A as a percentage of metal-adjusted net sales was approximately 9% and 8% for the three months ended July 3, 2015 and June 27, 2014, respectively.

Operating Income (Loss)

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

	Operating Income (Loss)			
	Three Fiscal Months Ended			
	July 3, 2015		June 27, 2014	
	Amount	%	Amount	%
North America	\$ 30.9	130 %	\$ 18.9	83 %
Europe	(1.2)	(5)%	14.9	65 %
Latin America	(2.5)	(11)%	(15.2)	(67)%
Africa/Asia Pacific	(3.5)	(14)%	4.2	19 %
Total operating income (loss)	\$ 23.7	100 %	\$ 22.8	100 %

The increase in operating income for the North America segment of \$12.0 million was primarily due to \$7.9 million in costs related to the permanent closure of two electric utility plants and charges related to the implementation of a productivity and cost savings

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plan in North America in the three months ended June 27, 2014, the benefit of restructuring initiatives in the three months ended July 3, 2015 and the increase in demand noted above, partially offset by employee separation and other costs of \$3.7 million related to the global restructuring plan recognized in the three months ended July 3, 2015.

The decrease in operating income for the Europe segment of \$16.1 million was primarily driven by costs incurred as part of the global restructuring plan of \$12.4 million in the three months ended July 3, 2015.

The increase in operating income for the Latin America segment of \$12.7 million was primarily attributable to the benefit of global restructuring initiatives for the three months ended July 3, 2015 and the recognition of a non-cash asset-related cost of \$6.9 million related to the global restructuring plan recognized in the three months ended June 27, 2014, partially offset by costs of \$3.1 million related to the global restructuring plan recognized in the three months ended July 3, 2015.

The decrease in operating income for the Africa/Asia Pacific segment of \$7.7 million was primarily attributable to the weak economic conditions in Africa.

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 July 3, 2015 and June 27, 2014, the Company recorded other expense of \$6.0 million and other income of \$3.4 million, respectively. For the three months ended July 3, 2015, other expense was primarily attributable to \$3.6 million related to other foreign currency transaction losses and \$2.4 million related to losses on derivative instruments that were not designated as cash flow hedges. For the three months ended June 27, 2014, other income included \$3.6 million related to gains on derivative instruments that were not designated as cash flow hedges.

Refer to Note 21 - Venezuelan Operations for recent developments regarding the Company's Venezuelan operations.

Interest Expense

Net interest expense decreased to \$24.8 million for the three months ended July 3, 2015 from \$28.5 million for the three months ended June 27, 2014 primarily attributable to reductions in working capital in Latin America and applying divestiture sale proceeds to reduce debt in the three months ended July 3, 2015 as well as the incremental interest expense on the Company's Senior Floating Rate Notes recognized in the three months ended June 27, 2014.

Tax Provision

The Company's effective tax rate for the three months ended July 3, 2015 and June 27, 2014 was 77.5% and (513.0%) respectively. The high effective tax rate for the three months ended July 3, 2015 was primarily due to \$11.9 million of tax benefits associated with the recording of a deferred tax asset on the outside tax over book basis in the shares of the Thailand business resulting from the pending sale in the third quarter of 2015. This is partially offset by no tax benefit being recognized on \$24.2 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets. The large negative effective tax rate for the three months ended June 27, 2014 was primarily due to no tax benefit being recognized on \$10.1 million of asset impairments and \$13.4 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets. Pre-tax loss was extremely low for both three month periods which also contributed to the volatile effective tax rates.

Six Fiscal Months Ended July 3, 2015 Compared with Six Fiscal Months Ended June 27, 2014 - Continuing Operations

Net Sales

The following tables set forth net sales, metal-adjusted net sales, and metal pounds sold by segment, in millions. For the metal-adjusted net sales results, net sales for the six months ended June 27, 2014 have been adjusted to reflect the six months ended July 3, 2015 copper average price of \$2.72 per pound (a \$0.45 decrease compared to the same period in 2014) and the aluminum average price of \$0.98 per pound (consistent with the same period in 2014). Metal-adjusted net sales, a non-GAAP financial measure, are provided herein in order to eliminate an estimate of metal price volatility from the comparison of revenues from one period to another. The comparable GAAP financial measure is set forth below.

See previous discussion of metal price volatility in "Significant Current Business Trends and Events - Effect of copper and aluminum prices".

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	Net Sales Six Fiscal Months Ended			
	July 3, 2015		June 27, 2014	
	Amount	%	Amount	%
North America	\$ 1,247.6	55%	\$ 1,240.0	46%
Europe	512.7	22%	672.8	25%
Latin America	394.1	17%	591.0	22%
Africa/Asia Pacific	130.1	6%	185.0	7%
Total net sales	\$ 2,284.5	100%	\$ 2,688.8	100%

	Metal-Adjusted Net Sales Six Fiscal Months Ended			
	July 3, 2015		June 27, 2014	
	Amount	%	Amount	%
North America	\$ 1,247.6	55%	\$ 1,184.8	47%
Europe	512.7	22%	644.1	25%
Latin America	394.1	17%	546.8	21%
Africa/Asia Pacific	130.1	6%	171.6	7%
Total metal-adjusted net sales	\$ 2,284.5	100%	\$ 2,547.3	100%
Metal adjustment	—		141.5	
Total net sales	\$ 2,284.5		\$ 2,688.8	

	Metal Pounds Sold Six Fiscal Months Ended			
	July 3, 2015		June 27, 2014	
	Pounds	%	Pounds	%
North America	284.8	54%	269.0	47%
Europe	83.1	16%	105.2	18%
Latin America	125.1	24%	160.5	28%
Africa/Asia Pacific	33.8	6%	39.1	7%
Total metal pounds sold	526.8	100%	573.8	100%

Net sales decreased \$404.3 million to \$2,284.5 million for the six months ended July 3, 2015 from \$2,688.8 million for the six months ended June 27, 2014. After adjusting the six months ended June 27, 2014 net sales to reflect the \$0.45 decrease in the average monthly copper price per pound and no change in the average monthly aluminum price per pound, net sales of \$2,284.5 million reflects a decrease of \$262.8 million, or 10%, from the metal adjusted net sales of \$2,547.3 million in six months ended June 27, 2014. Volume, as measured by metal pounds sold, decreased 47.0 million pounds, or 8%, to 526.8 million pounds in the six months ended July 3, 2015 as compared to 573.8 million pounds for the six months ended June 27, 2014. Metal pounds sold, a non-GAAP measure, is provided herein as the Company believes this metric to be an appropriate measure of sales volume since it is not impacted by metal prices or foreign currency exchange rate changes. The decrease in sales on a metal adjusted basis is primarily due to unfavorable foreign currency exchange rate changes of \$296.1 million on the translation of reported revenues, decreased volume of \$93.3 million, partially offset by favorable selling price and product mix of approximately \$126.6 million.

Metal-adjusted net sales in the North America segment increased \$62.8 million, or 5%. The increase in sales on a metal adjusted basis is due to increased volume of \$31.4 million and favorable selling price and product mix of approximately \$53.9 million, partially offset by unfavorable foreign currency exchange rate changes of \$22.5 million on the translation of reported revenues, principally related to the Canadian dollar. Volume, as measured by metal pounds sold, increased 15.8 million pounds, or 6%, in the six months ended July 3, 2015 compared to the six months ended June 27, 2014. The increase was primarily attributable to favorable market demand for electric utility distribution products coupled with volume improvement in the Company's building wire and aluminum rod businesses.

Metal-adjusted net sales in the Europe segment decreased \$131.4 million, or 20%. The decrease in sales on a metal adjusted basis is due to unfavorable foreign currency exchange rate changes of \$126.1 million on the translation of reported revenues and lower volume of \$43.9 million, partially offset by favorable selling price and product mix of approximately \$38.6 million. Volume, as measured by metal pounds sold, decreased by 22.1 million pounds, or 21%, for the six months ended July 3, 2015 compared to

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the six months ended June 27, 2014. The decrease in demand was primarily attributable to exiting of certain businesses as a result of the Company's restructuring program initiated in July 2014 and lower demand for export activity for the six months ended July 3, 2015 compared to the six months ended June 27, 2014.

Metal-adjusted net sales in the Latin America segment decreased \$152.7 million or 28%. The decrease in metal adjusted net sales is primarily due to unfavorable foreign currency exchange rate changes of \$122.4 million on the translation of reported revenues due to the weakening of certain currencies in Latin America relative to the U.S. dollar and decreased volume of \$70.3 million, partially offset by favorable selling price and product mix of approximately \$40.0 million. Volume, as measured by metal pounds sold, decreased by 35.4 million pounds, or 22%, in the six months ended July 3, 2015 compared to the six months ended June 27, 2014. The decrease in volume sold is primarily attributable to economic and political instability in Venezuela, decreased Chilean copper rod sales within the region and decreased Brazil aerial transmission projects in the six months ended July 3, 2015 compared to the six months ended June 27, 2014.

Metal-adjusted net sales in the Africa/Asia Pacific segment decreased \$41.5 million or 24%. The decrease in sales on a metal adjusted basis reflects unfavorable foreign currency exchange rate changes of \$25.1 million on the translation of reported revenues primarily due to the weakening of certain currencies in Africa relative to the U.S. dollar, decreased volume of \$10.5 million and unfavorable selling price and product mix of approximately \$5.9 million. Volume, as measured by metal pounds sold, decreased by 5.3 million pounds, or 14%, in the six months ended July 3, 2015 compared to the six months ended June 27, 2014. The decrease in volume sold is primarily attributable to the weak economic conditions in Africa.

Cost of Sales

Cost of sales decreased \$397.2 million to \$2,047.6 million in the six months ended July 3, 2015 from \$2,444.8 million in the six months ended June 27, 2014. The percentage decrease in cost of sales is consistent with the percentage decrease in sales. As previously noted, cost of sales is raw material intensive with copper and aluminum comprising the major cost components for cable products. At current metal prices, material costs are approximately 85% of total product costs with copper and aluminum metal costs comprising approximately 50% of total product cost.

Gross Profit

Gross profit decreased \$7.1 million, or 3% for the six months ended July 3, 2015 as compared to the six months ended June 27, 2014. Gross profit as a percentage of sales was 10% and 9% for the six months ended July 3, 2015 and June 27, 2014, respectively.

Selling, General and Administrative Expense

SG&A decreased \$14.0 million, or 7% for the six months ended July 3, 2015 as compared to the six months ended June 27, 2014 primarily due to the benefit of global restructuring initiatives which have lowered the Company's ongoing SG&A base and a favorable impact of \$19.8 million related to foreign currency exchange rate changes, partially offset by costs incurred as part of the global restructuring plan of \$23.6 million. SG&A as a percentage of metal-adjusted net sales was approximately 9% and 8% for the six months ended July 3, 2015 and June 27, 2014, respectively.

Operating Income (Loss)

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

	Operating Income (Loss)			
	Six Fiscal Months Ended			
	July 3, 2015		June 27, 2014	
	Amount	%	Amount	%
North America	\$ 60.5	151 %	\$ 51.6	(39)%
Europe	4.7	12 %	4.6	(3)%
Latin America	(18.4)	(46)%	(180.2)	135 %
Africa/Asia Pacific	(6.9)	(17)%	(9.8)	7 %
Total operating income (loss)	\$ 39.9	100 %	\$ (133.8)	100 %

The increase in operating income for the North America segment of \$8.9 million was primarily due to the benefit of restructuring initiatives and the increase in demand noted above in the six months ended July 3, 2015 and due to \$7.9 million in costs related to the permanent closure of two electric utility plants and charges related to the implementation of a productivity and cost savings plan in North America in the six months ended June 27, 2014, partially offset by employee separation and other costs of \$7.6 million related to the global restructuring plan recognized in the six months ended July 3, 2015.

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The increase in operating income for the Europe segment of \$0.1 million was primarily driven by the continued strong execution of the submarine turnkey project business in the the six months ended July 3, 2015 as compared to the six months ended June 27, 2014 and the benefit of restructuring initiatives partially offset by costs of \$21.5 million related to the global restructuring plan recognized in the six months ended July 3, 2015.

The increase in operating income for the Latin America segment of \$161.8 million was primarily attributable to the recognition of a goodwill and other indefinite-lived trade name impairment of \$152.0 million and non-cash asset-related cost of \$6.9 million related to the global restructuring plan recognized in the six months ended June 27, 2014, partially offset by costs of \$6.0 million related to the global restructuring plan recognized in the six months ended July 3, 2015.

The increase in operating income for the Africa/Asia Pacific segment of \$2.9 million was primarily attributable to the recognition of a goodwill and other indefinite-lived trade name impairment of \$14.4 million recognized in the six months ended June 27, 2014, partially offset by the weak economic conditions in Africa.

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 six months ended July 3, 2015 and June 27, 2014, the Company recorded other expense of \$31.8 million and \$92.8 million, respectively. For the six months ended July 3, 2015, other expense was primarily attributable to the adoption of the SIMADI currency exchange system in Venezuela and remeasurement of the local balance sheet at 197.0514 BsF per U.S. dollar which resulted in an expense of \$22.8 million, \$7.0 million related to other foreign currency transaction losses and \$2.0 million related to losses on derivative instruments that were not designated as cash flow hedges. For the six months ended June 27, 2014, other expense was primarily attributable to \$83.1 million related to a Venezuela currency devaluation, \$8.4 million related to losses on derivative instruments that were not designated as cash flow hedges and other expense of \$1.3 million related to foreign currency transaction losses.

Refer to Note 21 - Venezuelan Operations for recent developments regarding the Company's Venezuelan operations.

Interest Expense

Net interest expense decreased to \$48.7 million for the six months ended July 3, 2015 from \$54.4 million for the six months ended June 27, 2014 primarily attributable to reductions in working capital in Latin America and applying divestiture sale proceeds to reduce net debt in the six months ended July 3, 2015 as well as the incremental interest expense on the Company's Senior Floating Rate Notes recognized in the six months ended June 27, 2014.

Tax Provision

The Company's effective tax rate for the six months ended July 3, 2015 and June 27, 2014 was 10.1% and 1.5%, respectively.

The low effective tax rate on the Company's pre-tax losses for the six months ended July 3, 2015 were primarily due to the following:

- No tax benefits being available for the \$22.8 million Venezuelan currency devaluation loss and foreign currency loss in Venezuela, and
- No tax benefit being recognized on \$53.0 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets.

These factors were partially offset by the following:

- \$6.5 million of tax benefits associated with the net release of uncertain tax position reserves,
- \$4.3 million of tax benefits associated with valuation allowance releases, and
- \$11.9 million of tax benefits associated with the recording of a deferred tax asset on the outside tax over book basis in the shares of Thailand businesses resulting from the pending sale of those businesses in the third quarter of 2015.

The low effective tax rate on the Company's pre-tax losses for the six months ended June 27, 2014 were primarily due to the following:

- No tax benefits being available for the \$83.1 million Venezuelan currency devaluation loss,

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- A relatively small tax benefit of \$13.9 million was recorded on \$184.5 million pre-tax charges related to asset impairments, and
- No tax benefit being recognized on \$38.1 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets.

These factors were partially offset by the following:

- \$4.6 million of tax benefits associated with the net release of uncertain tax position reserves.

Liquidity and Capital Resources

Cash flows from operations as well as borrowings under the Company's Revolving Credit Facility provide the primary source for financing operating expenses and other short term liquidity needs. As necessary the Company incurs additional borrowings to fund working capital needs, debt and interest payments, as well as discretionary investment in internal product development, acquisitions, cash dividends and to fund tax payments. The overall cash position of the Company reflects the business results and a global cash management strategy that incorporates liquidity management, economic factors, and tax considerations.

The Company's short term borrowings vary by period based on the Company's working capital requirements which is dependent on incremental demand for products and changes in the price of copper, aluminum, and other raw material cost inputs. At July 3, 2015, current assets exceeded current liabilities by \$904.0 million. Based upon historical experience, the cash on its balance sheet and the expected availability of funds under its credit facilities, the Company believes its sources of liquidity will be sufficient to enable it to meet funding requirements for cash dividends, working capital, capital expenditures, debt repayment, salaries and related benefits, restructuring activities, interest and taxes for the next twelve months and foreseeable future. The Company maintains approximately \$482.8 million of excess availability from continuing operations under its various credit facilities around the world. On March 31, 2015, the Company repaid its \$125.0 million of Senior Floating Rate Notes at maturity by utilizing availability under its Revolving Credit Facility.

The Company's North American and principal European operations generally borrow and repay under its Revolving Credit Facility multiple times per week for working capital needs; borrowing on a short term basis is the most effective method to reduce interest costs based on the terms of the agreement. The Company's European operations also participate in accounts payable confirming arrangements with several European financial institutions to address working capital requirements in the business. At July 3, 2015, the arrangements had a maximum availability limit of the equivalent of approximately \$245.2 million, of which approximately \$199.4 million was utilized. The Company's Latin America and Africa/Asia Pacific operations utilize various short term credit facilities for working capital purposes.

General Cable Corporation is a holding company with no operations of its own. All of the Company's operations are conducted, and net sales are generated, by its subsidiaries and investments. Accordingly, the Company's cash flow comes from the cash flows of its global operations. The Company's ability to use cash flow from its international operations, if necessary, has historically been adversely affected by limitations on the Company's ability to repatriate such earnings tax efficiently. As of July 3, 2015 and December 31, 2014, approximately 96% and 99% of cash and cash equivalents were held outside of the U.S. by the Company's foreign subsidiaries, respectively. If these funds are needed for the Company's operations in the U.S., the Company would likely be required to accrue and pay U.S. taxes to repatriate these funds. However, the Company does not foresee a need to repatriate this cash to fund U.S. operations. In addition, the Company's Revolving Credit Facility provides the Company flexibility in financing operating expenses and any other short term liquidity needs of our North American and European operations.

Our operations in Venezuela are subject to foreign exchange and price controls which have historically limited the Company's ability to convert bolivars to U.S. dollars and transfer funds out of Venezuela. Approximately 9% and 22% of the consolidated cash and cash equivalents balance as of July 3, 2015 and December 31, 2014, respectively, was held in Venezuela. Operating cash flows attributable to Venezuela were \$ 0.8 million and \$2.1 million during the six months ended July 3, 2015 and June 27, 2014, respectively. In Venezuela, government restrictions on the transfer of cash out of the country have limited the Company's ability to repatriate cash. The Company does not consider the net assets of Venezuela to be integral to the Company's ability to service its debt and operational requirements.

Summary of Cash Flows

Operating cash inflow from continuing operations of \$128.8 million for the six months ended July 3, 2015 reflects a net working capital source of \$74.4 million as compared to a net working capital use of \$141.0 million in the six months ended June 27, 2014. The favorable change in operating cash flows in the six months ended July 3, 2015 compared to the six months ended June 27, 2014 is primarily due to a smaller increase in inventory, \$24.4 million, in the six months ended July 3, 2015 compared to the increase in the six months ended June 27, 2014, \$81.5 million, due to a focus on aggressive inventory reductions targeted by

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management beginning in the latter portion of 2014 and maintained in 2015 and lower copper costs at July 3, 2015 compared to June 27, 2014 as well as a smaller increase in receivables, \$13.1 million, in the six months ended July 3, 2015 compared to the increase in the six months ended June 27, 2014, \$107.8 million, due to a focus on aggressive accounts receivable collections and a decrease of volume sold and lower metal prices in the six months ended July 3, 2015 compared to the six months ended June 27, 2014. In addition, the operating cash inflow from continuing operations of \$128.8 million for the six months ended July 3, 2015 reflects a source of \$54.4 million related to net income (loss) adjusted for depreciation and amortization, foreign currency exchange (gains) losses, deferred income taxes, non-cash asset impairment charges, convertible debt instruments non-cash interest charges, losses on disposal of subsidiaries and losses on disposal of property.

The cash flow use for investing activities from continuing operations was \$7.0 million in the six fiscal months ended July 3, 2015, primarily reflecting proceeds from the disposal of subsidiaries of \$22.7 million, more than offset by \$30.3 million of capital expenditures. The Company anticipates capital spending to be approximately \$40 million to \$50 million in 2015.

Financing activities from continuing operations resulted in \$127.5 million of cash outflows and \$121.7 million of cash inflows in the six months ended July 3, 2015 and the six months ended June 27, 2014, respectively. The Company decreased net borrowings on the Revolving Credit Facility due to reductions in working capital and the use of cash proceeds generated from the sale of the Company's subsidiaries related to the divestiture plan. In the six months ended July 3, 2015, the Company repaid its \$125.0 million of Senior Floating Rate Notes at maturity by utilizing availability under its Revolving Credit Facility. During the six months ended July 3, 2015 and June 27, 2014, the Company paid dividends in total of approximately \$17.7 million and \$17.8 million to all common shareholders of record, respectively. Future declarations of dividends and the establishment of future record dates and payment dates are subject to the final determination of our Board of Directors. In determining dividends, the Board of Directors takes into consideration items such as general business conditions, financial performance, projected cash flows and anticipated financing needs. Future payments of dividends are also subject to the Company's Revolving Credit Facility, the indentures governing the Subordinated Convertible Notes and 5.75% Senior Notes, and the requirements of the Delaware General Corporation law. The Company evaluates various factors such as future operating cash flow requirements, other cash flow expectations, investment and financing strategic plans and the overall cost of capital to determine the appropriate levels of short and long-term debt to maintain. Refer to "Debt and Other Contractual Obligations" below for details.

Debt and Other Contractual Obligations

The Company's outstanding debt obligations were \$1,187.4 million as of July 3, 2015 and the Company maintained approximately \$482.8 million of excess availability under its various credit facilities around the world as well as approximately \$45.8 million available under foreign accounts payable confirming arrangements with financial institutions. The Company utilizes short and long-term debt to address working capital needs, debt repayments and interest payments as well as discretionary investments in internal product development, acquisitions, payment of dividends and taxes. Short-term liquidity and working capital needs are generally supported through operating cash flows. The Company maintains ratings on its public debt; therefore, the Company has and expects to continue to obtain market rates on any new borrowings.

On July 21, 2011, the Company entered into a \$400 million Revolving Credit Facility, which has been subsequently amended and restated to, among other things, increase the Revolving Credit Facility to \$1.0 billion, \$630 million of which may be borrowed by the U.S. borrower, \$300 million of which may be borrowed by the European borrowers and \$70 million of which may be borrowed by the Canadian borrower. The Revolving Credit Facility contains restrictions including limitations on, among other things, distributions and dividends, acquisitions and investments, indebtedness, liens and affiliate transactions. The Revolving Credit Facility provides the Company with flexibility and the restrictions in the Revolving Credit Facility 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 maturity date of September 6, 2018. The commitment amount under the Revolving Credit Facility may be increased by an additional \$250 million, subject to certain conditions and approvals as set forth in the Revolving Credit Facility. The Company capitalized \$0.9 million in 2015, \$1.7 million in 2014 and \$4.9 million in 2013 in deferred financing costs in connection with the Revolving Credit Facility. The Revolving Credit Facility requires maintenance of a minimum fixed charge coverage ratio of 1.00 to 1.00 if availability under the Revolving Credit Facility is less than the greater of \$100 million or 10% of the then existing aggregate lender commitment under the Revolving Credit Facility. The fixed charge coverage ratio was 1.24 to 1.00 at July 3, 2015.

Failure to comply with any of the covenants, financial tests and ratios required by the Company's existing or future debt obligations could result in a default under those agreements and under other agreements containing cross-default provisions, as defined in the Company's Revolving Credit Facility, Subordinated Convertible Notes, 5.75% Senior Notes and various other credit facilities maintained by the Company's subsidiaries. A default would permit lenders to cease making further extensions of credit, accelerate the maturity of the debt under these agreements and foreclose upon any collateral securing that debt. Indebtedness under the Company's Revolving Credit Facility is secured by: (a) for US borrowings under the Revolving Credit Facility, a first priority security interest in substantially all of the Company's domestic assets and, (b) for Canadian and European borrowings under the Revolving Credit Facility, a first priority security interest in substantially all of the Company's domestic and Canadian assets and certain assets of the Company's Spanish, French and German subsidiaries party to the Revolving Credit Facility. In addition, the lenders under the Company's Revolving Credit Facility have received a pledge of (i) 100% of the equity interests in substantially all of the Company's domestic subsidiaries, and (ii) 65% of the voting equity interests in and 100% of the non-voting equity interests in certain of the Company's foreign subsidiaries, including the Company's Canadian subsidiaries and the Company's Spanish, French and German subsidiaries party to the Revolving Credit Facility. The Company also has incurred secured debt in connection with some of its European operations. The lenders under these European secured credit facilities also have liens on assets of certain of our European subsidiaries. As a result of these pledges and liens, if the Company fails to meet its payment or other obligations under any of its secured indebtedness, the lenders under the applicable credit agreement would be entitled to foreclose and liquidate substantially all of the Company's assets. Broadly, cross-default provisions would permit lenders to cause such indebtedness to become due prior to its stated maturity in the event a default is not cured for a period of time under the terms of one or more financing agreements, or a change in control or a fundamental change occurs.

As of July 3, 2015 and December 31, 2014, the Company was in compliance with all material debt covenants.

The Company's defined benefit plans at December 31, 2014 were underfunded by \$155.3 million. Pension expense for the Company's defined benefit pension plans for the six fiscal months ended July 3, 2015 was \$9.5 million and cash contributions were approximately \$6.0 million.

The Company anticipates being able to meet its obligations as they come due based on historical operating and financing experience and the expected availability of funds under its current credit facilities. At July 3, 2015, maturities of long-term debt during the twelve month periods beginning July 3, 2015 through July 3, 2020 and thereafter are \$217.9 million, \$4.0 million, \$3.0 million, \$180.8 million and \$0.8 million, respectively, and \$780.9 million thereafter.

Off Balance Sheet Assets and Obligations

The Company has entered into various operating lease agreements related principally to certain administrative, manufacturing and distribution facilities and transportation equipment. At July 3, 2015, future minimum rental payments required under non-cancelable lease agreements during the twelve month periods beginning July 3, 2015 through July 3, 2020 and thereafter are \$37.9 million, \$27.3 million, \$12.5 million, \$7.1 million and \$5.6 million, respectively, and \$5.6 million thereafter.

As of July 3, 2015, the Company had \$55.4 million in letters of credit, \$173.9 million in various performance bonds and \$170.3 million in other guarantees. Other guarantees include bank guarantees and advance payment bonds. These letters of credit, performance bonds and guarantees are periodically renewed and are generally related to risk associated with self-insurance claims, defined benefit plan obligations, contract performance, quality and other various bank and financing guarantees. Advance payment bonds are often required by customers when the Company obtains advance payments to secure the production of cable for long-term contracts. The advance payment bonds provide the customer protection on their deposit in the event that the Company does not perform under the contract.

Environmental Matters

The Company's expenditures for environmental compliance and remediation amounted to approximately \$1.0 million and \$0.6 million for the six months ended July 3, 2015 and June 27, 2014, respectively. In addition, certain General Cable subsidiaries have been named as potentially responsible parties in proceedings that involve environmental remediation. The Company has accrued \$3.9 million and \$4.5 million at July 3, 2015, and at December 31, 2014, respectively, for all environmental liabilities. While it is difficult to estimate future environmental liabilities, the Company does not currently anticipate any material adverse effect on results of operations, cash flows or financial position as a result of compliance with federal, state, local or foreign environmental laws or regulations or remediation costs.

Critical Accounting Policies and Estimates

The Company's significant accounting policies are described in Note 2 - Summary of Significant Accounting Policies to the audited annual consolidated financial statements in the Company's 2014 Annual Report on Form 10-K. In the six months ended July 3, 2015, there have been no significant changes to these policies. The application of these policies requires management to make estimates and judgments that affect the amounts reflected in the consolidated financial statements. Management bases its estimates and judgments on historical experience, information that is available to management about current events and actions the Company may take in the future and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. In addition, significant estimates and judgments include allowances for accounts receivable and deferred income taxes; legal, environmental, and asbestos liabilities; inventory costing and valuation; share-based compensation; uncertain tax positions; assets and obligations related to pension and other postretirement benefits; goodwill, intangible and long-lived asset valuations; financial instruments; and revenue recognized under the percentage-of-completion method. There can be no assurance that actual results will not differ from these estimates.

New Accounting Standards

A discussion of recently issued accounting pronouncements is described in Note 2 - Accounting Standards, in Item 1 - Condensed Consolidated Financial Statements of this report, and we incorporate such discussion in this MD&A by reference and make it a part hereof.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to various market risks, including changes in interest rates, foreign currency exchange rates and raw material (commodity) prices. To manage risks associated with the volatility of these natural business exposures, General Cable enters into interest rate, commodity and foreign currency derivative agreements, as well as copper and aluminum forward pricing agreements. General Cable does not purchase or sell derivative instruments for trading purposes. General Cable does not engage in trading activities involving commodity contracts for which a lack of marketplace quotations would necessitate the use of fair value estimation techniques. Depending on the extent of an unrealized loss position on a derivative contract held by the Company, certain counterparties may require a deposit to secure the derivative contract position. As of July 3, 2015 and December 31, 2014, there were no contracts held by the Company that required collateral to secure the Company's derivative positions.

As of July 3, 2015 and December 31, 2014, there were no derivatives that were designated as cash flow hedges.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met.

In connection with the preparation of this Quarterly Report on Form 10-Q an evaluation was performed, as of July 3, 2015, under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures were effective at a reasonable assurance level as of July 3, 2015.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting, as such item is defined in Exchange Act Rules 13a-15(f) and 15d-15(f), during the fiscal quarter ended July 3, 2015, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

No legal proceedings were initiated during the fiscal quarter ended July 3, 2015 that are reportable and, as of the date of this filing there were no material developments in the legal proceedings previously disclosed in the Company's 2014 Annual Report on Form 10-K, except as discussed in Note 18 - Commitments and Contingencies.

ITEM 1A. RISK FACTORS

For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see (i) the risk factors discussion provided under Part I, Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and (ii) the "Disclosure Regarding Forward-Looking Statements" included in Part I, Item 2 of this Quarterly Report on Form 10-Q.

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

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes purchases of equity securities by the Company during the quarter ended July 3, 2015:

Period	Total number of shares purchased ^{(1), (2)}	Average price paid per share
April 4, 2015 through May 1, 2015	59 \$	17.23
May 2, 2015 through May 29, 2015	413 \$	18.27
May 30, 2015 through July 3, 2015	486 \$	20.11
Total	958 \$	19.14

⁽¹⁾ Includes 873 shares of common stock that were withheld for taxes on the vesting of restricted stock issued pursuant to the Company's equity compensation plans, and the average price paid per share was \$19.27 during the three months ended July 3, 2015.

⁽²⁾ Includes 85 shares of common stock that were purchased through a rabbi trust as investments of participants in the Company's deferred compensation plan in the three months ended July 3, 2015. A Rabbi Trust ("Trust") has been established in connection

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with the Deferred Compensation Plan, and the Trust assets are available to satisfy the claims of the Company's creditors in the event of bankruptcy or insolvency of the Company.

ITEM 6. EXHIBITS

See the Exhibit Index immediately following the signature page of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, General Cable Corporation has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Signed: August 10, 2015

General Cable Corporation

By: /s/ BRIAN J. ROBINSON

Brian J. Robinson
Executive Vice President and Chief
Financial Officer

Exhibit Index

Exhibit No.	Description
2.1	Purchase Agreement, dated as of June 25, 2015, by and between General Cable Corporation and MM Logistics Co., Ltd.*
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K as filed with the Commission on May 14, 2010)
3.2	Amended and Restated By-Laws (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K as filed with the Commission on March 25, 2015)
10.1+	Offer Letter, dated June 4, 2015, by and between the Company and Michael McDonnell(#)
10.2+	Form of Stock Option Grant Agreement for Executive Officers under the General Cable Corporation Stock Incentive Plan(#)
10.3+	Form of Restricted Stock Unit Grant Agreement for Executive Officers under the General Cable Corporation Stock Incentive Plan(#)
10.4+	Form of Performance Stock Unit Grant Agreement for Executive Officers under the General Cable Corporation Stock Incentive Plan(#)
10.5+	Form of Long Term Incentive Cash Award Grant Agreement for Executive Officers under the General Cable Corporation Stock Incentive Plan(#)
10.6+	Form of Restricted Stock Unit Grant Agreement for Non-Employee Directors under the General Cable Corporation Stock Incentive Plan
10.7+	General Cable Corporation Stock Incentive Plan (incorporated by reference to Exhibit B of the Company's Definitive Proxy Statement, as filed with the Commission on March 30, 2015)
10.8+	Consulting Services Agreement, dated June 29, 2015, by and between the Company and Gregory Kenny (##)
12.1	Computation of Ratio of Earnings to Fixed Charges
31.1	Certification of Chief Executive Officer pursuant to Rule 13a – 14(a) or 15d – 14
31.2	Certification of Chief Financial Officer pursuant to Rule 13a – 14(a) or 15d – 14
32.1	Certification pursuant to 18 U.S.C. § 1350, as adopted under Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

+ Indicates a management contract or compensatory plan.

* The schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. General Cable agrees to furnish supplementally a copy of any omitted schedule or exhibit, or any section thereof, to the SEC upon request.

Incorporated by reference to the Company's Current Report on Form 8-K as filed with the Commission on June 9, 2015

Incorporated by reference to the Company's Current Report on Form 8-K as filed with the Commission on July 6, 2015

PURCHASE AGREEMENT

by and between

GENERAL CABLE CORPORATION

and

M M LOGISTICS CO., LTD.

Dated as of June 25, 2015

The Purchase Agreement contains representations and warranties of each party to the Purchase Agreement that were made solely for the benefit of the other party to the Purchase Agreement. Such representations and warranties (i) have been qualified by information contained in confidential disclosure schedules delivered to MM Logistics Co., Ltd. by General Cable in connection with signing the Purchase Agreement, (ii) are subject to materiality qualifications contained in the Purchase Agreement, (iii) were made only as of the date of the Purchase Agreement or such other date as is specified in the Purchase Agreement, and (iv) may have been included in the Purchase Agreement for the purpose of allocating risk between the parties rather than establishing matters as facts. The Purchase Agreement is included with this filing only to provide stockholders with information regarding the terms of the Purchase Agreement, and not to provide stockholders with any other factual or disclosure information regarding the parties or their respective businesses.

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PURCHASE AGREEMENT

This PURCHASE AGREEMENT (the “Agreement”) is made as of June 25, 2015 by and between M M LOGISTICS CO., LTD., a Thai incorporated company (the “Buyer”), and GENERAL CABLE CORPORATION, a Delaware corporation (the “Seller”). The Seller and the Buyer are sometimes referred to individually as a “Party” and collectively as the “Parties”. Certain capitalized terms that are used herein are defined in ARTICLE VII below.

WHEREAS, as of the date hereof, PDIC Thailand Holdings, LLC, a Delaware limited liability company and an Affiliate of the Seller (“Thailand Holdings”), owns 100.0% of the PDITL Equity (as defined below) and owns 100.0% of the PD Trading Equity (as defined below); and the Seller owns 100.0% of the equity of GK Technologies, Incorporated, a New Jersey corporation (“GK Tech”), which owns 100.0% of the equity of General Cable Industries, Inc., a Delaware corporation (“GC Industries”), which owns 100.0% of the equity of Phelps Dodge International Corporation, a Delaware corporation (“PDIC”), which owns 100.0% of the equity of Thailand Holdings; and

WHEREAS, as of the date hereof, (a) EPA Holdings Limited, a Hong Kong limited liability company and an Affiliate of the Seller (“China Holdings”), owns 100.0% of the China Equity (as defined below); and the Seller owns 100.0% of the equity of GK Tech, which owns 100.0% of the equity of General Cable Overseas Holdings, LLC, a Delaware limited liability company (“Overseas Holdings”), which owns 100.0% of the equity of GC Global Holdings, Inc., a Delaware corporation (“Global Holdings”); and GK Tech and Global Holdings own 99.0% and 1.0%, respectively, of the partnership interests of General Cable Holdings Netherlands C.V., a limited partnership (*commanditaire vennootschap*) formed under the laws of the Netherlands (“Netherlands Holdings”), which owns 100.0% of the equity of China Holdings and (b) China Holdings is the creditor under the Intercompany Loans; and

WHEREAS, as of the date hereof, General Cable Holdings New Zealand, a New Zealand company incorporated under the Companies Act 1993 (New Zealand) with unlimited liability and an Affiliate of the Seller (“Australia Holdings” and, collectively with Thailand Holdings and China Holdings, the “Equity Sellers”), owns 100.0% of the Australia Equity (as defined below); and the Seller owns 100.0% of the equity of GK Tech, which owns 100.0% of the equity of Overseas Holdings, which owns 100.0% of the equity of Global Holdings; and GK Tech owns 100.0% of the equity of GC Industries; and GK Tech, GC Industries and Global Holdings own 86.17%, 12.96% and 0.87%, respectively, of the equity of Australia Holdings; and

WHEREAS, as of the date hereof, General Cable New Zealand Limited, a New Zealand limited liability company incorporated under the Companies Act 1993 (New Zealand) and an Affiliate of the Seller (“Asset Seller”), owns certain assets, subject to certain Liabilities; and Australia Holdings owns 100.0% of the equity of Asset Seller; and

WHEREAS, the Parties desire that, subject to the terms and conditions of this Agreement, in exchange for the consideration set forth herein, the Buyer shall purchase 100% of the Company Equity (as defined below) and substantially all of the assets, subject to the assumption of certain liabilities, of Asset Seller.

NOW, THEREFORE, in consideration of the premises and the mutual promises made herein, and in consideration of the representations, warranties, covenants and agreements herein contained, intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I
THE CLOSING; PURCHASE AND SALE OF EQUITY AND ASSETS

1.1 Purchase of Company Equity and Intercompany Loans.

(a) At the First Closing, subject to the terms and conditions of this Agreement, including the conditions precedent to Closing set forth in Section 6.1 and Section 6.2 below, as applicable, the Buyer shall (or shall cause its Designated Affiliates to) purchase and accept from Thailand Holdings and the Seller shall cause Thailand Holdings to sell, transfer and deliver to the Buyer, the PDITL Equity and the PD Trading Equity, each free and clear of any Liens other than Permitted Liens.

(b) At the Second Closing, subject to the terms and conditions of this Agreement, including the conditions precedent to Closing set forth in Section 6.1 and Section 6.2 below, as applicable, the Buyer shall (or shall cause its Designated Affiliates to) purchase and accept from China Holdings and Australia Holdings and the Seller shall cause China Holdings and Australia Holdings to sell, transfer and deliver to the Buyer, (i) the China Equity and the Australia Equity, respectively, each free and clear of any Liens other than Permitted Liens and (ii) the Intercompany Loans.

1.2 Purchase of Assets. At the Second Closing, subject to the terms and conditions of this Agreement, including the conditions precedent to Closing set forth in Section 6.1 and Section 6.2 below, as applicable, the Seller shall cause the Asset Seller to sell, assign, transfer, convey and deliver to the Buyer (or its Designated Affiliates), and the Buyer shall (or shall cause its Designated Affiliates to) purchase from Asset Seller, free and clear of any Liens other than Permitted Liens, all of Asset Seller's right, title and interest in, to and under all of the assets, properties and rights of Asset Seller (for avoidance of doubt, any and all assets other than the Excluded Assets) including the following (collectively, the "Purchased Assets"):

- (a) all accounts receivable;
- (b) all inventory, including raw materials, work-in-progress and finished goods;

- (c) all Business Agreements, as well as other unperformed agreements and unaccepted bids and quotes;
- (d) all vehicles, machinery, equipment, furniture, tools, supplies and other tangible personal property;
- (e) all intellectual property and technology;
- (f) all supplier and customer lists;
- (g) all prepaid assets, prepaid expenses, claims for refund, rights to offset and deposits;
- (h) all books and records; provided, however, that Asset Seller shall be able to retain copies of such books and records;
- (i) all Governmental Authorizations to the extent transferable to the Buyer;
- (j) all real properties;
- (k) the right of proceeds from the excluded insurance policies under Section 1.3(c) if the Seller is entitled to receive such proceeds; and
- (l) all claims of Asset Seller against any Person to the extent relating to any of the Purchased Assets or the Assumed Liabilities.

1.3 Excluded Assets. Notwithstanding the foregoing, the Purchased Assets shall not include the following assets (collectively, the “Excluded Assets”):

- (a) all cash and cash equivalents, deferred income Tax assets and all current income Tax receivables of Asset Seller;
- (b) all books and records which (i) Asset Seller is required by Law to retain; (ii) relate to any other Excluded Assets; or (iii) constitute Asset Seller’s minute books or other general company records;
- (c) all insurance policies and insurance benefits under Seller’s global policies;
- (d) all claims of Asset Seller against any Person to the extent relating to any of the Excluded Assets or the Excluded Liabilities;
- (e) all claims for and rights of Asset Seller to receive refunds, rebates or similar payments of Taxes and other charges of Government Entities, all Tax Returns and all notes, worksheets, files or documents relating thereto; and

(f) all rights that accrue to Asset Seller under the Transaction Documents.

1.4 Assumed Liabilities. Subject to the terms and conditions set forth herein, the Buyer shall (or shall cause its Designated Affiliates to) assume and agree to pay, perform and discharge when due any and all Liabilities of Asset Seller arising out of or relating to Leave Benefits for Transferred Employees (subject to the limitations provided for in Section 4.8(c)), the Business, the Business Agreements or the Purchased Assets on or after the Second Closing, other than the Excluded Liabilities (collectively, the “Assumed Liabilities”).

1.5 Excluded Liabilities. Neither the Buyer nor its Designated Affiliates shall assume and shall be responsible to pay, perform or discharge any of the following liabilities or obligations of Asset Seller (collectively, the “Excluded Liabilities”):

- (a) all Liabilities relating to the Excluded Assets; and
- (b) all Liabilities of Asset Seller under the Transaction Documents.

1.6 Consideration.

(a) Subject to adjustment in accordance with Section 1.9 below, the total purchase price is \$175,000,000, plus the Preliminary Net Cash Amount, which is \$30,221,269 (together, the “Purchase Price”, which is \$205,221,269).

(b) The Purchase Price shall be allocated as follows:

(i) The purchase price for the PDITL Equity is \$87,500,000, plus the Preliminary Net Cash Amount for PDITL (the “PDITL Equity Purchase Price”, which is \$92,159,076);

(ii) The purchase price for the PD Trading Equity is \$0, plus the Preliminary Net Cash Amount for PD Trading (the “PD Trading Equity Purchase Price”, which is \$498,514);

(iii) The purchase price for the China Equity is \$25,000,000, plus the Preliminary Net Cash Amount for GC China (the “China Equity Purchase Price”, which is \$45,273,048);

(iv) The purchase price for the Intercompany Loans is \$40,000,000 (the “Intercompany Loan Purchase Price”); and

(v) The purchase price for the Australia Equity is \$5,000,000, plus the Preliminary Net Cash Amount for GC Australia (the “Australia Equity Purchase Price”, which is \$9,790,632);

(vi) The purchase price for the Purchased Assets is \$17,500,000 plus NZ GST (if any), plus the assumption of the Assumed Liabilities (the “Asset Purchase Price”).

(c) Each Party shall use the allocations set forth above and on Exhibit 1.6 for purposes of all Tax filings and Tax Returns, including any amendment or refile thereof, and will not take any action inconsistent with such allocations. Each of these allocations is also subject to adjustment to the extent of changes to the Purchase Price pursuant to the adjustments contemplated by Section 1.9 or this Section 1.6(c), if applicable. Such adjustments to the Purchase Price shall be specifically allocated among the Company Equity and the Purchased Assets based on the adjustment amounts attributable to each of the components of Company Equity and the Purchased Assets, respectively. If such allocation is disputed by any Government Entity, the Party receiving notice of such dispute will promptly notify the other Party and the Parties will use their commercially reasonable efforts to sustain the final allocation. The Seller and the Buyer will share information and cooperate to the extent reasonably necessary to permit the Transactions to be properly, timely and consistently reported.

(d) The Buyer shall prepare at its sole cost and expense and deliver to the Seller, within thirty (30) days of the Settlement Date (as defined below), a draft schedule (the “New Zealand Allocation Schedule”) allocating the Asset Purchase Price among the Purchased Assets. The New Zealand Allocation Schedule shall be prepared on a basis consistent with the methodology set forth on Exhibit 1.6. The Seller shall provide the Buyer with such information as is required by the Buyer to prepare and deliver the New Zealand Allocation Schedule. Within thirty (30) days after its receipt of the New Zealand Allocation Schedule, the Seller shall prepare at its sole cost and expense and deliver to the Buyer any proposed changes thereto. If the Buyer and the Seller cannot reach agreement with respect to any disputed matter related to the New Zealand Allocation Schedule, the dispute shall be submitted for resolution to the Accounting Arbitrator (as defined below). The Accounting Arbitrator’s determination with respect to the disputed matter shall be made within thirty (30) days of its submission to the Accounting Arbitrator and shall be final and binding on the Parties, and any fees and expenses relating to the engagement of the Accounting Arbitrator shall be shared equally by the Buyer and the Seller. The New Zealand Allocation Schedule finally determined in accordance with the foregoing provisions shall be binding upon the Buyer and the Seller, and each will file their Tax Returns on a basis consistent with the New Zealand Allocation Schedule.

1.7 Closing. The closing of the Transactions shall take place at the offices of Norton Rose Fulbright LLP, 38/F Jardine House, 1 Connaught Place, Central Hong Kong SAR, commencing at 10:00 a.m. local time (or at such other location as the Parties may agree in writing or via the electronic exchange of execution versions of the Transaction Documents and the signature pages thereto via facsimile or via email by .pdf) on the following dates, in each case unless otherwise agreed to in writing by the Parties:

(a) in respect of the purchase of PDITL Equity and PD Trading Equity, on August 31, 2015 (the “First Closing”);

(b) in respect of the purchase of China Equity, Australia Equity, the Intercompany Loans and the Purchased Assets, on the last Business Day of September 2015 (the “Second Closing” and, together with the First Closing, the “Closings” and each a “Closing”).

Subject to ARTICLE VIII below, failure to consummate the purchase and sale provided for in this Agreement on the date and time and at the place designated pursuant to this Section 1.7 will not result in the termination of this Agreement and will not relieve any Party of any obligations under this Agreement. The date and time on which the First Closing actually occurs is referred to as the “First Closing Date”, and the date and time on which the Second Closing actually occurs is referred to as the “Second Closing Date”, and each such date is referred to as a “Closing Date”. For all purposes under this Agreement and each of the Transaction Documents, a Closing will be deemed to have occurred at the close of business local time in each applicable jurisdiction on a Closing Date irrespective of the actual occurrence of such Closing at any particular time on such Closing Date.

1.8 Payment of the Purchase Price; Delivery of the Company Equity and Purchased Assets.

(a) (i) At the First Closing, the Buyer shall pay the PDITL Equity Purchase Price and PD Trading Equity Purchase Price to the Seller or its designees by wire transfer of immediately available funds pursuant to written instructions delivered to the Buyer at least seven (7) Business Days prior to the First Closing Date. (ii) At the Second Closing, the Buyer shall pay the China Equity Purchase Price, Australia Equity Purchase Price, Intercompany Loan Purchase Price and Asset Purchase Price, to the Seller or its designees by wire transfer of immediately available funds pursuant to written instructions delivered to the Buyer at least seven (7) Business Days prior to the Second Closing Date;

(b) At each Closing, the Seller shall cause the Equity Sellers (with the exception of China Holdings) (i) to deliver to the Buyer (or its Designated Affiliates) all of the certificates representing the Company Equity held by it applicable to such Closing, endorsed in blank or accompanied by duly executed assignment or transfer documents, and (ii) at the relevant Equity Sellers’ own cost and expense (except with respect to the payment of stamp duty or Transfer Taxes), to conduct and complete all formalities and/or requirements under all applicable Laws in order to perfect the transfer of the PDITL Equity, PD Trading Equity and Australia Equity, as applicable, to the Buyer (or its Designated Affiliates);

(c) At the First Closing, the Seller shall cause Thailand Holdings to deliver to the non-Thai incorporated Designated Affiliate of the Buyer the duly signed share transfer documents, in the form attached hereto as Exhibit 1.8(c) (Form of Share Transfer Document), for the transfer of the PDITL Equity and PD Trading Equity in favor of the Buyer;

(d) At the Second Closing, the Seller shall cause China Holdings to deliver to the Buyer (or its Designated Affiliates) a Letter of Approval and, as the case may be, an

Approval Certificate of GC China (collectively, the “China Approval Documents”) issued by the China Approval Authority with respect to the Transactions, and, at China Holdings’ own cost and expense (except with respect to the payment of stamp duty or Transfer Taxes), to conduct and complete all formalities and/or requirements under all applicable Laws in order to perfect the transfer of the China Equity to the Buyer (or its Designated Affiliates);

(e) At the Second Closing, the Seller shall cause Australia Holdings to notify the Buyer (or its Designated Affiliates) of the corporate key for GC Australia issued by the Australian Securities and Investment Commission;

(f) At the Second Closing, the Seller shall cause Asset Seller to deliver to the Buyer (or its Designated Affiliates) all of the Purchased Assets, subject to all of the Assumed Liabilities, accompanied by duly executed transfer agreements, including a bill of sale, assignment and assumption agreement, and, at Asset Seller’s own cost and expense (except with respect to the payment of stamp duty, Transfer Taxes or NZ GST), to conduct and complete all formalities and/or requirements under all applicable Laws and deliver to the Buyer any and all other documents, certificates, instruments or writings as reasonably required by the Buyer, in order to perfect the transfer of the Purchased Assets, subject to all of the Assumed Liabilities, to the Buyer (or its Designated Affiliates); and

(g) (i) the transfer of the Purchased Assets, subject to all of the Assumed Liabilities, shall be effected pursuant to short-form transfer agreements, including a bill of sale and assignment and assumption agreement, and (ii) the transfer of the Company Equity and Intercompany Loans shall be effected pursuant to short-form share transfer agreements, forms or other similar documents (the “Share Transfer Documents”), each subject to the terms and conditions of this Agreement and on a country-by-country basis. The Parties shall prepare the short-form transfer agreements and Share Transfer Documents as soon as reasonably practicable after the date of this Agreement and will execute and deliver or cause their respective Affiliates to execute and deliver the short-form transfer agreements and Share Transfer Documents at the relevant Closing upon the terms and subject to the conditions of this Agreement.

1.9 Purchase Price Adjustment. The Purchase Price shall be adjusted (such adjustment may be positive or negative), if at all, on a dollar-for-dollar basis to the extent that (i) the Net Cash Amount is greater than or less than the Preliminary Net Cash Amount; or (ii) the Net Working Capital is greater than or less than the Target Net Working Capital, each as set forth below. In the event any adjustment is required under this Section 1.9, appropriate corresponding adjustments shall be specifically allocated to the Company Equity and the Purchased Assets, as applicable, consistent with Exhibit 1.6.

(a) Within ten (10) Business Days prior to each Closing, but in no event less than two (2) Business Days prior to such Closing, the Seller shall prepare and deliver to the Buyer an officer’s certificate of the Seller that contains a good faith and reasonable best estimate of: (i) an unaudited balance sheet of the Companies (the “Estimated Closing Balance Sheet”); (ii)

the Net Cash Amount (the “Estimated Net Cash Amount”); and (iii) the Net Working Capital (the “Estimated Net Working Capital” and, collectively with the Estimated Closing Balance Sheet and the Estimated Net Cash Amount, the “Estimates”), each as of 11:59 p.m. local time on the relevant Closing Date, which Estimates shall be prepared using (1) the local currency to dollar exchange rate which is the lower of the then prevailing spot currency exchange rate published by *The Wall Street Journal* on (A) the Business Day prior to the date hereof or (B) the Business Day prior to the relevant Closing Date and (2) the same accounting methods, standards, policies, practices, classifications, estimation methodologies, assumptions and procedures as were used to prepare the Financial Statements. The Seller shall make available to the Buyer and its independent accountants such relevant books and records used in preparing the Estimates as the Buyer may reasonably request. If the Buyer in good faith disagrees with the relevant Estimates, the Buyer may deliver a notice to the Seller of its good faith disagreement. The Buyer and the Seller shall use reasonable efforts to resolve any such disagreements regarding such Estimates and the Seller shall revise the Estimates to reflect the resolution of any such disagreement upon which the Seller and the Buyer may agree; *provided, however*, that the Buyer and the Seller shall use Seller’s Estimates to the extent any disagreement remains unresolved as of the close of business on the day preceding the relevant Closing Date; *provided, further*, that Seller’s failure to include any changes proposed by the Buyer, or the acceptance by the Buyer of the Estimates, shall not limit or otherwise affect the Buyer’s or the Seller’s rights under this Agreement, including the right of the Buyer to propose such changes or other changes in connection with the Adjustment Calculation, or constitute an acknowledgment by the Buyer of the accuracy of the Estimates. If the relevant Estimated Net Cash Amount exceeds the relevant Preliminary Net Cash Amount, then the relevant Purchase Price payable to the Seller at the relevant Closing pursuant to Section 1.6 and Section 1.8 shall be increased by an amount equal to the amount of such difference. If the relevant Estimated Net Working Capital exceeds the relevant Target Net Working Capital, then the relevant Purchase Price payable to the Seller at the relevant Closing pursuant to Section 1.6 and Section 1.8 shall be increased by an amount equal to the amount of such difference. If the relevant Estimated Net Cash Amount is less than the relevant Preliminary Net Cash Amount, then the relevant Purchase Price payable to the Seller at the relevant Closing pursuant to Section 1.6 and Section 1.8 shall be reduced by an amount equal to the amount of such difference. If the relevant Estimated Net Working Capital is less than the relevant Target Net Working Capital, then the relevant Purchase Price payable to the Seller at the relevant Closing pursuant to Section 1.6 and Section 1.8 shall be reduced by an amount equal to the amount of such difference.

(b) The Seller shall prepare and deliver to the Buyer within one hundred and twenty (120) days after each Closing Date a written notice (the “Adjustment Notice”) setting forth in reasonable detail, the following matters: (i) an unaudited balance sheet of the Companies as of 11:59 p.m. local time on the relevant Closing Date (as adjusted, if at all, pursuant to Section 1.9(c) and Section 1.9(d), the “Closing Balance Sheet”), (ii) the Seller’s calculation of the Net Cash Amount determined from the Closing Balance Sheet (the “Net Cash Amount Calculation”); (iii) the Seller’s calculation of Closing Date WAIC (the “Closing Date WAIC Calculation”); (iv)

the Seller's calculation of Net Working Capital determined from the Closing Balance Sheet and the Closing Date WAIC Calculation (the "Net Working Capital Calculation") and (v) the Seller's calculation of the amount, if any, by which (A) the Net Cash Amount so determined is less than or greater than the Estimated Net Cash Amount and (B) the Net Working Capital so determined is less than or greater than the Estimated Net Working Capital (the "Adjustment Calculation"). The Closing Balance Sheet, the Net Cash Amount Calculation, the Closing Date WAIC Calculation, the Net Working Capital Calculation and the Adjustment Calculation shall be prepared using (1) the local currency to dollar exchange rate which is the lower of the then prevailing spot currency exchange rate published by *The Wall Street Journal* on (A) the Business Day prior to the date hereof or (B) the Business Day prior to the relevant Closing Date and (2) the same accounting methods, standards, policies, practices, classifications, estimation methodologies, assumptions and procedures as were used to prepare the Financial Statements. During the preparation of the relevant Adjustment Notice, the Buyer and their independent accountants shall and shall cause the Subject Companies to provide the Seller and their authorized representatives with reasonable access during normal business hours to the facilities, books and records of the Companies and their personnel and accountants related to the preparation of such Adjustment Notice, as the Seller may reasonably request from time to time in connection with its review of the Adjustment Notice. Following the relevant Closing, the Buyer shall not take any actions with respect to the accounting books and records of the Companies on which the Closing Balance Sheet, the Net Cash Amount Calculation, the Closing Date WAIC Calculation, the Net Working Capital Calculation or the Adjustment Calculation are to be based that are inconsistent with the Companies' past practices.

(c) On or prior to the fifteenth (15th) day following the Seller's delivery of an Adjustment Notice, the Buyer may deliver to the Seller a written notice stating in reasonable detail the Buyer's objections (an "Objection Notice") to the relevant Closing Balance Sheet or the determination of the relevant Net Cash Amount Calculation, the Closing Date WAIC Calculation, the Net Working Capital Calculation or the Adjustment Calculation and certifying that all such disputed items are being disputed in good faith; *provided* that (i) the only basis on which the Buyer shall be permitted to submit an Objection Notice is with regard to whether such Closing Balance Sheet or such calculations were done in accordance with the accounting methods, standards, policies, practices, classifications, estimation methodologies and assumptions used to prepare the Financial Statements, and whether there were mathematical errors in the calculation of the Net Cash Amount Calculation, the Closing Date WAIC Calculation or the Net Working Capital Calculation, (ii) the Buyer may not dispute any individual item relating to the Seller's calculation of the Net Cash Amount Calculation or the Net Working Capital Calculation having a value of less than \$25,000 and (iii) the Buyer may not deliver an Objection Notice unless the aggregate value of all such disputed items has a value in excess of \$500,000. Any Objection Notice shall specify in reasonable detail the dollar amount of any objection and the reasonable basis therefore (and shall include necessary supporting documentation). Any determination set forth on the relevant Closing Balance Sheet, the Net Cash Amount Calculation, the Closing Date WAIC Calculation, the Net Working Capital

Calculation or the Adjustment Calculation that is not specifically objected to in the Objection Notice shall be deemed acceptable and shall be final and binding upon the Parties upon delivery of the Objection Notice. If the Buyer does not deliver to the Seller an Objection Notice within such fifteen (15) day period, then the relevant Closing Balance Sheet, the Net Cash Amount Calculation, the Closing Date WAIC Calculation, the Net Working Capital Calculation and the Adjustment Calculation will be conclusive and binding upon the Parties and the relevant Net Cash Amount Calculation, the Closing Date WAIC Calculation, the Net Working Capital Calculation and the Adjustment Calculation set forth with the Closing Balance Sheet will constitute the Net Cash Amount Calculation, the Closing Date WAIC Calculation, the Net Working Capital Calculation and the Adjustment Calculation for purposes of Section 1.9(b) above with respect to the relevant Closing.

(d) Following the Buyer's timely delivery of an Objection Notice, the Seller and the Buyer shall attempt to negotiate in good faith to resolve such dispute. In the event that the Seller and the Buyer fail to agree on any of the Buyer's proposed adjustments set forth in the Objection Notice within thirty (30) days after the Seller receives the Objection Notice, the Seller and the Buyer agree that a mutually acceptable Neutral Accounting Firm (the "Accounting Arbitrator") shall, within the thirty (30) day period immediately following such failure to agree, make the final determination of the relevant Net Cash Amount and the relevant Net Working Capital in accordance with the terms of this Agreement; *provided* that (i) if the Parties are unable to agree on a Neutral Accounting Firm to act as Accounting Arbitrator within such thirty (30) day period, then the Buyer and the Seller shall each select a Neutral Accounting Firm and such firms together shall select the Neutral Accounting Firm to act as the Accounting Arbitrator and (ii) if any Party does not select a Neutral Accounting Firm within ten (10) days of written demand therefor by the other Party (after the expiration of such thirty (30) day period), the Neutral Accounting Firm selected by the other Party shall act as the Accounting Arbitrator. The Buyer and the Seller each shall provide the Accounting Arbitrator with their respective determinations of each item in dispute and the resulting Adjustment Calculation. The Buyer and the Seller shall instruct the Accounting Arbitrator to render its determination with respect to the items in dispute in a written report that specifies its conclusions as to each item in dispute and the resulting Adjustment Calculation. The Buyer and the Seller each shall use its commercially reasonable efforts to cause the Accounting Arbitrator to render its determination within thirty (30) days after referral of the items to it or as soon thereafter as reasonably practicable. The Accounting Arbitrator's determination of the Net Cash Amount Calculation, the Closing Date WAIC Calculation and the Net Working Capital Calculation in accordance with this Section 1.9 shall be final and binding on the Seller and the Buyer if such independent determination shall be within the range proposed by the Buyer and the Seller in the Net Cash Amount Calculation, the Closing Date WAIC Calculation, the Net Working Capital Calculation and the Objection Notice; *provided* that if the Accounting Arbitrator's determination of the Net Cash Amount or the Net Working Capital is outside of the range proposed by the Seller and the Buyer in the Net Cash Amount Calculation, the Closing Date WAIC Calculation, the Net Working Capital Calculation and the Objection Notice, then the Net Cash Amount Calculation, the Closing Date WAIC

Calculation and the Net Working Capital Calculation that was closer to that of the Accounting Arbitrator shall be final and binding on the Seller and the Buyer. The scope of the disputes to be resolved by the Accounting Arbitrator shall be limited to those items or amounts in the Closing Balance Sheet, the Net Cash Amount Calculation, the Closing Date WAIC Calculation, the Net Working Capital Calculation or the Adjustment Calculation to which the Buyer objected in the Objection Notice and whether the Closing Balance Sheet or such calculation(s) were done in accordance with the accounting methods, standards, policies, practices, classifications, estimation methodologies, assumptions, procedures or level of prudence used to prepare the Financial Statements, and whether there were mathematical errors in the calculation of the Net Cash Amount Calculation, the Closing Date WAIC Calculation or the Net Working Capital Calculation, and the Accounting Arbitrator is not to make any other determination. The Accounting Arbitrator shall make its determination based solely on presentations and supporting material provided by the Parties and not pursuant to any independent review. The fees, costs and expenses of the Accounting Arbitrator shall be shared equally between the Buyer and the Seller.

(e) For purposes of complying with this Section 1.9, the Buyer and the Seller shall furnish to each other and to the Accounting Arbitrator such work papers and other documents and information relating to the disputed items as the Accounting Arbitrator may reasonably request and are available to that Party (or its independent public accountants) and shall be afforded the opportunity to present to the Accounting Arbitrator any material related to the disputed items and to discuss the items with the Accounting Arbitrator.

(f) The date on which the relevant Closing Balance Sheet is finally determined pursuant to this Section 1.9 shall hereinafter be referred to as the "Settlement Date".

(g) If the Estimated Net Cash Amount exceeds the Net Cash Amount Calculation after final determination pursuant to this Section 1.9, then the Seller shall pay to the Buyer by wire transfer of immediately available funds an amount equal to the amount of such difference, together with interest thereon at the Prime Rate (as of the relevant Closing Date) compounded daily from such Closing Date to and including the date of payment, to an account or accounts specified by the Buyer. If the Net Cash Amount Calculation exceeds the Estimated Net Cash Amount after final determination pursuant to this Section 1.9, then the Buyer shall pay to the Seller by wire transfer of immediately available funds an amount equal to the amount of such difference, together with interest thereon at the Prime Rate (as of the relevant Closing Date) compounded daily from such Closing Date to and including the date of payment, to an account or accounts specified by the Seller. Any adjustment amount due under this Section 1.9 shall be paid within ten (10) Business Days after the Settlement Date. The Parties shall treat any payments made pursuant to this Section 1.9(g) as an adjustment to the Purchase Price for all purposes.

(h) If the Estimated Net Working Capital exceeds the Net Working Capital Calculation after final determination pursuant to this Section 1.9, then the Seller shall pay to the Buyer by wire transfer of immediately available funds an amount equal to the amount of such

difference, together with interest thereon at the Prime Rate (as of the relevant Closing Date) compounded daily from such Closing Date to and including the date of payment, to an account or accounts specified by the Buyer. If the Net Working Capital Calculation exceeds the Estimated Net Working Capital after final determination pursuant to this Section 1.9, then the Buyer shall pay to the Seller by wire transfer of immediately available funds an amount equal to the amount of such difference, together with interest thereon at the Prime Rate (as of the relevant Closing Date) compounded daily from such Closing Date to and including the date of payment, to an account or accounts specified by the Seller. Any adjustment amount due under this Section 1.9 shall be paid within ten (10) Business Days after the Settlement Date. The Parties shall treat any payments made pursuant to this Section 1.9(h) as an adjustment to the Purchase Price for all purposes.

(i) All calculations, notices and reports described in, or provided pursuant to, this Section 1.9, shall be provided on a country-by-country basis and, with respect to PDITL and PD Trading, giving effect to the Pro-Rata Percentage Interest.

1.10 Tax Withholding. All payments to the Seller hereunder shall be made without reduction for any withholding Tax except to the extent that the Buyer has provided written notice (the “Notice of Withholding”) to the Seller no less than thirty (30) days prior to the date that the subject payment is required to be made to the Seller indicating the amount proposed to be withheld by the Buyer and the legal basis for its conclusions with respect thereto. In the event of a dispute as to whether any Tax withholding is required, the Seller shall notify the Buyer within ten (10) days following receipt of the Notice of Withholding of its disagreement and the Parties shall promptly submit the matter for resolution to the Tax Dispute Accountant pursuant to the procedures described in Section 4.12(i) hereof; *provided, however*, that the determination of the Tax Dispute Accountant shall in all events be made prior to the date that the subject payment is otherwise required to be made to the Seller.

ARTICLE II REPRESENTATIONS AND WARRANTIES REGARDING THE BUYER

The Buyer hereby represents and warrants to the Seller that as of the date hereof:

2.1 Organization; Power and Authorization. The Buyer is and each Designated Affiliate, at the relevant Closing, shall be validly existing and in good standing under the Laws of the jurisdiction of its formation and has the requisite entity power and authority necessary to execute, deliver and perform its obligations pursuant to each of the Transaction Documents to which it is a party. The Buyer’s execution, delivery and performance of this Agreement and the consummation of the Transactions have been duly authorized by all necessary action on the part of the Buyer. On or prior to the relevant Closing, each Designated Affiliate will have duly authorized by all necessary action on the part of such Designated Affiliate each Transaction Document to which it is a party and the consummation of the Transactions. The Buyer has duly and validly executed and delivered this Agreement and the Buyer and each Designated Affiliate

shall have, as of the relevant Closing Date, duly and validly executed and delivered each Transaction Document to which it is a party.

2.2 Binding Effect and Noncontravention.

(a) Each Transaction Document to which the Buyer or a Designated Affiliate is a party constitutes, or when executed will constitute, a valid and binding obligation of the Buyer or such Designated Affiliate enforceable against the Buyer or such Designated Affiliate in accordance with its terms, except as such enforceability may be limited by (i) applicable insolvency, bankruptcy, reorganization, moratorium or other similar Laws affecting creditors' rights generally, and (ii) applicable equitable principles as appropriate (whether considered in a proceeding at Law or in equity).

(b) The execution, delivery and performance by the Buyer or any Designated Affiliate of the Transaction Documents to which the Buyer or such Designated Affiliate is a party and the consummation of the Transactions do not and shall not (with or without notice or lapse of time or both): (i) conflict with or result in a breach of the terms, conditions or provisions of the governing documents of the Buyer or such Designated Affiliate; (ii) cause the acceleration or material modification of any obligation under, create in any party the right to terminate, constitute a default or breach of, or violate or conflict with the terms, conditions or provisions of any Contract to which the Buyer or such Designated Affiliate is a party or by which the Buyer or such Designated Affiliate is bound; (iii) result in a breach or violation by the Buyer or such Designated Affiliate of any of the terms, conditions or provisions of any material Law or Order to which the Buyer or such Designated Affiliate or any of the Buyer's or such Designated Affiliate's properties or assets is subject; or (iv) require any authorization, consent, approval, exemption or other action by or declaration or notice to or registration with any Person, including any Government Entity.

2.3 Broker Fees. None of the Buyer, the Designated Affiliates or any Person acting on the Buyer's or any Designated Affiliate's behalf has incurred any Liability to pay any fees or commissions to any broker, finder, or agent with respect to the Transactions.

2.4 Financial Ability. The Buyer has immediately available funds sufficient to pay the Purchase Price and consummate the Transactions and perform and discharge its obligation under each of the Transaction Documents to which it is a party and in connection with the Transactions. The Buyer acknowledges and affirms that it is not a condition to Closing or any of the Buyer's other obligations under this Agreement that the Buyer obtain financing for or relating to any of the Transactions.

2.5 No Litigation. There is no Action or Proceeding pending or, to the Buyer's Knowledge, threatened against the Buyer or any Designated Affiliate or the Buyer's or any Designated Affiliate's properties, assets or businesses, or Order to which the Buyer or any Designated Affiliate is subject (a) which would result in a Buyer Material Adverse Change or

(b) that questions or challenges the validity of this Agreement or that may prevent, delay, make illegal or otherwise interfere with the ability of the Buyer or any Designated Affiliate to consummate the Transactions and otherwise perform its obligations under any Transaction Document to which it is a party.

2.6 Investment. The Buyer and the Designated Affiliates are acquiring the Company Equity for its and the Designated Affiliates' own account, for investment only, and not with a view to any resale or public distribution thereof in violation of the applicable Laws. The Buyer and the Designated Affiliates shall not offer to sell or otherwise dispose of the Company Equity in violation of any Law applicable to any such offer, sale or other disposition. The Buyer acknowledges that the Company Equity has not been registered under any applicable securities Laws and may not be transferred in the absence of such registration.

2.7 Solvency. Immediately after giving effect to the Transactions and any indebtedness incurred by the Buyer or any Affiliate thereof in connection with the Transactions and the use of the proceeds thereof, the Buyer and each subsidiary of the Buyer, including the Subject Companies, shall be solvent and shall (a) be able to realize upon its assets and pay its debts and other Liabilities as they become due, (b) own property that has a fair saleable value greater than the amounts required to pay their respective debts and Liabilities (including a reasonable estimate of the amount of all contingent Liabilities), and (c) have adequate capital to carry on its business. No transfer of property is being made and no obligation is being incurred in connection with the Transactions with the intent to hinder, delay or defraud either present or future creditors of the Buyer and each subsidiary of the Buyer, including the Subject Companies. In connection with the Transactions, the Buyer has not incurred, nor plans to incur, debts beyond its ability to pay as they become absolute and matured.

2.8 Acknowledgement by the Buyer.

(a) The Buyer and its Representatives have conducted its (and their) own independent investigation, review and analysis of the Evaluation Material, the Companies, the Business and the assets, Liabilities, results of operations and financial condition of the Companies, and acknowledges that the Buyer has been provided access to the personnel, properties, premises and records of the Companies for such purpose and that the Buyer and its Representatives have been provided with the opportunity to ask questions of the officers and management employees of the Companies and to acquire such additional information about the Companies, the Business and the assets, Liabilities, results of operations and financial condition of the Companies as the Buyer and its Representatives have requested. The Buyer is an informed and sophisticated participant in the Transactions and has undertaken such investigation, and has been provided with and has evaluated such documents and information, as it has deemed necessary in connection with the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the Transactions.

(b) The Buyer acknowledges that it is consummating the Transactions without any representation or warranty, express or implied, by the Companies, the Equity Sellers or the Seller or any of their Affiliates except as expressly set forth in ARTICLE III (as modified by the Seller Disclosure Schedules). The Buyer acknowledges that, except for the matters that are expressly covered by the provisions of this Agreement and for matters relating to the fraud or willful misconduct of the Equity Sellers or the Seller, it is relying on its own investigation and analysis in entering into the Transaction Documents and the Transactions.

(c) In furtherance of the foregoing, and not in limitation thereof, the Buyer acknowledges that no representation or warranty, express or implied, of the Companies, the Equity Sellers or the Seller or any of their respective Affiliates or Representatives or any other Person (including the Hongkong and Shanghai Banking Incorporation Limited, and Credit Agricole Securities (USA) Inc., or Credit Agricole Corporate and Investment Bank), with respect to the Companies, the Equity Sellers, the Seller or the Purchased Assets, including (i) the information set forth in the Confidential Information Memoranda; (ii) any other information provided to the Buyer or any of its Affiliates or Representatives pursuant to the Confidentiality Agreement, including the Evaluation Material; and (iii) any financial projection or forecast delivered to the Buyer or any of its Affiliates or Representatives with respect to the revenues or profitability which may arise from the operation of the Companies either before or after the relevant Closing Date, shall (except as otherwise expressly represented in ARTICLE III of this Agreement) form the basis of any Action or Proceeding against the Companies, the Equity Sellers, the Seller or any of their respective Affiliates or Representatives with respect thereto or with respect to any related matter. With respect to any projection or forecast delivered by or on behalf of the Companies to the Buyer, the Buyer acknowledges that (A) there are uncertainties inherent in attempting to make such projections and forecasts; (B) the accuracy and correctness of such projections and forecasts may be affected by information that may become available through discovery or otherwise after the date of such projections and forecasts; and (C) they are familiar with each of the foregoing. The Buyer has no Knowledge of any facts and/or circumstances that could make any of the representations and warranties of the Seller contained in ARTICLE III untrue or misleading.

ARTICLE III REPRESENTATIONS AND WARRANTIES REGARDING THE SELLER

Except as set forth on the Seller Disclosure Schedule, the Seller hereby represents and warrants to the Buyer that as of the date hereof:

3.1 Organization; Power and Authorization.

(a) The Seller and each Selling Affiliate is validly existing and in good standing under the Laws of the jurisdiction of its formation and has the requisite corporate power and authority necessary to execute, deliver and perform its obligations pursuant to each of the Transaction Documents to which it is a party and to conduct its business as it is now being

conducted. The Seller's and each Selling Affiliate's execution, delivery and performance of each Transaction Document to which it is a party and the consummation of the Transactions have been duly authorized by all necessary action on the part of the Seller and such Selling Affiliate. The Seller has duly and validly executed and delivered this Agreement and the Seller and each Selling Affiliate shall have, as of the relevant Closing Date, duly and validly executed and delivered each other Transaction Document to which it is a party.

(b) Each Company is validly existing and in good standing under the Laws of the jurisdiction of its formation and has the requisite entity power and authority necessary to execute, deliver and perform its obligations pursuant to each of the Transaction Documents to which it is a party and to conduct its business as it is now being conducted. Each Company's execution, delivery and performance of each Transaction Document to which it is a party and the consummation of the Transactions have been duly authorized by all necessary action on the part of such Company. Each shall have, as of the relevant Closing Date, duly and validly executed and delivered each Transaction Document to which it is a party.

3.2 Binding Effect and Noncontravention.

(a) Each Transaction Document to which the Seller or a Selling Affiliate is a party constitutes, or when executed will constitute, a valid and binding obligation of the Seller or such Selling Affiliate enforceable against the Seller or such Selling Affiliate in accordance with its terms, except as such enforceability may be limited by (i) applicable insolvency, bankruptcy, reorganization, moratorium or other similar Laws affecting creditors' rights generally, and (ii) applicable equitable principles (whether considered in a proceeding at Law or in equity).

(b) Each Transaction Document to which a Company is a party constitutes, or when executed will constitute, a valid and binding obligation of such Company enforceable against such Company in accordance with its terms, except as such enforceability may be limited by (i) applicable insolvency, bankruptcy, reorganization, moratorium or other similar Laws affecting creditors' rights generally, and (ii) applicable equitable principles (whether considered in a proceeding at Law or in equity).

(c) The execution, delivery and performance by the Seller and the Selling Affiliates of the Transaction Documents to which the Seller or such Selling Affiliate is a party and the consummation of the Transactions do not and shall not (with or without notice or lapse of time or both): (i) conflict with or result in a breach of the terms, conditions or provisions of the governing documents of the Seller or such Selling Affiliate; (ii) cause the acceleration or material modification of any obligation under, create in any party the right to terminate, constitute a default or breach of, or violate or conflict with the terms, conditions or provisions of any material Contract to which the Seller or such Selling Affiliate is a party or by which the Seller or such Selling Affiliate is bound; (iii) result in a breach or violation by the Seller or such Selling Affiliate of any of the terms, conditions or provisions of any material Law or Order to which the Seller or such Selling Affiliate or any of the Seller's or such Selling Affiliate's

properties or assets is subject; or (iv) to the Seller's Knowledge, require any authorization, consent, approval, exemption or other action by or declaration or notice to or registration with any Person, including any Government Entity.

(d) Except as set forth in the Seller Disclosure Schedule, the execution, delivery and performance by each Company of the Transaction Documents to which each such Company is a party and the consummation of the Transactions do not and shall not (with or without notice or lapse of time or both): (i) conflict with or result in a breach of the terms, conditions or provisions of the governing documents of such Company; (ii) cause the acceleration or material modification of any obligation under, create in any party the right to terminate, constitute a default or breach of, or violate or conflict with the terms, conditions or provisions of any Material Contract to which such Company is a party or by which such Company is bound; (iii) result in a breach or violation by such Company of any of the terms, conditions or provisions of any material Law or Order to which such Company or any of its properties or assets is subject; or (iv) to the Seller's Knowledge, require any authorization, consent, approval, exemption or other action by or declaration or notice to or registration with any Person, including any Government Entity.

3.3 Ownership.

(a) Thailand Holdings holds of record, owns beneficially (if applicable) and has good, valid and marketable title to the PDITL Equity and PD Trading Equity, free and clear of any Liens other than Permitted Liens. Upon payment in full of the PDITL Equity Purchase Price and PD Trading Equity Purchase Price, good, valid and marketable title to the PDITL Equity and PD Trading Equity shall pass to the Buyer (or its Designated Affiliates), free and clear of any Liens other than Permitted Liens.

(b) China Holdings holds of record, owns beneficially (if applicable) and has good, valid and marketable title to the China Equity, free and clear of any Liens other than Permitted Liens. Upon payment in full of the China Equity Purchase Price, good, valid and marketable title to the China Equity shall pass to the Buyer (or its Designated Affiliates), free and clear of any Liens other than Permitted Liens.

(c) Australia Holdings holds of record, owns beneficially (if applicable) and has good, valid and marketable title to the Australia Equity, free and clear of any Liens other than Permitted Liens. Upon payment in full of the Australia Equity Purchase Price, good, valid and marketable title to the Australia Equity shall pass to the Buyer (or its Designated Affiliates), free and clear of any Liens other than Permitted Liens.

(d) The Asset Seller has good, valid and marketable title to the Purchased Assets, free and clear of any Liens other than Permitted Liens. Upon payment in full of the Asset Purchase Price, good, valid and marketable title to the Purchased Assets shall pass to the Buyer (or its Designated Affiliates), free and clear of any Liens other than Permitted Liens.

(e) Each of the Subject Companies has good, valid and marketable title to all of the material assets owned by the Subject Companies, including all assets reflected in the Financial Statements of each such Company and all intellectual property and real property, with respect to the Business, in each case free and clear of any Liens, other than Permitted Liens (collectively with the Purchased Assets, the “Assets”). Except for the intellectual property to be provided under the Thailand Trademark License Agreement and the China Trademark License Agreement, the Assets constitute all of the material assets, tangible and intangible, of any nature whatsoever, currently used to operate the Business in the manner presently operated by the Subject Companies.

3.4 Capitalization; Subsidiaries.

(a) The Seller Disclosure Schedule sets forth each Subject Company’s entire authorized equity or registered capital. All of the issued and outstanding equity or registered capital of each Subject Company has been, as applicable, duly authorized, validly issued in compliance with all applicable Laws, fully paid, and non-assessable, and, as applicable, is held of record and beneficially by the Person set forth in the Seller Disclosure Schedule and is not subject to any preemptive or subscription rights that will survive the relevant Closing Date. Except as set forth in the Seller Disclosure Schedule, there are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require any Subject Company to issue, sell or otherwise cause to become outstanding any of its capital stock. Except as set forth in the Seller Disclosure Schedule, there are no outstanding or authorized stock appreciation, phantom stock, profit participation, restrictions on the transfer of securities or similar rights with respect to any Subject Company.

(b) No Subject Company has any subsidiaries, except as set forth in the Seller Disclosure Schedule.

3.5 Broker Fees. Except for the fees payable to Hongkong and Shanghai Banking Incorporation Limited, and Credit Agricole Securities (USA) Inc., or Credit Agricole Corporate and Investment Bank which are the sole responsibility of the Seller, the Seller does not have any Liability to pay any fees or commissions to any broker, finder, or agent with respect to the Transactions for which the Buyer could become liable or obligated.

3.6 Financial Statements. The Seller has provided to the Buyer management prepared combined balance sheets and statements of income of the Subject Companies as at and for the period ended December 31, 2014 (collectively, the “Financial Statements”). The Financial Statements were prepared in accordance with the books of account and other financial records of the Subject Companies. The Financial Statements (a) have been prepared in accordance with the accounting policies and practices historically used by the Business for internal management use financial statements, which policies and practices have been consistently applied throughout the periods covered, and (b) fairly present, in all material respects, the financial position and results

of operations of the Subject Companies as at their respective dates for their respective periods, taking into consideration the purpose for which the Financial Statements were prepared.

3.7 Absence of Changes. From December 31, 2014 to the date hereof, the Business has been conducted in the ordinary course of business consistent with past practice.

3.8 Compliance with Law and Proceedings.

(a) Except as set forth in the Seller Disclosure Schedule, the Subject Companies are in compliance in all material respects with any Law or Governmental Authorization applicable to it or to the conduct or operation of the Business or the ownership or use of any of such Subject Company's assets, except for violations that would not reasonably be expected to result in Liabilities to the Subject Companies in excess of \$500,000 in the aggregate. Except as set forth in the Seller Disclosure Schedule, none of Seller or any of the Subject Companies has received any notice or other communication (whether oral or written) from any Government Entity or any other Person regarding any actual, alleged, possible or potential violation of, or failure to comply with, any applicable Law, Order or Governmental Authorization, except for violations that would not reasonably be expected to result in Liabilities to the Subject Companies in excess of \$500,000 in the aggregate. Except as set forth in the Seller Disclosure Schedule, the Subject Companies hold all material Governmental Authorizations reasonably necessary to the operation of the Business and each such Governmental Authorization is valid and in full force and effect. Notwithstanding anything contained herein to the contrary, the Parties agree and acknowledge that the Seller is not providing any representations, warranties or covenants, under this Section or otherwise, on its own behalf or on behalf of any of its Affiliates or any of their current or former partners, equityholders, members, managers, directors, executives, officers, representatives, agents or employees with respect to (i) the use of any corporate funds for any illegal contributions, gifts, entertainment or other unlawful expenses relating to political activity; (ii) the use of any corporate funds for any direct or indirect unlawful payments to any foreign or domestic government officials or employees; (iii) any provision of any anti-corruption laws in any jurisdiction, including the Foreign Corrupt Practices Act of 1977; (iv) any unlawful fund of corporate monies or other properties; (v) any deliberately false or fictitious entries on the books and records; or (vi) any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment of any nature using corporate funds or otherwise.

(b) Except as set forth in the Seller Disclosure Schedule, there is no Action or Proceeding pending or, to the Seller's Knowledge, threatened in writing against any Subject Company or relating to the transactions contemplated hereby or to the conduct or operation of the Business or the ownership or use of any of such Subject Company's assets, except for Actions or Proceedings that would not reasonably be expected to result in Liabilities to the Subject Companies in excess of \$500,000 in the aggregate. Except as set forth in the Seller Disclosure Schedule, there is no Order to which any Subject Company or any of such Subject

Company's assets is subject. The Subject Companies are in compliance in all material respects with all such Orders.

3.9 Contracts.

(a) Except as set forth in the Seller Disclosure Schedule, none of the Subject Companies is bound by or a party to any:

(i) Joint venture, partnership, limited liability company or other similar Contract;

(ii) Contract relating to the acquisition or disposition of any Person, business, assets, products or services (whether by merger, sale of stock, sale of assets or otherwise), other than (A) sales of inventory in the ordinary course of business consistent with past practice, (B) purchases of raw materials and supplies in the ordinary course of business consistent with past practice, (C) any Contract involving annual revenues or expenses of less than \$500,000 in the aggregate or (D) any Contract that is cancellable by the Subject Company that is a party without penalty on less than ninety (90) days' notice;

(iii) Contract affecting the ownership of, leasing of, title to, use of or any leasehold or other interest in any real or personal property (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than \$500,000 or with a term of less than one (1) year);

(iv) Contract relating to any license or sublicense of any material rights under or with respect to any intellectual property (other than generally available offtheshelf software licenses);

(v) Sales agency, distribution or marketing Contract with respect to which the annual fees payable by or to any Subject Company are in excess of \$500,000, other than any Contract that is cancellable by the Subject Company that is a party without penalty on less than ninety (90) days' notice;

(vi) Contract relating to any outstanding commitment for capital expenditures in excess of \$500,000 individually or \$1,000,000 in the aggregate;

(vii) Contract that (A) limits in any material respect the freedom of any Subject Company to compete in any line of business or with any Person or in any geographic area or (B) contains exclusivity obligations or restrictions binding on any Subject Company;

(viii) Contract evidencing or relating to Indebtedness or to the mortgaging, pledging or otherwise placing a Lien (other than a Permitted Lien) on any portion of such Subject Company's assets;

- (ix) Power of attorney that is currently effective and outstanding;
- (x) Contract between any Subject Company, on the one hand, and any of its Affiliates, on the other hand;
- (xi) Contract under which (A) any Person has directly or indirectly guaranteed any Liabilities of any Subject Company or (B) any Subject Company has directly or indirectly guaranteed Liabilities of any other Person; or
- (xii) Hedging contract, swap or similar arrangements.

(b) With respect to each Contract set forth in the Seller Disclosure Schedule (each, a “Material Contract”), to the Seller’s Knowledge: (i) each Material Contract is in full force and effect and is valid and enforceable in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium, receivership or similar Laws affecting creditors’ rights generally and by general principles of equity (whether considered at Law or in equity), (ii) the Seller has made available to Buyer a true and correct copy of each Material Contract, and (iii) no Subject Company or the Seller, or any other party thereto, is in default under or breach or violation of any Material Contract and no event has occurred that, with or without notice or passage of time or both, would reasonably be expected to constitute a default, breach or violation thereunder, and (iv) no party has provided any written notice of any intention to terminate any Material Contract.

3.10 Employees and Labor Matters.

(a) Except as set forth in the Seller Disclosure Schedule, no Subject Company or the Seller, in relation to the Business, is a party to or bound by any collective bargaining agreement, or any other agreement, understanding, or contract of any kind with any labor organization or union.

(b) Except as set forth in the Seller Disclosure Schedule, since December 31, 2014, there has not occurred, or, to the Seller’s Knowledge, been threatened in writing, any material strike, slowdown, picketing, work stoppage, concerted refusal to work or other similar labor activity with respect to any Business Employees. Since December 31, 2014, no Subject Company or the Seller has engaged in any unfair labor practices (within the meaning of any Laws governing labor relations) that would reasonably be expected to result in a material Liability of the Subject Companies.

3.11 Environmental Matters. Except as set forth in the Seller Disclosure Schedule:

(a) no written complaint, Order, notice of violation or other claim under any environmental Law has been received by any Subject Company or the Seller with respect to any facility that is the subject of the Transactions, other than for matters that have been resolved or

that are no longer outstanding, the failure to comply with would result in a Seller Material Adverse Change or a Company Material Adverse Change;

(b) there has been no release of any hazardous substance in connection with the ownership or operation of any facility that is the subject of the Transactions except in compliance with environmental Laws, that would result in a Seller Material Adverse Change or a Company Material Adverse Change; and

(c) there are no outstanding complaints, demands, directives, orders, notices or other claims from any Government Entity or other third party that allege that any environmental contamination is attributable to any facility that is the subject of the Transactions, including any environmental contamination at remote locations, the failure to comply with would result in a Seller Material Adverse Change or a Company Material Adverse Change.

3.2 Disclaimer. Except as otherwise specifically provided in ARTICLE III (as modified by the Seller Disclosure Schedule), or as directly related to the fraud or willful misconduct of the Seller or the Equity Sellers, neither the Seller, the Companies nor any directors, managers, partners, officers, employees, equityholders, optionholders, agents, Affiliates or Representatives thereof, nor any other Person, has made or shall be deemed to have made any representation or warranty to the Buyer, express or implied, at Law or in equity, with respect to the Seller, the Equity Sellers, the Companies, the Business or the assets, Liabilities, results of operations or financial condition of the Companies, including any representations and warranties as to the accuracy or completeness of any Evaluation Material or any other information provided to the Buyer or any of its respective Affiliates or Representatives pursuant to the Confidentiality Agreement or as to the future sales, revenue, profitability or success of the Business, or any representations or warranties arising from statute or otherwise in Law, from a course of dealing or a usage of trade. All such other representations and warranties are expressly disclaimed by the Seller.

ARTICLE IV COVENANTS AND OTHER AGREEMENTS

4.1 General. Each of the Parties shall use its commercially reasonable efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the Transactions (including satisfaction, but not waiver, of the closing conditions set forth in ARTICLE VI below and receipt of all required third party consents).

4.2 Operation of Business. From the date of this Agreement through the relevant Closing, except as the Buyer may approve otherwise (with such approval not to be unreasonably withheld or delayed), or as otherwise expressly contemplated or permitted by the Transaction Documents, the Seller shall cause the Companies to conduct the Business in all material respects in accordance with the ordinary course of business consistent with past practice, and use commercially reasonable efforts to (i) maintain and preserve intact the current organization and

Business of the Subject Companies; (ii) materially comply with all Laws; and (iii) preserve the rights, goodwill and relationships of the material employees, customers, lenders, suppliers, regulators, and others having business relationships with the Subject Companies. Without limiting the foregoing, from the date hereof until the relevant Closing without the prior written consent of Buyer (which shall not be unreasonably withheld or delayed), except as otherwise specifically required or permitted by this Agreement, the Seller shall not, and shall cause the Subject Companies not to:

(a) issue, sell or grant options, warrants or rights to purchase or subscribe to, or enter into any Contract with respect to the issuance or sale of, any of the capital stock or share capital of or other equity interests in any of the Subject Companies or rights or obligations convertible into or exchangeable for any such shares of capital stock or share capital or other equity interests or make any changes (by stock split, reverse stock split, combination, recapitalization, reorganization, formation of new subsidiaries or otherwise) in the corporate or capital structure of any of the Subject Companies;

(b) enter into, assume or amend any Material Contract or any Contract that would be a Material Contract if entered into after the date hereof, other than Material Contracts entered into in the ordinary course of business consistent with past practice providing for (i) payments over the term of such Contracts of no more than \$500,000 in the aggregate, or (ii) sales of products that are competitive with any products manufactured by Buyer or its Affiliates;

(c) make any settlement payment in excess of \$500,000 or release any claim in respect of any Action or Proceeding that would reasonably be expected to have a value in excess of \$500,000, other than in the ordinary course of business consistent with past practice;

(d) (i) materially increase the compensation, salary, bonus, or benefits (including severance benefits) payable to any Business Employee, other than compensation and salary increases in the ordinary course of business consistent with past practice or in accordance with any agreement, policy or practice in effect on the date hereof, (ii) except as required by applicable Law or any agreement in effect on the date hereof, terminate, establish, amend or make awards under any material Subject Company benefit plan, or (iii) enter into any new Contracts, or amend any Contracts, for employee benefits covering Business Employees, that would in each case have a term of more than one (1) year or increase the costs to the Subject Companies of such employee benefits by more than fifteen percent (15%) from the costs of such employee benefits as of the date of this Agreement;

(e) (i) terminate the employment of any Business Employee who both (A) has an annual base salary in excess of \$100,000 and (B) is a managementlevel employee, or (ii) hire a Business Employee to fill the position held by a Business Employee described in clause (A) of this [Section 4.2\(e\)](#);

(f) fail to duly file all Tax Returns required to be filed by the Subject Companies and to pay promptly all Taxes and governmental charges that are claimed by any Government Entity by the Subject Companies as and when due, except for such Taxes that are being disputed in good faith and for which adequate reserves have been set aside in accordance with the applicable generally accepted accounting principles in the relevant jurisdictions ;

(g) declare, set aside or pay any dividend or other distribution with respect to any capital stock or share capital of or other equity interests in any of the Subject Companies, or repurchase or redeem any shares of its capital stock or share capital; provided that, the Subject Companies may declare and pay cash dividends or otherwise make cash distributions to one or more Equity Seller of all or any portion of any Subject Company's available cash or make distributions of intercompany accounts;

(h) sell, transfer, lease or otherwise dispose of any material assets, other than inventory sold in the ordinary course of business consistent with past practice;

(i) except as otherwise required hereunder, amend the certificate of incorporation, bylaws or other organizational documents of any Subject Company; or

(j) create or otherwise incur any Liens of any material amount on any of the Assets, other than Permitted Liens,

provided, that each Company shall be permitted with respect to the period between the execution of this Agreement and the relevant Closing Date to take all reasonably appropriate and necessary actions to: (i) apply available cash to prepay Indebtedness of such Company; and (ii) distribute cash dividends out of funds legally available therefore to the Seller or its Affiliates.

4.3 Access to Records. Until the earlier of the termination of this Agreement pursuant to ARTICLE VIII or the relevant Closing, subject to the terms of the Confidentiality Agreement, the Buyer shall be entitled, through its employees and Representatives, to enter upon and make such reasonable investigation of the assets, properties, business and operations of any Company, and such examination of the books and records, financial condition and operations of such Company as the Buyer may reasonably request. Any such investigation and examination shall be conducted at reasonable times upon reasonable prior notice to the Seller and under reasonable circumstances; *provided* that (a) such investigation shall not unreasonably interfere with the business operations of such Company; (b) such Company shall not be required to provide access to any information or take any other action that would constitute a waiver of the attorney-client privilege; and (c) such Company need not supply the Buyer with any information which, in the reasonable judgment of the Seller, such Company or any of its Affiliates is under a legal obligation not to supply. Without the prior written consent of the Seller, neither the Buyer nor any of its Representatives shall contact any director, officer, employee, agent, customer or supplier of any Company with respect to the Transactions.

4.4 Supplemental Disclosure; Notice of Developments.

(a) The Seller shall have the right from time to time prior to the relevant Closing to supplement or amend the Seller Disclosure Schedule with respect to (i) any matter that existed as of the date of this Agreement and should have been set forth in the Seller Disclosure Schedule and (ii) any matter hereinafter arising which, if existing as of the date of this Agreement, would have been required to be set forth in the Seller Disclosure Schedule; *provided* that with respect to clause (ii) above, any such supplemental or amended disclosure shall, for purposes of this Agreement, be deemed to have been disclosed as of the relevant Closing to the extent it is not material or as otherwise not prohibited under Section 4.2 hereof.

(b) The Seller shall promptly notify the Buyer in writing of any development causing a material breach of any of the representations and warranties in ARTICLE III above. Unless the Buyer has the right to terminate this Agreement pursuant to Section 8.1 below by reason of such development and exercises that right within five (5) Business Days after gaining such right, as provided in Section 8.1 below, the written notice pursuant to this Section 4.4(b) shall be deemed to have amended the Seller Disclosure Schedule, to have qualified the representations and warranties contained in ARTICLE III above, and to have cured any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of the development. The Buyer shall also be precluded from asserting any claims against the Seller whether before or after the relevant Closing, by reason of any such development. From the date of this Agreement until the relevant Closing, the Buyer promptly shall notify the Seller if any representation and warranty of the Buyer set forth in this Agreement was untrue when made or subsequently has become untrue.

4.5 Public Announcements; Confidentiality.

(a) Neither the Seller nor the Buyer shall make, or permit any agent or Affiliate to make, any public statements, including any press releases, with respect to this Agreement and the Transactions without the prior written consent of the other (which consent shall not be unreasonably withheld or delayed), provided that each Party may, without the other Parties' prior consent, make any public disclosure that it believes in good faith is required by applicable Laws or securities listing standards (in which case the disclosing Party agrees to use commercially reasonable efforts to advise the other Parties prior to making the disclosure).

(b) The Parties acknowledge that the information being provided to one another in connection with the Transactions (including the terms and conditions of this Agreement and the other Transaction Documents) is subject to the term of the Confidentiality Agreement, the terms of which are incorporated herein by reference.

4.6 Litigation Support. In the event and for so long as any Party actively is contesting or defending against any third party Action or Proceeding, including the GC Action, in connection with (a) the Transactions or (b) any fact, situation, circumstance, status, condition,

activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the relevant Closing Date involving the Companies, the Equity Sellers or the Seller, the Buyer agrees to (i) cooperate with the contesting or defending party and its counsel, (ii) make available any employee then employed by the Buyer to provide testimony, to be deposed, to act as witnesses and to assist counsel, (iii) provide access to its books and records as shall be necessary in connection with the defense or contest, all at the sole cost and expense of the contesting or defending Party; and (iv) shall preserve all records relating to the GC Action as requested by the Seller until such time as the Seller notifies the Buyer in writing that such preservation is no longer necessary.

4.7 Regulatory and Other Approvals; Consents.

(a) Subject to the terms and conditions provided in this Section 4.7, the Seller and the Buyer each shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Transactions, including timely submission of the documents set out in Schedule 4.7 to the China Approval Authority after the date of this Agreement, and to cooperate with each other in connection with the foregoing, including to: (i) obtain all necessary waivers, consents and approvals from other parties to Contracts; (ii) obtain all Governmental Authorizations that are required to be obtained under any Law; (iii) lift or rescind any injunction, restraining order or other Order adversely affecting the ability of the Parties to consummate the Transactions; (iv) effect all necessary registrations and filings including filings and submissions of information requested or required by any Government Entity, including any national antitrust authorities with mandatory pre-merger filing requirements that are deemed by the Seller and the Buyer, after consulting with one another, to be applicable to the Transactions (“Governmental Antitrust Authority”); and (v) fulfill all conditions to this Agreement. The Seller and the Buyer further covenant and agree, with respect to any threatened or pending preliminary or permanent injunction or other Order or Law that would adversely affect the ability of the Parties to consummate the Transactions, to use their respective best efforts to prevent the entry, enactment or promulgation thereof, as the case may be. In no event, however, shall the Seller be obligated to pay any money to any Person or to offer or grant other financial or other accommodations to any Person in connection with its obligations under this Section 4.7.

(b) In furtherance and not in limitation of the foregoing, the Seller and the Buyer shall use their best efforts to resolve such objections, if any, as may be asserted with respect to the Transactions under any antitrust, competition or trade regulatory Laws (“Antitrust Laws”). Without limiting the generality of the foregoing, the Seller and the Buyer shall (i) use their best efforts to avoid the entry of, or to have vacated or terminated, any Order that would restrain, prevent or delay the consummation of the Transactions, including defending through litigation on the merits and through any available appeals any claim asserted in any court by any party, and (ii) take any and all steps necessary to avoid (or eliminate) each and every impediment under any Antitrust Laws that may be asserted by any Governmental Antitrust Authority with

respect to the Transactions so as to enable the consummation of such transactions to occur as expeditiously as possible (and in any event no later than December 31, 2015), including proposing, negotiating, committing to and effecting (by consent decree, hold separate order or otherwise) the sale, divestiture or disposition of such assets or businesses of the Buyer or its Affiliates or of the Companies (or otherwise taking or committing to take any action that limits their freedom of action with respect to any of the businesses, product lines or assets of the Buyer or its Affiliates or of the Companies) as may be required in order to avoid the pursuit or entry of, or to effect the dissolution of, any injunction, temporary restraining order or other Order in any Action or Proceeding, which would otherwise have the effect of preventing or delaying the consummation of the Transactions. The entry by any Governmental Antitrust Authority (where it has the power to do so), in any Action or Proceeding brought by a private party or Governmental Antitrust Authority challenging the Transactions as violative of any Antitrust Law, of an Order permitting the Transactions, but requiring that any of the businesses, product lines or assets of any of the Buyer or its respective Affiliates or of the Companies, or that would otherwise limit the Buyer's freedom of action with respect to, or its ability to retain, any of the Buyer's or its Affiliates' other businesses, product lines or assets, shall not be deemed a failure to satisfy the conditions specified in Section 6.1(c) or 6.1(e). Notwithstanding the foregoing, however, neither the Seller nor any of its Affiliates shall be required to divest or hold separate or otherwise take or commit to take any action that limits its freedom of action with respect to, or its ability to retain in the event of failure to meet the conditions set forth in Section 6.1(c), 6.1(e), 6.2(c), or 6.2(e), the business of the Companies or any portion thereof, or any of its or their other businesses, product lines or assets.

(c) The Seller and the Buyer shall keep each other apprised of the status of matters relating to the completion of the Transactions and work cooperatively in connection with obtaining the requisite Governmental Authorizations, including: (i) cooperating with the other Party in connection with filings under any Antitrust Laws, including, with respect to the Party making a filing, (A) providing copies of all such documents to the non-filing Party and its advisors prior to filing (other than documents containing confidential business information that shall be shared only with outside legal counsel to the non-filing Party) and (B) if requested, accepting all reasonable additions, deletions or changes suggested in connection with any such filing; (ii) furnishing to each other all information required for any application or other filing to be made pursuant to any Antitrust Laws in connection with the Transactions; (iii) promptly notifying the other of, and if in writing furnishing the other with copies of, any communications from or with any Governmental Antitrust Authority with respect to the Transactions; (iv) permitting the other Party to review in advance and considering in good faith the views of one another in connection with any proposed communication with any Governmental Antitrust Authority in connection with Actions or Proceedings under or relating to any Antitrust Laws; (v) not agreeing to participate in any meeting or discussion with any Governmental Antitrust Authority in connection with Actions or Proceedings under or relating to any Antitrust Laws unless it consults with the other Party in advance, and, to the extent permitted by such Governmental Antitrust Authority, gives the other Party the opportunity to attend and participate

in such meetings or discussions; and (vi) consulting and cooperating with one another in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of either Party in connection with Actions or Proceedings under or relating to any Antitrust Laws. If either Party or any Affiliate thereof receives a request for additional information or documentary material from any such Governmental Antitrust Authority with respect to the Transactions, then such Party shall endeavor in good faith to make, or cause to be made, as soon as practicable and after consultation with the other Party, an appropriate response in compliance with such request. The Buyer shall advise the Seller promptly in respect of any understandings, undertakings or agreements (oral or written) which the Buyer proposes to make or enter into with any Governmental Antitrust Authority in connection with the Transactions.

4.8 Employee Matters.

(a) For a period of ninety (90) days after the relevant Closing Date or such longer time if required under applicable Law, the Buyer shall not, and shall cause each Subject Company not to, terminate Business Employees in such numbers as would trigger any Liabilities under any plant closing or other severance Law. The Buyer shall, and shall cause the Subject Companies to, comply with any notice or filing requirements under any plant closing or other severance Law occurring on or after the relevant Closing Date. Notwithstanding the foregoing, any termination of a Business Employee by the Buyer after the relevant Closing Date shall be in accordance with applicable Law and shall entitle such terminated Business Employee to severance and social insurance benefits no less than those in place, by the Company that employed such Business Employee, as of the relevant Closing Date.

(b) During the period commencing immediately after the relevant Closing Date and ending on the second anniversary thereof, the Buyer shall provide, or shall cause the Subject Companies to provide, the Business Employees with (i) base salary or wages, and target incentive compensation opportunities, at rates or amounts that are no less than those in effect for such Business Employees immediately prior to the relevant Closing Date, and (ii) employee benefits and social insurance benefits that are reasonably comparable in the aggregate to those provided for such Business Employees by the Companies immediately prior to the relevant Closing Date. The Buyer will cause any benefit plans or social insurance benefits in which the Business Employees are eligible to participate to take into account for purposes of determining eligibility and vesting (and the amount and level of benefits or social insurance contributions) service by the Business Employees as if such service were with the Buyer or the Companies, as applicable, to the same extent such service was credited under a comparable Company benefit plan prior to the relevant Closing Date.

(c) At least thirty (30) days prior to the First Closing, the Buyer shall provide the Seller with a list of no more than six (6) Business Employees to be terminated or who the Buyer determines will not be offered employment by the Buyer in New Zealand under Section 4.9 (the "Terminated Employees"). Subject to applicable Law, the Terminated

Employees shall be terminated by the applicable Company immediately prior to the relevant Closing; *provided*, however that any Terminated Employee who is a New Zealand Business Employee shall not be terminated prior to the Second Closing but shall instead be terminated by Asset Seller by reason of redundancy simultaneously with or immediately after the Second Closing along with all other employees. The Seller shall bear (i) seventy five percent (75%), with respect to any Terminated Employee that is a Business Employee of PDITL, or (ii) one hundred percent (100%) with respect to all other Terminated Employees, of all costs, expenses, severance or termination pay, social insurance benefits, and other Liabilities arising from the termination of any such Terminated Employee.

4.9 New Zealand Employee Matters.

(a) Offer of Employment.

(i) No later than five (5) Business Days after the date of this Agreement, the Seller and the Buyer will agree in writing the process for and timing of making announcements and offers to the New Zealand Business Employees.

(ii) No later than ten (10) Business Days after the date of this Agreement, the Buyer must make an offer of employment in writing to each of the New Zealand Business Employees, conditional on and effective from the Second Closing.

(iii) The Buyer's offer of employment to each New Zealand Business Employee must be on terms that:

(A) are substantially similar to such New Zealand Business Employee's terms and conditions of employment with Asset Seller on the date of this Agreement;

(B) include a position description, hours of work, salary and location that are substantially similar to those such New Zealand Business Employee has with Asset Seller on the date of this Agreement;

(C) accept liability for such New Zealand Business Employee's Leave Benefits and treat such New Zealand Business Employee's employment by the Buyer as if there was continuous service (including for the purposes of leave accrual and any other service related entitlements);

(D) require such New Zealand Business Employee, as a condition of accepting the Buyer's offer, to agree in writing that on the Second Closing:

1. his or her employment with Asset Seller will terminate as of the Second Closing Date and any entitlement to notice of termination from Asset

Seller or to payment in lieu of any period of notice is waived along with waiver of any entitlement to redundancy or other compensation payable upon termination by Asset Seller;

2. all of such New Zealand Business Employee's other entitlements to Leave Benefits will transfer to the Buyer and such New Zealand Business Employee waives all rights to claim payment for any such Leave Benefits from Asset Seller; and

3. all of such New Zealand Business Employee's original records of employment with Asset Seller (including such New Zealand Business Employee's personnel file) will be transferred to the Buyer, with a copy retained by Asset Seller; and

(E) request that each New Zealand Business Employee notify the Buyer by a date no later than ten (10) Business Days prior to the expected Closing Date whether the offer is accepted by such New Zealand Business Employee.

(b) Transfer of Leave and Other Entitlements. The Buyer agrees that for all New Zealand Business Employees who accept the Buyer's offer of employment, their entitlements to Leave Benefits and any other continuous service entitlements under their employment agreements will transfer to the Buyer at the Second Closing and that the Buyer will be solely responsible for and will promptly meet the cost of all such Leave Benefits and entitlements.

(c) Redundancies. The Buyer shall be solely responsible for and will promptly meet the cost of all severance, redundancy or other such payments agreed to be paid or held by a court, Employment Relations Authority, Ministry of Business Innovation and Employment or any other authorized Person to be payable to any New Zealand Business Employee which are referable to their employment with Asset Seller or the termination of that employment as a result of the Transactions.

(d) Reasonable Endeavors. Each of the Seller and the Buyer are to use all reasonable endeavors to persuade all of the New Zealand Business Employees receiving an offer under Section 4.9(a) to accept employment with the Buyer on the terms specified in the offer. Five (5) Business Days before the Second Closing, the Buyer must give notice to the Seller of all New Zealand Business Employees who have accepted the Buyer's offer of employment by providing the Seller with a copy of each New Zealand Business Employee's written acceptance of the terms of the offer in Section 4.9(a)(iii) for Asset Seller's records.

(e) No Third Party Rights. Nothing in this Section 4.9 or Section 4.8 creates any third party beneficiary rights (for the purposes of the Contracts (Privity) Act 1982 (New Zealand)) in any New Zealand Business Employee.

(f) Terminated Employees. Notwithstanding anything contained herein to the contrary, this Section 4.9 shall not apply to any New Zealand Business Employees who are determined to be Terminated Employees.

4.10 Record Retention. The Parties agree that for a period of seven (7) years after the Second Closing Date, or for a longer period if required by applicable Law, without the prior written consent of the Seller (which consent shall not be unreasonably withheld or delayed), neither the Buyer nor any of its Affiliates shall dispose of or destroy any of the books and records purchased hereunder which may be relevant to any legal, regulatory or Tax audit, investigation, inquiry or requirement of any of the Sellers without first offering such records to the Seller.

4.11 Indemnification of Directors and Officers; Insurance.

(a) The Buyer agrees that all rights to indemnification, advancement of expenses and exculpation now existing in favor of each individual who, as of the relevant Closing Date, is a current or former director or officer of any Subject Company (collectively, the “Covered Persons”) pursuant to governing documents, individual indemnity agreements, board resolutions or otherwise, shall survive the relevant Closing and shall continue in full force and effect in accordance with their terms for a period of not less than six (6) years from the Second Closing Date. Following the relevant Closing, neither the Buyer nor the Subject Companies shall amend, repeal or otherwise modify such arrangements in any manner that would adversely affect the rights of the Covered Persons thereunder.

(b) The Buyer shall cause the Subject Companies to honor, to the fullest extent permitted by applicable Law, all of the obligations of the Subject Companies to indemnify (including any obligations to advance funds for expenses) the Covered Persons to the extent that such obligations of the Subject Companies exist on the relevant Closing Date, whether pursuant to their governing documents, individual indemnity agreements, board resolutions or otherwise, and such obligations shall survive the relevant Closing and shall continue in full force and effect in accordance with the terms of such arrangements until the expiration of the applicable statute of limitations with respect to any claims.

(c) For a period of not less than six (6) years after the Second Closing Date, the Buyer shall cause, at its sole expense, to be maintained in effect the current policies of directors’ and officers’ liability insurance maintained by the Subject Companies, or substitute policies providing at least the same coverage and amounts and containing terms and conditions which are not less advantageous to the director or officer in any material respect, in each case with respect to claims arising from facts or events which occurred at or prior to the relevant Closing Date.

(d) In the event that the Buyer, the Subject Companies or any of their respective successors or assigns after the applicable Closing Date (i) consolidates with or merges

into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or a substantial portion of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of the Buyer, the Subject Companies or of their respective successors or assigns assume the obligations of the Buyer and/or the Subject Companies or their respective successors or assigns as contemplated by this Section 4.11.

(e) To the fullest extent permitted by applicable Law, the Buyer and/or the Subject Companies or their respective successors or assigns shall pay all reasonable expenses, including reasonable attorneys' fees, that may be incurred by any Covered Person in enforcing the indemnity and other obligations provided in this Section 4.11. The provisions of this Section 4.11 shall survive the consummation of the relevant Closing and expressly are intended to benefit each of the Covered Persons. Notwithstanding anything to the contrary, it is agreed that the rights of a Covered Person under this Section 4.11 shall be in addition to, and not a limitation of, any other rights such Covered Person may have under the governing documents of the Subject Companies, individual indemnity agreements, board resolutions or otherwise, and nothing in this Section 4.11 shall have the effect of, or be construed as having the effect of, reducing the benefits to the Covered Persons under such arrangements.

(f) The Buyer hereby acknowledges that the Covered Persons may have certain rights to indemnification, advancement of expenses and/or insurance provided by other Persons. The Buyer hereby agrees (i) that the Subject Companies are the indemnitors of first resort (i.e., their obligations to the Covered Persons are primary and any obligation of such other Persons to advance expenses or to provide indemnification for the same expenses or Liabilities incurred by any such Covered Person are secondary), (ii) to the fullest extent permitted by applicable Law, that the Subject Companies shall be required to advance the full amount of expenses incurred by any Covered Person and shall be liable for the full indemnifiable amounts, in each case in accordance with the indemnification obligations described in this Section 4.11, without regard to any rights any such Covered Person may have against any such other Person and (iii) that the Buyer irrevocably waives, relinquishes and releases (and shall cause the Subject Companies to irrevocably waive, relinquish and release) such other Persons from any and all claims against any such other Persons for contribution, subrogation or any other recovery of any kind in respect thereof. Each of the Buyer and the Subject Companies further agrees that no advancement or payment by any of such other Persons on behalf of any such Covered Persons with respect to any claim for which such Covered Person has sought indemnification from the Subject Companies shall affect the foregoing.

(g) The Parties agree that, to the fullest extent permitted by Law, the Buyer hereby releases, and will cause each of the Subject Companies to release, the Covered Persons from any liability (i) to any party in respect of this Agreement or the Transactions; and (ii) in respect of any act, matter or thing that occurred on or prior to the relevant Closing, in each case other than any liability for an act of fraud by the Covered Person.

(h) To the extent that the obligations imposed on, or releases provided by, the Buyer or any of the Subject Companies are not enforceable by the Covered Persons, such obligations and releases may be enforced by the Seller as trustee on behalf of such Covered Persons.

4.12 Tax Matters.

(a) Tax Periods Ending on or Before the Relevant Closing Date. The Seller shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Subject Companies for all periods ending on or prior to the relevant Closing Date (“Pre-Closing Tax Period”) that are filed after the relevant Closing Date. Such Tax Returns shall be prepared consistently with the past practice of the Subject Companies, unless otherwise required by applicable Law. Any Tax Returns of a Subject Company that must be filed in connection with any Transfer Taxes shall be prepared by the Party that customarily has primary responsibility for filing such Tax Returns pursuant to the applicable Law under and according to which the respective Tax Returns are due to be filed; *provided, however,* that the preparing Party shall deliver such Tax Returns for the other Party’s review and approval (not to be unreasonably withheld, conditioned or delayed) at least ten (10) Business Days prior to the applicable due date.

(b) Tax Periods Beginning Before and Ending After the Relevant Closing Date. The Buyer shall prepare or cause to be prepared and file or cause to be filed any Tax Returns of the Subject Companies for Tax periods that begin before the relevant Closing Date and end after the relevant Closing Date (a “Straddle Tax Period”). Such Tax Returns shall be prepared consistently with the past practice of the Subject Companies unless otherwise required by applicable Law. The Buyer shall permit the Seller to review and comment on each such Tax Return described in the preceding sentence prior to filing and shall accept all comments that are reasonable. The Seller shall reimburse the Buyer within thirty (30) days of the date on which Taxes are paid with respect to such periods an amount equal to the portion of such Taxes which relates to the portion of such taxable period ending on the relevant Closing Date, except to the extent such Taxes are taken into account in the calculation of Net Working Capital. For purposes of this Section 4.12, in the case of any Taxes that are imposed on a periodic basis and are payable for a taxable period that includes (but does not end on) the relevant Closing Date, the portion of such Tax which relates to the portion of such taxable period ending on the relevant Closing Date shall (i) in the case of any Taxes other than the Taxes based upon or related to income or receipts, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the relevant Closing Date and the denominator of which is the number of days in the entire taxable period, and (ii) in the case of any Tax based upon or related to income or receipts be deemed equal to the amount which would be payable if the relevant taxable period ended on the relevant Closing Date. For purposes of this Section 4.12, in the case of any Tax credit relating to a taxable period that begins before and ends after the relevant Closing Date, the portion of such Tax credit which relates to the portion of such taxable period ending on the relevant Closing Date shall be the amount which bears the same relationship to the total amount

of such Tax credit as the amount of Taxes described in (y) above bears to the total amount of Taxes for such taxable period. This Section 4.12(b) does not apply to Transfer Taxes or NZ GST as a result of the transactions contemplated by this Agreement, which are the sole obligation of the Buyer under the provisions of Section 4.12(f) and Section 4.13. Any reimbursement payment made in accordance with this Section 4.12(b) shall be treated as an adjustment to the Purchase Price.

(c) Cooperation on Tax Matters.

(i) The Buyer and the Seller shall, and the Buyer shall cause the Subject Companies to, cooperate fully, as and to the extent reasonably requested by the other Parties, in connection with the filing of Tax Returns pursuant to this Section 4.12 and any audit, Action or Proceeding, with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such audit, Action or Proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Buyer and the Seller agree (A) to retain all books and records with respect to Tax matters pertinent to the Subject Companies relating to any taxable period beginning before the relevant Closing Date until the expiration of the statute of limitations (and, to the extent notified by the Buyer or the Seller, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the other Party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other Party so requests, the Subject Companies or the Seller, as the case may be, shall allow the other Party to take possession of such books and records.

(ii) The Buyer and the Seller further agree, upon request, to use their commercially reasonable efforts to obtain any certificate or other document from any Government Entity or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including with respect to the Transactions).

(d) Amended Tax Returns.

(i) Any amended Tax Return of the Subject Companies or claim for Tax refund on behalf of the Subject Companies for any period ending on or prior to the relevant Closing Date shall be filed, or caused to be filed, only by the Seller. The Seller shall not, without the prior written consent of the Buyer (which consent shall not be unreasonably withheld or delayed), make or cause to be made, any such filing, to the extent such filing, if accepted, reasonably might change the Tax Liability of the Buyer for any period ending after the relevant Closing Date.

(ii) Any amended Tax Return of the Subject Companies or claim for Tax refund on behalf of the Subject Companies for any period ending after the relevant Closing Date shall be filed, or caused to be filed, only by the Buyer. The Buyer shall not, without the

prior written consent of the Seller (which consent shall not be unreasonably withheld or delayed), make or cause to be made, any such filing, to the extent such filing, if accepted, reasonably might change the Tax Liability of the Seller for any period or portion thereof ending on or prior to the relevant Closing Date.

(e) Audits.

(i) The Buyer shall provide the Seller with notice of a Tax Contest with respect to the Subject Companies which could reasonably be expected to cause the Seller to have an indemnification obligation under Section 5.1 within ten (10) days of the receipt of such notice. The Seller shall have the right to control the conduct and resolution of such Tax Contest; *provided, however*, that the Seller may decline to participate in such Tax Contest. If the Seller controls the conduct of such Tax Contest, the Seller shall not resolve such Tax Contest, to the extent such Tax Contest relates to a taxable period or portion of a period that begins after the relevant Closing Date, without the Buyer's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. If the Seller declines to control such Tax Contest, then the Buyer shall have the right to control the conduct of such Tax Contest; *provided, however*, that the Buyer shall not resolve such Tax Contest without the Seller's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Each Party shall bear its own costs for participating in such Tax Contest.

(ii) The Buyer shall have the right to control all other Tax audits or proceedings of the Subject Companies. The Buyer shall obtain the prior written consent of the Seller prior to the settlement of any such proceedings that could reasonably be expected to increase the Seller's Tax Liability for a Pre-Closing Tax Period or Straddle Tax Period, which consent shall not be unreasonably withheld or delayed.

(iii) The Subject Companies shall execute and deliver to the Seller such powers of attorney and other documents as may be necessary or appropriate to give effect to the foregoing.

(f) Transfer Taxes. All Transfer Taxes (with the exception of Australian GST) incurred in connection with this Agreement shall be paid by the Buyer when due, and the Buyer or the Companies will, at their own respective expense, file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes, and, if required by applicable Law, the Seller shall join in the execution of any such Tax Returns and other documentation.

(g) Tax Covenants.

(i) The Buyer covenants that without obtaining the prior written consent of the Seller it shall not, and shall not cause or permit the Subject Companies or any Affiliate of the Buyer, to (A) take any action on or after the relevant Closing Date other than in the ordinary course of business that could give rise to any Tax Liability of the Seller or any

indemnification obligation of the Seller under Section 5.1, or (B) make or change any Tax election or tax accounting method, amend any Tax Return, take any Tax position on any Tax Return, or compromise or settle any Tax Liability, in each case if such action could have the effect of increasing the Tax Liability of the Seller or reducing any Tax asset of the Companies with respect to any Pre-Closing Tax Period or portion of a Straddle Tax Period ending on the relevant Closing Date. For the avoidance of doubt, neither the Buyer, the Companies, nor any of their Affiliates shall make any election under section 338 of the Code with respect to the transactions contemplated by this Agreement.

(ii) After the relevant Closing Date, the Buyer and the Subject Companies shall not, without obtaining the written consent of the Seller, agree to the waiver or any extension of the statute of limitations relating to any Taxes of the Companies for any Pre-Closing Tax Period or any Straddle Tax Period.

(iii) The Seller shall have the right to (A) any Tax refunds received by the Companies for any Pre-Closing Tax Period or portion of any Straddle Tax Period that ends on the relevant Closing Date (except to the extent such amounts are taken into consideration in calculating the Net Working Capital) or (B) any credits against Taxes in lieu of refunds described in clause (A). The Buyer shall pay such amounts to the Seller no later than ten (10) days after the receipt by the Companies of such Tax refunds or credits. The Buyer shall cooperate with the Seller to prepare and file any Tax Returns required to claim Tax refunds that the Seller is entitled to pursuant to this Section 4.12(g)(iii).

(iv) The Parties hereto acknowledge and agree that Seller shall have the sole and exclusive right to determine whether to make a “check-the-box” election (“Check-the-Box Election”) as to the tax classification of any of the Subject Companies for United States federal income tax purposes covering any tax periods ending on, prior to, or including the relevant Closing Date. In the event that Seller elects to make a Check-the-Box Election with respect to one or more of the Subject Companies or any of their subsidiaries, the Buyer and its Affiliates shall cooperate in connection with any such election including causing their officers, employees or agents, as applicable, to participate in the timely filing of United States Internal Revenue Service Forms 8832 (and any successor forms thereto).

(h) Payment of Company Tax Benefits. The Parties hereby agree and acknowledge that the Tax deductions associated with the Transaction Payments (including net operating loss carryforward deductions, if applicable) shall be for the sole benefit of the Seller and shall be allocated to the applicable Pre-Closing Tax Periods ending on the relevant Closing Date or portions of the applicable Straddle Tax Periods ending on the relevant Closing Date, in each case to the extent permitted by applicable Law and that notwithstanding anything to the contrary in this Agreement, the Seller shall be entitled to the benefits of each such Tax deduction. The method to compensate the Seller for the benefit associated with Tax deductions that neither reduce amounts the Seller would otherwise have to pay pursuant to Section 4.12(a) or Section 4.12(b), nor are reflected as a reduction in Taxes payable for purposes of determining

Net Working Capital, is through the payment of the Company Tax Benefits. In the event that the Tax deductions associated with the Transaction Payments result in a net operating loss of the Companies for a Pre-Closing Tax Period ending on the relevant Closing Date, such net operating loss shall, to the extent permitted by Law, be first carried back to all available prior Pre-Closing Tax Periods of the Companies, as applicable, to claim refunds for any Taxes that were previously paid by the Companies in such Pre-Closing Tax Periods. The Buyer shall pay or cause to be paid to the Seller the amount of any Company Tax Benefits within ten (10) days after such Company Tax Benefits are actually realized or obtained. A Company Tax Benefit is actually realized or obtained only (i) upon the filing of a Tax Return (including a short period Tax Return) that shows a reduced Tax Liability or (ii) upon receipt of a Tax refund.

(i) Tax Dispute Resolution Mechanism. Any dispute among the Parties involving Taxes arising under this Agreement shall be resolved as follows: (i) the Parties shall in good faith attempt to negotiate a prompt resolution of the dispute; (ii) if the Parties are unable to negotiate a resolution of the dispute within thirty (30) days, the dispute shall be submitted to the national office of a firm of independent accountants of nationally recognized standing reasonably satisfactory to the Seller and the Buyer (the "Tax Dispute Accountant"); (iii) the Tax Dispute Accountant shall resolve the dispute, in a fair and equitable manner and in accordance with applicable Tax Law and the provisions of this Agreement, within thirty (30) days after the Parties have submitted the dispute to the Tax Dispute Accountant, whose decision shall be final, conclusive and binding on the Parties, absent fraud or manifest error; (iv) any payment to be made as a result of the resolution of a dispute shall be made, and any other action taken as a result of the resolution of a dispute shall be taken, on or before the fifth (5th) day following the date on which the dispute is resolved (except that if the resolution requires the filing of an amended Tax Return, such amended Tax Return shall be filed within thirty (30) days following the date on which the dispute is resolved); and (v) the fees and expenses of the Tax Dispute Accountant shall be paid by the Party who the Tax Dispute Accountant determines has derived the least benefit from the issues to be resolved by the Tax Dispute Accountant; *provided that*, (A) if the Parties are unable to agree on a national office of a firm of independent accountants of nationally recognized standing to act as Tax Dispute Accountant, the Seller and the Buyer shall each select a national office of a firm of independent accountants of nationally recognized standing and such firms together shall select the national office of a firm of independent accountants of nationally recognized standing to act as the Tax Dispute Accountant and (B) if any Party does not select a national office of a firm of independent accountants of nationally recognized standing within ten (10) days of written demand therefor by the other Party, the firm selected by the other Party shall act as the Tax Dispute Accountant.

(j) Tax Payments Limited to Pro-Rata Percentage Interest. Following the relevant Closing, the portion of any Taxes to be paid or reimbursed, or to be received with respect to Tax refunds, by the Seller under this Section 4.12 shall be limited to the Pro-Rata Percentage Interest.

(k) To the extent any supply made by the Seller under or in connection with this Agreement is a “taxable supply” for purposes of the Australian *A New Tax System (Goods and Services Tax) Act 1999*, the Buyer shall pay to the Seller an amount equal to the amount of Australian GST payable in respect of that taxable supply at the same time as the consideration is payable for that taxable supply, subject to provision of a valid tax invoice.

4.13 NZ GST.

(a) The Parties agree that the supply of the Purchased Assets being made by Asset Seller under this Agreement consists wholly or partly of the supply of “land” for the purposes of the NZ GST Act and accordingly, that the supply of the Purchased Assets under this Agreement will be zero-rated for NZ GST purposes under section 11(1)(mb) of the NZ GST Act.

(b) The Buyer warrants to the Seller (and the Asset Seller) that the recipient of the land supplied under this Agreement:

(i) is registered under section 51 of the NZ GST Act;

(ii) intends at the Second Closing to use the land supplied under this Agreement for the purposes of making taxable supplies; and

(iii) does not intend to use the land supplied as a principal place of residence for itself or any Person associated with the Buyer (or the recipient) under section 2A(1)(c) of the NZ GST Act.

(c) If, for any reason, it is subsequently determined that NZ GST is chargeable and payable by the Seller (or the Asset Seller) to the Inland Revenue Department at a rate greater than zero in respect of the supply of the Purchased Assets, the NZ GST, together with any Default NZ GST (if applicable) shall, as between the Seller and the Buyer, be payable by the Buyer in addition to the Purchase Price and the Buyer shall, immediately upon demand by the Seller, pay to the Seller the amount of NZ GST and Default NZ GST (if applicable) chargeable in respect of the supply of the Purchased Assets.

(d) It shall not be a defense to any claim against the Buyer for payment to the Seller (or the Asset Seller) of any Default NZ GST that the Seller has failed to mitigate the Seller’s (or the Asset Seller’s) damages by paying an amount of NZ GST when it fell due under the NZ GST Act.

4.14 Appointment of New Thailand Directors. At least fourteen (14) days prior to the First Closing Date, the Buyer shall provide written notice to the Seller of (a) the names of the natural persons that the Buyer wishes for the Seller to cause to be appointed as a member of the board of directors of PDITL, PD Trading and Thai Copper Rod Company Limited, a Thai company (“TCRCL”), to replace the directors of PDITL, PD Trading and TCRCL nominated or appointed by the Seller (collectively, the “New Thailand Directors”) and (b) the name of the

natural persons that the Buyer wishes to become the new authorized director of PDITL and PD Trading who may sign on behalf of each of PDITL and PD Trading (the “New Thailand Authorized Directors”). The Buyer shall provide all supporting documents as required by PDITL, PD Trading and TCRCL for registration of the New Thailand Directors and New Thailand Authorized Directors with the relevant Government Entity.

4.15 Sale of Shares by Resigning Thailand Directors. On or prior to the First Closing Date, the Seller shall cause each director of PDITL and PD Trading who was nominated or appointed by the Seller and owns any shares in PDITL and PD Trading or any of their respective subsidiaries (the “Thailand Director-Shareholders”) to sell, transfer and deliver all such shares to the Buyer.

4.16 2016 Thailand Dividends. The Buyer acknowledges and agrees that in the event PDITL or PD Trading declares and pays a dividend at its 2016 annual meeting of shareholders, then the Buyer shall promptly notify the Seller of such payment and make a payment in cash by wire transfer in pro rata amounts to the Seller and any Director-Shareholder that sold shares in PDITL or PD Trading to the Buyer pursuant to Section 4.15 above. The Parties shall treat any payments made pursuant to this Section 4.16 as an adjustment to the Purchase Price for all purposes.

4.17 Reorganization.

(a) The Seller shall take such steps that are necessary or appropriate either to cause assets, liabilities and/or equity interests relating to businesses other than the Business to be sold, transferred, assigned or otherwise conveyed to or assumed by, as applicable, Affiliates of the Seller (other than the Companies), in each case, effective at or prior to the relevant Closing (the “Reorganization”).

(b) Prior to the relevant Closing, the Seller will, and shall cause its Affiliates to, at the Seller’s sole cost and expense (*provided, however*, that nothing herein shall require the Seller to take any actions or incur any costs or expenses which they are not required to take or incur under Section 4.7 in order to effect the Reorganization) effect the Reorganization. The Seller and the Buyer agree and acknowledge that the Buyer’s consent shall not be required to make changes to the Reorganization.

4.18 NonCompetition Obligations of the Seller.

(a) For a period commencing from the relevant Closing Date until five (5) years after the relevant Closing Date (the “Restricted Period”), without the prior written consent of the Buyer, neither the Seller nor any of its Affiliates, will establish, own (other than the ownership of five percent (5%) or less of a publicly traded entity), lease, operate, manage, finance or control an entity engaged in, or engage in, either directly or knowingly indirectly, a business which competes with any product manufactured by the Business (as in existence on and during the two

(2) year period prior to the relevant Closing Date), which products are set forth on Exhibit 4.18, in Thailand, China, Australia and New Zealand (the “Restricted Region”) (a “Competing Business”); *provided*, that, there shall be no restrictions on the Seller or any of its Affiliates with respect to the sale of (i) high-voltage and extra-high-voltage cables as part of the turnkey solutions offered by the Seller or any of its Affiliates, (ii) submarine power cables, and (iii) the sale of cables to nuclear power plants or intermediaries supplying these cables to nuclear power plants. Notwithstanding the foregoing, until the date of the Second Closing, the Restricted Region shall be limited to Thailand and only those products that are listed in Exhibit 4.18 that relate to products manufactured by PDITL shall be subject to restriction as set forth in this Section 4.18(a). For the avoidance of doubt, if the Second Closing does not occur, there shall be no restrictions on the Seller’s or its Affiliates’ business or operations in China, Australia or New Zealand.

(b) Notwithstanding anything to the contrary in Section 4.18(a) and without implication that the following activities otherwise would be subject to the provisions of Section 4.18(a), nothing in this Agreement shall preclude, prohibit or restrict the Seller or any of its Affiliates from providing assistance to the Buyer in accordance with the terms of this Agreement.

(c) Should any portion, provision or clause of this Section 4.18 be deemed too broad to permit enforcement to its full extent, then it shall be enforced to the maximum extent permitted by Law, and each Party hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

(d) The covenants and agreements set forth in this Section 4.18 shall be deemed and shall be construed as separate and independent covenants and agreements, and, should any portion thereof be held invalid, void or unenforceable by any court of competent jurisdiction, such invalidity, voidness, or unenforceability shall in no way render invalid, void or unenforceable any other portion thereof or any separate covenant or agreement not declared invalid, void or unenforceable; and this Section 4.18 shall in that case be construed as if the void, invalid or unenforceable portions were omitted. This Section 4.18 is reasonable and necessary to protect and preserve Buyer’s legitimate business interests and the value of the Company Equity and the Purchased Assets and to prevent any unfair advantage conferred on the Seller.

(e) During the Restricted Period, if the Seller (or any of its Affiliates) acquires, either directly or through any Affiliate, ownership of more than fifty percent (50%) of the outstanding voting power or equity interests of any Person (the “Target”) or all or substantially all of the business and assets of the Target (whether such acquisition of voting power or assets is through a purchase of securities, purchase of assets, merger, share exchange, consolidation or other form of business combination, and whether in one or a series of related transactions) that had, for the most recent fiscal year of the Target prior to the proposed transaction (the “Target Transaction”), gross revenues from a Competing Business in any individual country in the Restricted Region equal to or less than ten percent (10%)

of the aggregate gross revenues (determined on a consolidated basis) of the Target and its direct and indirect subsidiaries (the “Competing Business’s Gross Revenue Percentage”), then, following the closing of the Target Transaction, the Seller and/or its Affiliates shall grant the Buyer a right to purchase only such Competing Business of the Target: (i) on the same terms and conditions as Seller obtained the Target in the Target Transaction; and (ii) at a price that is equal to the Competing Business’s Gross Revenue Percentage multiplied by the total purchase price of the Target paid by the Seller and/or its Affiliates in the Target Transaction (the “Purchase Right”). Within thirty (30) days of the closing of the Target Transaction, the Seller shall provide written notice of the Purchase Right to the Buyer containing: (i) the percentage of the Competing Business of the Target; and (ii) the total purchase price paid for the Target (the “Purchase Right Notice”). The Buyer shall have a period of thirty (30) days from the receipt of the Purchase Right Notice to provide notice of intent to exercise such Purchase Right via written notice to the Seller (a “Notice of Exercise”). If: (i) the Purchase Right shall not have been exercised within the thirty (30) day period following the Buyer’s receipt of the Purchase Right Notice; or (ii) the Buyer and the Seller shall have not have closed the transaction with respect to the Competing Business of the Target during the sixty (60) day period following the Seller’s receipt of the Notice of Exercise, the Purchase Right shall expire and the Seller shall have no further restrictions or obligations with respect to the Competing Business of the Target. If the Target had, for the most recent fiscal year of the Target prior to the Target Transaction, gross revenues from a Competing Business in any individual country in the Restricted Region of greater than ten percent (10%) of the aggregate gross revenues (determined on a consolidated basis) of the Target and its direct and indirect subsidiaries, then, the Seller and/or its Affiliates shall seek consent of the Buyer prior to closing the Target Transaction, after which the remaining provisions of this Section 4.18 regarding the Purchase Right shall apply.

(f) For the purpose of this Section 4.18 only, “Affiliate” shall exclude any Person (and such Person’s Affiliates on or prior to the acquisition) who acquires directly or indirectly fifty percent (50%) or more of the voting power of the Seller (or the Seller’s Affiliates).

4.19 Conduct of Business post-Closing.

(a) Subject to the terms of the Thailand Trademark License Agreement and the China Trademark License Agreement, the Seller acknowledges and agrees that from the relevant Closing Date, the Buyer (and/or its Affiliates, including the Subject Companies) shall be entitled to use the intellectual property licensed to the Buyer (and/or its Affiliates, including the Subject Companies) in the Thailand Trademark License Agreement and the China Trademark License Agreement for the operation of the Business specifically in the jurisdictions contained in the Thailand Trademark License Agreement and the China Trademark License Agreement.

(b) For a period of six (6) months from the relevant Closing, subject to the terms of the Transition Services Agreement, the Seller (and/or its Affiliates) shall provide the

services set forth therein, for an amount payable to Seller (and/or its Affiliates) on a monthly basis equal to the Seller's or its Affiliates' cost plus ten percent (10%).

(c) For a period of six (6) months from the First Closing, subject to the terms of the Technical Support Agreement, the Seller (and/or its Affiliates) shall provide the services set forth therein (which services shall be limited to support the Business and the products manufactured by the Business at the existing facilities), for an amount payable to Seller (and/or its Affiliates) on a monthly basis equal to two hundred U.S. dollars (\$200.00) per hour, for a maximum of five hundred (500) hours, plus the cost of all travel expenses incurred by Seller (and/or its Affiliates) in the performance of the services thereunder. Notwithstanding the foregoing, the Buyer agrees that requested travel to Thailand, China, Australia and/or New Zealand shall be limited and that if any such travel occurs during the term of the Technical Support Agreement, a minimum of fifty (50) hours of time per person shall be charged against the five hundred (500) hour limit, regardless of whether the actual work performed by the individual(s) traveling amounts to less than fifty (50) hours.

4.20 Further Assurances. From and after the relevant Closing, the Buyer and the Seller shall execute and deliver such further instruments of conveyance and transfer and take such other action as reasonably may be necessary to further effectuate the Transactions.

4.21 Transaction Documents. From and after the relevant Closing, the Buyer shall comply with the terms, conditions and covenants contained in each Transaction Document (including, without limitation, the Thailand Trademark License Agreement and the China Trademark License Agreement). Failure to comply with such terms, conditions and covenants of a Transaction Document shall be deemed a material breach of this Agreement and such Transaction Document.

4.22 Lowest Price. For the purposes of the financial arrangements rules in the NZ Income Tax Act, the Parties agree that:

(a) the Asset Purchase Price, as adjusted in accordance with the terms of this Agreement, is the lowest price (converted into New Zealand dollars using the exchange rate available from a New Zealand registered bank on the date that the first right in the Purchased Assets was transferred), that the Parties would have agreed for the sale and purchase of the Purchased Assets (after taking into account the assumption by the Buyer of the Assumed Liabilities in accordance with the terms of this Agreement), on the date this Agreement was entered into, if payment would have been required in full at the time the first right in the Purchased Assets was transferred;

(b) the Australia Equity Purchase Price, as adjusted in accordance with the terms of this Agreement, is the lowest price (converted into New Zealand dollars using the exchange rate available from a New Zealand registered bank on the date that the first right in the Australia Equity was transferred), that the Parties would have agreed for the sale and purchase of

the Australia Equity, on the date this Agreement was entered into, if payment would have been required in full at the time the first right in the Australia Equity was transferred;

(c) they will compute their taxable income for New Zealand Tax purposes for the relevant period on the basis that the Asset Purchase Price and the Australia Equity Purchase Price includes no capitalized interest and will file their Tax Return accordingly; and

(d) they are not associated for the purposes of the NZ Income Tax Act, and the Purchased Assets, the Assumed Liabilities and the Australia Equity are transferred under this Agreement at their arm's length value.

4.23 Assignments.

(a) Assignment. The Seller must use its reasonable endeavors to assign or novate its right and interest under the Business Agreements and obtain the consent (where necessary) of the other parties to the Consent Agreements to the assignment or novation of those agreements to the Buyer with effect from the Second Closing. The Buyer must assist the Seller to effect the assignments or novations and obtain the consents where necessary.

(b) Where Business Agreements not Assigned. The Seller must hold the benefit of any Business Agreements not assigned or novated on the Second Closing for the Buyer and the Buyer must properly perform the obligations of the Seller under those Business Agreements on the Seller's behalf. The Seller agrees to account to the Buyer for all sums received by the Seller in respect of Business Agreements which relate to the Buyer's performance of its obligations pursuant to the terms of such Business Agreements during the period following the Second Closing.

(c) Indemnity by the Buyer. The Buyer must assume, and fully and effectively perform, all obligations arising under the Business Agreements and the Assumed Liabilities and must indemnify the Seller and the Selling Affiliates against all liability or Loss arising from, and any costs, damages, Losses, charges or expenses incurred concerning, any failure by the Buyer or any Designated Affiliate to perform all such obligations following the Second Closing solely to the extent that any such failure to comply with such obligations arose after the Second Closing and except where such failure to perform occurs as a result of a default of the Seller or any Selling Affiliate prior to the Second Closing.

4.24 Designated Affiliates. The Buyer will use its commercially reasonable efforts to designate all of its Designated Affiliates as soon as practicable following the date of this Agreement and, in any event, will use its commercially reasonable efforts to make such designation not less than thirty (30) days prior to the relevant Closing.

4.25 PD Trading Equity. The Parties acknowledge that the transfer of the PD Trading Equity is subject to certain transfer restrictions under PD Trading's Articles of Association. In

the event that due to such transfer restrictions, Thailand Holdings may not transfer any of the PD Trading Equity to the Buyer (or its Designated Affiliate) at the First Closing, the Parties shall agree on appropriate exclusion from the delivery at the First Closing and adjustment to the Purchase Price to reflect such exclusion of the PD Trading Equity as soon as practicable.

4.26 Lease Covenant. On or prior to the Second Closing, the Seller, with cooperation from the Buyer, agrees to procure that:

- (i) Minsmere Pty Ltd, as the landlord under the Commercial Lease (Premises: Suites 3 and 4, Level 1, 205-211 Forster Road, Mount Waverley) with GC Australia, as the lessee, having a lease term commencing from 15 July 2013 to 14 July 2018, provide its consent and/or approval in writing to approve the execution, delivery and performance by GC Australia, as pursuant to the Transaction Documents; and
- (ii) The Stan Perron Charitable Foundation Limited, as the landlord under the Lease: 26 Down Street, Welshpool with GC Australia, as the lessee, to provide its consent and/or approval in writing to approve the execution, delivery and performance by GC Australia, as pursuant to the Transaction Documents.

4.27 Environmental Covenant. The Parties agree to equally share the relevant costs and expenses in resolving potential asbestos problems for the five potential areas at the Christchurch location as disclosed in the Seller Disclosure Schedule under Section 3.11 (Environmental Matters), provided (i) the Parties shall use their respective reasonable efforts to reduce such costs and expense in relation thereto, and (ii) the Seller shall be solely responsible for all costs and expense in an amount up to \$100,000 in resolving potential asbestos problems.

ARTICLE V INDEMNIFICATIONS; SURVIVAL

5.1 Indemnification by the Seller. Subject to the terms, conditions and limitations of this ARTICLE V, following the relevant Closing, the Buyer and each of its Affiliates, and each of their respective successors, assigns, officers, directors, managers, members, partners, equityholders, employees, representatives and agents shall be indemnified by the Seller from and against any Loss suffered or incurred by any such Indemnified Person arising or resulting from (i) any breach of any representation or warranty contained in ARTICLE III of this Agreement or (ii) the breach or default of the Seller (or its Affiliates) or the Subject Companies in the performance of any covenant or agreement in this Agreement or any other Transaction Document, *provided* that (x) no indemnification payments shall be made by or on behalf of the Seller under this Agreement unless (1) the Loss related to each individual claim or series of related claims arising thereunder for which indemnification Liability would, but for this proviso,

exist exceeds one hundred thousand U.S. Dollars (\$100,000) and (2) the aggregate amount of all Loss (after taking into account the threshold amount referred to in (1) above) for which the Seller would be liable, but for this proviso, exceeds an amount equal to one percent (1%) of the Purchase Price, and then only to the extent of any such excess; (y) no Indemnified Person shall be entitled to indemnification under this Agreement with respect to any breach of any representation, warranty or covenant by the Seller if, on the relevant Closing Date, the Buyer or any of its Representatives had knowledge of the existence of such breach; and (z) the aggregate total amount in respect of which the Seller shall be liable to indemnify the Indemnified Persons pursuant to this Agreement shall in no event exceed an amount equal to ten percent (10%) of the amount of the Purchase Price allocated, pursuant to Section 1.6(a), to the Company to which such indemnification relates (and in any event such aggregate amount shall not exceed ten percent (10%) of the Purchase Price) *provided further* that the limitations set forth in clauses (x) and (z) above shall not apply to any Loss arising from actual fraud by the Seller or from a breach of Section 3.1 (Organization; Power and Authorization), Section 3.3 (Ownership), the Thailand Trademark License Agreement or the China Trademark License Agreement (collectively, the “Fundamental Representations”); *provided further* that the aggregate total amount in respect of which the Seller shall be liable to indemnify the Indemnified Persons pursuant to this Agreement shall in no event exceed the Purchase Price allocated, pursuant to Section 1.6(a), to the Company to which such indemnification relates (and in any event such aggregate amount shall not exceed the Purchase Price).

5.2 Indemnification by the Buyer. Subject to the terms, conditions and limitations of this ARTICLE V, following the relevant Closing, the Buyer and the Subject Companies, jointly and severally, shall indemnify the Seller and each of their Affiliates, including the Equity Sellers, and each of their respective successors, assigns, officers, directors, managers, members, partners, equityholders, employees, representatives and agents, and the Companies’ pre-Closing officers, directors, managers, members, partners, employees, representatives and agents, from and against, and hold them harmless from, any Loss suffered or incurred by any such Indemnified Person arising or resulting from (a) any breach of any representation or warranty of the Buyer contained in this Agreement or any other Transaction Document which survives the relevant Closing, (b) the breach of any covenant of the Buyer contained in this Agreement or any other Transaction Document (including the Thailand Trademark License Agreement and the China Trademark License Agreement), (c) any post-Closing operations of the Subject Companies and their Affiliates, or (d) any Action or Proceeding brought by any minority shareholders of PDITL or PD Trading in respect of the amendment of the Articles of Association of PDITL or PD Trading referenced in Section 6.1(f)(ii); *provided* that (x) no indemnification payments shall be made by or on behalf of the Buyer (and its Affiliate, if applicable) and the Subject Companies under this Agreement unless (1) the Loss related to each individual claim or series of related claims arising thereunder for which indemnification Liability would, but for this proviso, exist exceeds one hundred thousand U.S. Dollars (\$100,000) and (2) the aggregate amount of all Loss (after taking into account the threshold amount referred to in (1) above) for which the Buyer (and its Affiliate, if applicable) and the Subject Companies would be liable, but for this proviso,

exceeds an amount equal to one percent (1%) of the Purchase Price, and then only to the extent of any such excess; and (y) no Indemnified Person shall be entitled to indemnification under this Agreement with respect to any breach of any representation, warranty or covenant by the Buyer if, on the relevant Closing Date, the Seller or any of its Representatives had knowledge of the existence of such breach; and (z) the aggregate total amount in respect of which the Buyer shall be liable to indemnify the Indemnified Persons pursuant to this Agreement shall in no event exceed an amount equal to ten percent (10%) of the amount of the Purchase Price allocated, pursuant to Section 1.6(a), to the Company to which such indemnification relates (and in any event such aggregate amount shall not exceed ten percent (10%) of the Purchase Price); *provided further* that the limitation set forth in clauses (x) and (z) above shall not apply to any Loss arising from actual fraud or from a breach of Section 2.1 (Organization; Power and Authorization), Section 2.3 (Broker Fees), Section 2.6 (Investment) or Section 2.7 (Solvency) or arising from a breach of Section 4.8 (Employee Matters), Section 4.9 (New Zealand Employee Matters), Section 4.11 (Indemnification of Directors and Officers; Insurance), the Thailand Trademark License Agreement or the China Trademark License Agreement.

5.3 Losses Net of Insurance, Etc. Subject to the terms and conditions of this ARTICLE V, which terms and conditions shall not be applicable to any Losses arising from a breach of Section 4.8, Section 4.9, Section 4.11, the Thailand Trademark License Agreement or the China Trademark License Agreement, following the relevant Closing:

(a) The amount of any Loss for which indemnification is provided under this ARTICLE V shall be net of any amounts (i) actually recovered or (ii) which are covered by, and recoverable, on a commercially reasonable basis, by the Indemnified Person, in each of (i) and (ii) under insurance policies in effect and applicable to such Loss.

(b) Any payment or indemnity required to be made pursuant to Section 5.1 or Section 5.2 shall be adjusted to take into account any reduction in Taxes that may be realized at any time by the Indemnified Person or any of such Person's Affiliates (which term shall, for purposes of this paragraph, include the ultimate payer(s) of Taxes in the case of an Indemnified Person that is a branch or a disregarded entity or other pass-through entity for any Tax purpose) as a result of the Loss giving rise to the payment or indemnity. In determining the amount necessary to be added to any payment or indemnity in order to accomplish the foregoing, the Parties hereto agree to treat all Taxes required to be paid by, and all reductions in Tax realized by any Indemnified Person or any of such Person's Affiliates, as if such Indemnified Person or any of such Person's Affiliates were subject to Tax at the highest marginal Tax rates (for both federal and state, as determined on a combined basis) applicable to such Indemnified Person or any of such Person's Affiliates.

(c) In connection with an Indemnified Person's rights under this ARTICLE V, an Indemnified Person may only seek actual damages and may not seek any other damages, including but not limited to punitive, consequential (including lost profits) and incidental

damages, or damages argued to be associated with a diminution in value, as to any matter under, relating to or arising out of the Transaction Documents or the Transactions.

(d) Any Liability for indemnification under this ARTICLE V shall be determined without duplication of recovery by reason of the set of facts giving rise to such Liability constituting a breach of more than one representation, warranty, covenant or undertaking, or one or more rights to indemnification. Without limiting the generality of the foregoing and notwithstanding Section 5.1, the Buyer shall not be entitled to indemnification under this ARTICLE V with respect to any Loss to the extent that any such Loss would constitute a duplicative payment of amounts recovered as a Purchase Price adjustment pursuant to Section 1.9 or such Loss is reflected as a Liability on the Financial Statements.

(e) No Person shall be entitled to indemnification under this ARTICLE V with respect to any Loss that is attributable to any action taken or omitted to be taken by such Person or any of its Affiliates. The Indemnified Person shall cooperate with each Indemnifying Person with respect to resolving any Liabilities with respect to which such Person is obligated to indemnify the other Person, including by making commercially reasonable efforts to mitigate or resolve any such Liabilities. In the event that the Indemnified Person shall fail to cooperate and make such efforts to mitigate or resolve any such Liabilities, then notwithstanding anything else to the contrary contained herein, each Indemnifying Person shall not be required to indemnify any Person for any Loss that could reasonably be expected to have been avoided if the Indemnified Person had made such efforts. The Indemnified Person shall act in a commercially reasonable manner in addressing any Liabilities, events or actions that may provide the basis for indemnification hereunder (that is, such Indemnified Person shall respond to such Liability, event or action in the same manner that it would respond in the absence of the indemnification provided for in this Agreement, but in no event less than a commercially reasonable response).

(f) No Person shall be entitled to indemnification under this ARTICLE V with respect to any Loss arising from: (i) any change in Law or policy or administrative practice of any Government Entity after the relevant Closing; or (ii) any change in relevant accounting standards or the application of accounting standards or policies applicable to the Subject Companies after the relevant Closing.

(g) When determining the amount of any indemnifiable Losses under this ARTICLE V, the amount subject to indemnification, including for purposes of determining whether any dollar thresholds have been reached, shall be subject to the Pro-Rata Percentage Interest. For purposes of clarity, for each identifiable dollar of indemnifiable Loss with respect to PDITL and PD Trading, the amount to be used for purposes of determining the indemnifiable Losses and relevant dollar thresholds under this ARTICLE V shall be 75.47% of each such dollar as it relates to PDITL and 49.00% of each such dollar as it relates to PD Trading.

(h) As between the Parties and any Indemnified Person and Indemnifying Person, the indemnification provisions contained in this ARTICLE V are intended to provide the

sole and exclusive remedy following the relevant Closing as to all Losses any Party may incur arising from or relating to the Transaction Documents (or the representations, warranties or covenants contained therein) or the Transactions, and each Party (on behalf of itself and its Affiliates) hereby waives, to the full extent they may do so, any other rights or remedies that may arise under contract, common law, or any applicable statute, rule or regulation and hereby covenants that it and all of its Affiliates shall refrain from, directly or indirectly, asserting any Action or Proceeding of any kind against any Person based on any matter purported to be waived hereby.

(i) Upon making any payment to an Indemnified Person for any indemnification claim pursuant to this ARTICLE V, the Indemnifying Person shall be subrogated, to the extent of such payment, to any rights which the Indemnified Person or its Affiliates may have against any other Persons with respect to the subject matter underlying such indemnification claim and the Indemnified Person shall take such actions as the Indemnifying Person may reasonably require to perfect such subrogation or to pursue such rights against such other Persons as the Indemnified Person or its Affiliates may have.

(j) The indemnities herein are intended solely for the benefit of the Persons expressly identified in Section 4.8, Section 4.9, Section 4.11, Section 4.23(c) and this ARTICLE V (and their permitted successors and assigns) and are in no way intended to, nor shall they, constitute an agreement for the benefit of, or be enforceable by, any other Person.

5.4 Termination of Indemnification. The obligations to indemnify and hold harmless an Indemnified Person pursuant to Section 5.1 and Section 5.2 shall terminate on the date that the survival period for the applicable representation, warranty or covenant expires pursuant to Section 5.6; *provided* that such obligations to indemnify and hold harmless shall not terminate with respect to any specific matter as to which the Person to be indemnified shall have, before the expiration of the applicable period, previously made a claim by delivering a written notice (a "Claim Notice") to the Indemnifying Person containing (1) a detailed description and, if known, the estimated amount of any Loss incurred or reasonably expected to be incurred by the Indemnified Person together with such supporting documents reasonably available to such Indemnified Person, (2) a reasonable explanation of the basis for the Claim Notice to the extent of the facts then known by the Indemnified Person and (3) a demand for payment of such Loss.

5.5 Procedures Relating to Indemnification.

(a) In order for an Indemnified Person to be entitled to any indemnification provided for under this Agreement in respect of, arising out of or involving a claim or demand made by any third Person against the Indemnified Person (a "Third-Party Claim"), such Indemnified Person must provide the Indemnifying Person with a Claim Notice regarding the Third-Party Claim promptly and in any event within ten (10) Business Days after receipt by such Indemnified Person of written notice of the Third-Party Claim; *provided* that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the

Indemnifying Person shall have been actually prejudiced as a result of such failure (except that the Indemnifying Person shall not be liable for any expense incurred during the period in which the Indemnified Person failed to give such notice). Thereafter, the Indemnified Person shall deliver to the Indemnifying Person, within five (5) Business Days after the Indemnified Person's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Person relating to the Third-Party Claim together with such supporting documents reasonably available to such Indemnified Person. Notwithstanding the foregoing, any Third-Party Claims with respect to Taxes shall be addressed in the manner set forth in Section 4.12(e).

(b) If a Third-Party Claim is made against an Indemnified Person, the Indemnifying Person will be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof with counsel selected by the Indemnifying Person. If the Third-Party Claim includes allegations for which the Indemnifying Person both would and would not be obligated to indemnify the Indemnified Person, the Indemnifying Person and the Indemnified Person shall in that case jointly assume the defense thereof. Should the Indemnifying Person so elect to assume the defense of a Third-Party Claim, notwithstanding anything to the contrary, the Indemnifying Person will not be liable to the Indemnified Person for legal fees and expenses subsequently incurred by the Indemnified Person in connection with the defense thereof. If the Indemnifying Person assumes such defense, the Indemnified Person shall have the right, at its own expense, to participate in the defense thereof and, at its own expense, to employ counsel reasonably acceptable to the Indemnifying Person, separate from the counsel employed by the Indemnifying Person, it being understood that the Indemnifying Person shall control such defense. The Indemnifying Person shall be liable for the fees and expenses of counsel employed by the Indemnified Person for any period during which the Indemnifying Person has not assumed the defense thereof (other than during any period in which the Indemnified Person shall have failed to give notice of the Third-Party Claim as provided above). If the Indemnifying Person chooses to defend or prosecute any Third-Party Claim, all the Parties shall cooperate in the defense or prosecution thereof. Such cooperation shall include the retention and (upon the Indemnifying Person's request) the provision to the Indemnifying Person of records and information which are reasonably relevant to such Third-Party Claim, and making officers, directors, employees and agents of the Indemnified Person available on a mutually convenient basis to provide information, testimony at depositions, hearings or trials, and such other assistance as may be reasonably requested by the Indemnifying Person. Whether or not the Indemnifying Person shall have assumed the defense of a Third-Party Claim, the Indemnified Person shall not admit any Liability with respect to, or settle, compromise or discharge, such Third-Party Claim without the Indemnifying Person's prior written consent (which consent shall not be unreasonably withheld or delayed). The Indemnifying Person shall not admit any Liability with respect to, or settle, compromise or discharge any Third-Party Claim without the Indemnified Person's prior written consent (which consent shall not be unreasonably withheld or delayed); *provided* that the Indemnified Person shall agree to any admission of Liability, settlement, compromise or discharge of a Third-Party Claim that the Indemnifying Person may recommend and that by its terms obligates the Indemnifying Person to pay the full amount of the

Liability in connection with such Third-Party Claim and which releases the Indemnified Person completely in connection with such Third-Party Claim.

5.6 Survival of Representations and Warranties. All representations, warranties and covenants contained in this Agreement and the other Transaction Documents shall survive the relevant Closing and remain in full force and effect as follows: (a) for a period of twelve (12) months following the relevant Closing Date, with respect to all representations and warranties and any covenant or agreement to be performed prior to the relevant Closing (other than with respect to the representation and warranty in Section 3.3 (Ownership) which shall survive the relevant Closing and remain in full force and effect until the expiration of the applicable statute of limitations), or (b) with respect to each other covenant or agreement contained in this Agreement or any other Transaction Document, until the last date on which such covenant or agreement is to be performed or, if no such date is specified, for a period of twelve (12) months.

5.7 Tax Treatment of Indemnification Payments. Any indemnification payments made to the Buyer pursuant to this Agreement shall be treated as an adjustment to the final Purchase Price.

ARTICLE VI CONDITIONS TO THE CLOSING

6.1 Conditions of the Buyer's Obligation. The Buyer's obligation to effect the Transactions is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each representation and warranty set forth in ARTICLE III above shall be true and correct in all respects at and as of the relevant Closing Date, in each case as though then made, giving effect to changes permitted by this Agreement in respect of any amended and/or supplemented Disclosure Schedule to this Agreement submitted to the Buyer prior to the relevant Closing in accordance with Section 4.4 (*provided* that any representation and warranty that addresses matters only as of a certain date shall be so true and correct in all respects as of that certain date), except to the extent the failure of such representations and warranties to be so true and correct (without regard to any "material," "Seller Material Adverse Change," "Company Material Adverse Change" or similar qualification) has not resulted in a Seller Material Adverse Change or a Company Material Adverse Change, as applicable.

(b) Covenants. As of the relevant Closing, the Seller shall have performed and observed in all material respects each covenant or other obligation required to be performed or observed by it pursuant to the Transaction Documents.

(c) Antitrust Laws; Government Entity Approvals. With respect to the Second Closing, all applicable waiting periods (and any extensions thereof) under the Antitrust Laws must have expired or otherwise terminated by such Closing. All approvals and actions of

or by, and all notices to, all Government Entities that are set forth on Schedule 6.1(c) shall have been obtained or taken place.

(d) Third Party Consents. Any and all consents, waivers, approvals, authorizations and notices which are set forth on Schedule 6.1(d) in respect of the relevant Closing shall have been obtained or delivered on or prior to the relevant Closing Date.

(e) Proceedings. As of the relevant Closing, no Action or Proceeding shall be pending or threatened before any Government Entity the result of which would prevent, prohibit or make illegal the consummation of the Transactions or cause any such Transactions to be rescinded following consummation, and no Order having any such effect shall exist.

(f) Closing Documents. The Seller shall have delivered to the Buyer the following:

(i) At the First Closing, the deliveries set forth in Sections 1.8(b) and 1.8(c) hereof in respect of the PDITL Equity and PD Trading Equity. At the Second Closing, the deliveries set forth in Sections 1.8(b), 1.8(d), 1.8(e) and 1.8(f) hereof in respect of the China Equity, Intercompany Loans, Australia Equity and the Purchased Assets;

(ii) At the First Closing, evidence that the shareholders of PDITL have approved the amendment of Article 9 of PDITL's Articles of Association with an effect that there is no restriction on the transfer of the PDITL Equity pursuant to the terms hereof;

(iii) At the relevant Closing, evidence that the top ten distributors by revenue as of the end of 2014 of PDITL and GC China (the "Material Distributors") either are parties to Contracts that do not require consent to the Transactions or have consented to the Transactions if required pursuant to the terms of each such Material Distributor's Contract with the applicable Company; *provided* that this deliverable shall be deemed satisfied as long as those Material Distributors whose Contracts require consent to the Transactions that have not provided such consent represent less than twenty percent (20%) of the total revenues in the jurisdiction in which such Material Distributors provide distribution to PDITL or GC China, as applicable;

(iv) a certificate of an officer of the Seller, dated as of the relevant Closing Date and signed by an executive officer of the Seller, certifying that the conditions set forth in Section 6.1(a) and Section 6.1(b) have been met;

(v) a copy of the resolutions duly adopted by the board of directors or other governing body of the Seller authorizing the execution, delivery and performance by the Seller or its Affiliates of each Transaction Document to which the Seller or the Companies are a party and the consummation of the Transactions, as in effect as of the relevant Closing, certified on behalf of the Seller by an officer of the Seller (which such certification shall include a

representation as to the incumbency and signatures of the officers of the Companies executing the Transaction Documents);

(vi) a Transition Services Agreement, dated as of the First Closing Date (the “Transition Services Agreement”), by and among the Seller or its Affiliate and the Buyer or its Affiliate (including, the Subject Companies) in the form attached hereto as Exhibit 6.1(f)(vi); and a joinder to the Transition Services Agreement, dated as of the Second Closing Date, to add relevant services in respect of the Company Equity and Purchased Assets to be acquired at the Second Closing;

(vii) a Technical Assistance and Support Agreement, dated as of the First Closing Date (the “Technical Support Agreement”), by and among the Seller or its Affiliate and the Buyer or its Affiliate (including, the Subject Companies) in substantially in the form attached hereto as Exhibit 6.1(f)(vii); and a joinder to the Technical Support Agreement, dated as of the Second Closing Date, to add relevant services in respect of the Company Equity and Purchased Assets to be acquired at the Second Closing;

(viii) an agreement, dated as of the First Closing Date, by and between PDIC and PDITL to terminate, effective as of the First Closing Date, that certain Technical Assistance and Trademark License Agreement, dated as of January 1, 2006, as amended to the date hereof, by and between PDIC and PDITL in form and substance reasonably satisfactory to the Seller (the “Thailand Technical Assistance Termination Agreement”), duly executed by PDIC;

(ix) an agreement, dated as of the First Closing Date, by and between PDIC and PDITL to terminate, effective as of the First Closing Date, that certain Management Agreement, dated as of January 1, 2007, as amended to the date hereof, by and between PDIC and PDITL (the “Thailand Management Termination Agreement”), in form and substance reasonably satisfactory to the Seller, duly executed by PDIC;

(x) a Trademark License Agreement, dated as of the First Closing Date (the “Thailand Trademark License Agreement”), by and among the Seller or its Affiliate and PDITL and PD Trading which provides for the use of the “Phelps Dodge International Corp.” trademark in the form attached hereto as Exhibit 6.1(f)(x);

(xi) a copy of the resignations, effective as of the First Closing Date, of each director of PDITL, PD Trading or TCRCL that was nominated or appointed by the Seller;

(xii) a copy of completed and executed applications for lodgment with the Department of Business Development, the Ministry of Commerce of Thailand, for each of PDITL and PD Trading, for:

- (A) the registration of the resignation of PDITL or PD Trading's resigning directors;
 - (B) the registration of the appointment of PDITL or PD Trading's New Thailand Directors;
 - (C) the registration of PDITL or PD Trading's New Thailand Authorized Directors;
 - (D) the new list of shareholders of PDITL or PD Trading reflecting the Buyer as the holder of the PDITL Equity or PD Trading Equity; and
 - (E) the power of attorney in favor of the Buyer's solicitors to lodge all other documents, certificates, instruments or writings required to be delivered by PDITL, PD Trading or Thailand Holdings at or prior to the First Closing pursuant to this Agreement;
- (xiii) evidence of the appointment of the New Thailand Directors to the board of directors of TCRCL;
 - (xiv) an agreement, dated as of the Second Closing Date, by and between PDIC and GC China to terminate, effective as of the Second Closing Date, that certain Management and Support Services Agreement, dated as of January 1, 2014, by and between PDIC and GC China in form and substance reasonably satisfactory to the Seller (the "China Management Termination Agreement"), duly executed by PDIC;
 - (xv) a Trademark License Agreement, dated as of the Second Closing Date (the "China Trademark License Agreement"), by and among the Seller or its Affiliate and GC China which provides for the use of the "Stabiloy" trademark solely in China in the form attached hereto as Exhibit 6.1(f)(xv);
 - (xvi) an agreement, dated as of the Second Closing Date, by and between PDIC and GC Australia to terminate, effective as of the Second Closing Date, that certain Management and Support Services Agreement, dated as of January 1, 2014, by and between PDIC and GC Australia in form and substance reasonably satisfactory to the Seller (the "Australia Management Termination Agreement"), duly executed by PDIC;
 - (xvii) the resignations of all of the directors and officers of the Subject Companies (other than PDITL and PD Trading), effective as of the Second Closing Date;
 - (xviii) For the purpose of the First Closing, (A) evidence that the following bank mandates of PDITL and PD Trading for all bank accounts opened with (aa) Bangkok Bank Public Company Limited and (bb) Siam Commercial Bank Public Company Limited and (cc) Kasikorn Public Company Limited, have been revised by the relevant

commercial banks in accordance with the Buyer's instructions provided at least three (3) Business Days prior to the First Closing Date, and (B) evidence that all other bank mandates of PDITL and PD Trading have been frozen for withdrawal for the five (5) Business Day period following the First Closing, and that the board or other governing body of each of PDITL and PD Trading has approved the change of such bank mandates within five (5) Business Days of the First Closing Date in accordance with the Buyer's instructions provided at least three (3) Business Days prior to the First Closing Date;

(xix) For the purpose of the Second Closing, (A) evidence that the bank mandates on key bank accounts of the Subject Companies (other than PDITL and PD Trading) as notified by the Seller within 30 days as from the date of this Agreement have been revised by the relevant commercial banks in accordance with the Buyer's instructions provided at least three (3) Business Days prior to the Second Closing Date, and (B) evidence that all bank mandates for the remaining bank accounts of such Subject Companies have been frozen for withdrawal for the five (5) Business Day period following the Second Closing, and that the board or other governing body of each of such Subject Companies has approved the change of such bank mandates within five (5) Business Days of the Second Closing Date in accordance with the Buyer's instructions provided at least three (3) Business Days prior to the Second Closing Date; and

(xx) all other documents, certificates, instruments or writings required to be delivered by the Seller at or prior to the relevant Closing pursuant to this Agreement.

Any condition set forth in this Section 6.1 may be waived by the Buyer.

6.2 Conditions of the Seller's Obligation. The Seller's obligation to effect the Transactions is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each representation and warranty set forth in ARTICLE II above shall be true and correct in all respects at and as of the relevant Closing Date, in each case as though then made (*provided* that any representation and warranty that addresses matters only as of a certain date shall be so true and correct in all respects as of that certain date), except to the extent the failure of such representations and warranties to be so true and correct (without regard to any "material," "Buyer Material Adverse Change" or similar qualification) has not resulted in a Buyer Material Adverse Change.

(b) Covenants. As of the relevant Closing, the Buyer shall have performed and observed in all material respects each covenant or other obligation required to be performed or observed by it pursuant to the Transaction Documents at or prior to the relevant Closing.

(c) Antitrust Laws; Government Entity Approvals. As of the relevant Closing, all applicable waiting periods (and any extensions thereof) under the Antitrust Laws must have expired or otherwise terminated. All approvals and actions of or by, and all notices to,

all Government Entities which are necessary to consummate the Transactions shall have been obtained or taken place, other than such approvals, actions and notices the failure of which to obtain would not result in a Buyer Material Adverse Change.

(d) Third Party Consents. As of the relevant Closing, any and all consents, waivers, approvals, authorizations and notices which are necessary to consummate the Transactions shall have been obtained or delivered except such consents, waivers, approvals, authorizations and notices the failure of which to obtain would not result in a Buyer Material Adverse Change.

(e) Proceedings. As of the relevant Closing, no Action or Proceeding shall be pending or threatened before any Government Entity the result of which would prevent, prohibit or make illegal the consummation of the Transactions or cause any such Transaction to be rescinded following such consummation, and no Order having any such effect shall exist.

(f) Closing Documents. The Buyer shall have delivered to the Seller the following:

(i) wire transfers representing the Purchase Price determined in accordance with Section 1.8, as adjusted, if at all, pursuant to Section 1.9;

(ii) a certificate of an officer of the Buyer dated as of the relevant Closing Date and signed by an executive officer of the Buyer, certifying that the conditions in Section 6.2(a) and Section 6.2(b) have been met;

(iii) a copy of the resolutions duly adopted by the board of directors and shareholders of the Buyer authorizing the execution, delivery and performance by the Buyer of each Transaction Document to which the Buyer is a party and the consummation of the Transactions, as in effect as of the relevant Closing, certified on behalf of Buyer by an officer of the Buyer (which such certification shall include a representation as to the incumbency and signatures of the officers of the Buyer executing the Transaction Documents);

(iv) with respect to the First Closing, the Transition Services Agreement, duly executed by the Buyer or its Affiliate (including the Subject Companies); and with respect to the Second Closing, the joinder to the Transition Services Agreement, duly executed by the Buyer or its Affiliate (including the Subject Companies);

(v) with respect to the First Closing, the Technical Support Agreement, duly executed by the Buyer or its Affiliate (including the Subject Companies); and with respect to the Second Closing, the joinder to the Technical Support Agreement, duly executed by the Buyer or its Affiliate (including the Subject Companies);

(vi) evidence in a form reasonably satisfactory to the Seller of the termination, in each case, on or before the relevant Closing Date, of each guarantee or similar obligation issued by the Seller or its Affiliates for the benefit of the Subject Companies;

(vii) a termination statement (or similar document) in a form reasonably satisfactory to the Seller evidencing the settlement on or before the First Closing Date of a certain loan from PDITL to General Cable Energy India Private Ltd.;

(viii) with respect to the First Closing, the Thailand Technical Assistance Termination Agreement, duly executed by PDITL;

(ix) with respect to the First Closing, the Thailand Management Termination Agreement, duly executed by PDITL;

(x) with respect to the First closing, the Thailand Trademark License Agreement, duly executed by PDITL and PD Trading;

(xi) with respect to the Second Closing, the China Management Termination Agreement, duly executed by GC China;

(xii) with respect to the Second Closing, the China Trademark License Agreement, duly executed by GC China;

(xiii) with respect to the Second Closing, the Australia Management Termination Agreement, duly executed by GC Australia;

(xiv) with respect to the Second Closing, the names of the nominees to replace all of the directors and officers of the Subject Companies (other than PDITL and PD Trading);

(xv) a general release of the Seller and the Equity Sellers, duly executed by the Buyer and in form and substance satisfactory to Seller and the Buyer; and

(xvi) all other documents, certificates, instruments or writings required to be delivered by the Buyer at or prior to the relevant Closing pursuant to this Agreement.

Any condition set forth in this [Section 6.2](#) may be waived by the Seller.

ARTICLE VII DEFINITIONS

For the purposes of this Agreement, the following terms have the meanings set forth below:

“**Action or Proceeding**” means any action, suit, claim, hearing, proceeding or arbitration by any Person, or any investigation or audit by any Government Entity.

“**Affiliate**” means with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such first Person within the meaning of the United States Securities Exchange Act of 1934, as amended.

“**Australia Equity**” means 169,928,701 ordinary shares of the outstanding capital stock of GC Australia, representing 100.0% of the issued and outstanding equity of GC Australia.

“**Australian GST**” means goods and services tax charged under the Australian *A New Tax System (Goods and Services Tax) Act 1999*.

“**Australian Privacy Laws**” means the *Privacy Act 1988 (Cth)* or any other requirement under Australian law, industry code, policy or statement relating to the handling of personal information.

“**Business**” means the manufacturing operations of the business of the Companies conducted on the date of this Agreement.

“**Business Agreements**” means the Consent Agreements and the Other Business Agreements.

“**Business Day**” means any day excluding Saturday, Sunday and any day that is a legal holiday under the Laws of the State of New York or is a day on which banking institutions located in such State are authorized or required by Law to close.

“**Business Employee**” means each individual who works primarily or exclusively for the Business, including any temporary employee, and who, on the relevant Closing Date, is actively employed by the Companies including any employee who is on vacation leave or on other authorized leave of absence (other than long-term disability in cases in which the employee has no present expectation of continued employment), family or workers’ compensation leave, or military leave as of the relevant Closing Date, whether paid or unpaid; *provided* that the term Business Employee shall exclude any other inactive or former employee, including any individual who (a) is on long-term disability leave or unauthorized leave of absence, layoff with or without recall rights at the relevant Closing Date or (b) has been terminated or has terminated his or her employment or retired before the relevant Closing Date.

“**Buyer Material Adverse Change**” means a material adverse change in the ability of the Buyer to perform its obligations under this Agreement and the Transaction Documents or on the ability of the Buyer to consummate the Transactions.

“**China Approval Authority**” means the Ministry of Commerce of the PRC or its competent local counterpart which is delegated to approve the Transactions.

“**China Equity**” means 100% of the equity interest in GC China.

“**Closing Costs**” means all fees and expenses incurred by the Companies or the Sellers in connection with the Transactions or in connection with the proposed sale of the Companies, such as the fees and expenses of any investment bankers, lawyers, accountants and other outside financial and other advisors, the fees and expenses of the electronic data room and any Transaction related bonuses or other change of control payments.

“**Closing Date WAIC**” means the weighted-average cost of inventory with respect to the aggregate amount of aluminum in inventory as recorded on the books and records of a Company as of the close of business on the relevant Closing Date and shall be calculated as the gross value of the aggregate amount of aluminum-based inventory divided by the number of aluminum-equivalent pounds in inventory as of the relevant Closing Date.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Company**” means any Subject Company or Asset Seller and, collectively, the “**Companies**”.

“**Company Equity**” means the Australia Equity, the China Equity, the PDITL Equity and the PD Trading Equity.

“**Company Material Adverse Change**” means any material adverse change occurring after the date hereof in the Business, results of operations or financial condition of the Companies as a whole, which are materially affected for a material period of time, other than any material adverse change or effect arising from or related to the following (either alone or in combination): (a) any general condition affecting the industry in which the Business is engaged, (b) changes in any Law or applicable accounting regulations or principles, (c) the announcement or pendency of any of the Transactions, (d) any action taken by the Seller or the Companies at the Buyer’s request or pursuant to the Transaction Documents, (e) natural disaster or acts of war or terrorism or any escalation or material worsening of any such acts of war or terrorism existing as of the date hereof, (f) such change against which the Companies are insured, (g) general economic, political and financial market changes, foreign or domestic, including a military coup occurring in a country in which any Company does business, (h) any matters specifically disclosed in the Seller Disclosure Schedule, and (i) any change in foreign exchange rate.

“**Company Tax Benefits**” means the amount of reduction in Tax Liability realized and any Tax refunds obtained in any Tax period of the Companies that is attributable to (i.e. would not be available but for) any deductions available to the Companies with respect to the Transaction Payments; *provided* that no such reduction in Tax Liability or Tax refunds shall be taken into account as Company Tax Benefits (x) to the extent reflected as a reduction in Taxes payable for purposes of determining Net Working Capital, or (y) to the extent that they reduce amounts that the Sellers would otherwise have to pay pursuant to Section 4.12(a) or Section 4.12(b).

“**Confidential Information Memoranda**” means the confidential information memoranda provided to the Buyer in expectation of the Transactions.

“**Confidentiality Agreement**” means the Confidentiality Agreements regarding the confidentiality obligations of the Buyer, executed by the Seller and the Buyer as of February 17, 2015 and March 24, 2015.

“**Consent Agreements**” means the lease of the Leasehold Property.

“**Contracts**” means all written executory contracts, agreements, subcontracts, indentures, notes, bonds (including surety bonds), loans, instruments, leases, mortgages, franchises, licenses, purchase orders, sale orders, proposals, bids, understandings or commitments, which are legally binding.

“**Default NZ GST**” means any additional NZ GST, penalty (civil or otherwise), interest or other sum levied against the Seller under the NZ GST Act or the Tax Administration Act 1994 (NZ) by reason of non or late payment of the NZ GST payable in respect of the supply being made under this Agreement but does not include any such sum levied against the Seller by reason of a default by the Seller after payment of the NZ GST (including any Default NZ GST) to the Seller by the Buyer.

“**Designated Affiliate**” means an Affiliate of the Buyer which is designated by the Buyer and such designation (a) is reasonably acceptable to the Seller, (b) does not impede or delay in any way the ability of the Parties to close the Transactions, (c) does not directly or indirectly prejudice or increase the costs (including any Taxes) to the Seller or any Selling Affiliate and (d) is made in accordance with Sections 4.24 (Designated Affiliates) and 9.10 (Assignment). The Buyer acknowledges and agrees that any delay in any attempt to make such a designation will be considered in determining whether such designation is made in compliance with clauses (b) and (c) of this definition.

“**Evaluation Material**” means any information, documents or materials regarding the Companies or the Business furnished or made available to the Buyer and its Representatives in any “data rooms,” “virtual data rooms,” management presentations or in any other form in

expectation of, or in connection with, the Transactions, including the Confidential Information Memoranda.

“**GAAP**” means United States generally accepted accounting principles as in effect from time to time.

“**GC Action**” means the investigations by the U.S. Securities and Exchange Commission (“**SEC**”) concerning the matters disclosed in the restated financial statements of the Seller filed on Forms 10-K/A and Forms 10-Q/A in March 2013 and January 2014, as well as earnings management activities by certain employees in the Seller’s Rest of World segment, the Foreign Corrupt Practices Act of 1977 investigations by the SEC and the U.S. Department of Justice, and the Seller’s internal investigations relating to those matters.

“**GC Australia**” means General Cable Australia PTY Limited, a company limited by shares incorporated under the laws of Australia.

“**GC China**” means General Cable (Tianjin) Alloy Products Co., Ltd., a limited liability company formed under the laws of the PRC.

“**Government Entity**” means any court, tribunal, arbitrator or any government or political subdivision thereof, whether federal, state, county, or any agency, authority, official or instrumentality of such governmental or political subdivision, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

“**Governmental Authorization**” means any approval, consent, ratification, waiver, license, permit, registration or other authorization issued or granted by any Government Entity.

“**Indebtedness**” means, with respect to any Person and as related to any Subject Company, without duplication: (i) all obligations of such Person for borrowed money (including any such obligations evidenced by bonds, debentures, notes or similar instruments); (ii) all lease obligations of such Person capitalized on the books and records of such Person; and (iii) all guaranties of such Person of any of the foregoing types of Indebtedness of any other Person.

“**Indemnified Person**” means any Person claiming indemnification under any provision of ARTICLE V.

“**Indemnifying Person**” means any Person(s) against whom a claim for indemnification is being asserted under any provision of ARTICLE V.

“**Inland Revenue Department**” means the New Zealand Inland Revenue Department, and includes the New Zealand Commissioner of Inland Revenue.

“**Intercompany Loans**” means: (i) the U.S. \$26,000,000 revolving multi-currency credit facility pursuant to that certain Facility Agreement, dated as of December 5, 2008, by and

between China Holdings (as successor in interest) and GC China, as amended by that certain Extension Agreement, dated as of November 20, 2012, by and between China Holdings and GC China; and (ii) the U.S. \$21,000,000 revolving multi-currency credit facility pursuant to the terms of that certain Facility Agreement, dated as of February 25, 2010, by and between China Holdings and GC China, as amended by that certain Extension Agreement, dated as of January 30, 2013, by and between China Holdings and GC China.

“**Knowledge**” means (a) as it applies to representations and warranties made by the Seller in ARTICLE III, the actual knowledge of Gregory Kenny, as the Chief Executive Officer, and Brian Robinson, as the Chief Financial Officer, without any duty to investigate or conduct independent inquiry; and (b) as it applies to representations and warranties made by the Buyer in ARTICLE II, the actual knowledge of Mr. Chanin Yensudchai, without any duty to investigate or conduct independent inquiry.

“**Law**” means any law, statute, rule, regulation, ordinance and other pronouncement having the effect of law of any country or any state, county, city or other political subdivision or of any Government Entity.

“**Leasehold Property**” means all right, title and interest of Asset Seller in the property located at 505 Mt. Wellington Highway, Auckland, New Zealand (lessor Barion Investments Limited).

“**Leave Benefits**” means accrued entitlement to leave (including annual leave entitlement of up to five (5) days per New Zealand Business Employee, alternative holidays, long service leave and sick and bereavement leave (as defined in the Holidays Act 2003 (New Zealand)) of the New Zealand Business Employees who accept the Buyer’s offer of employment pursuant to Section 4.9(a), in each case attributable to their service with Asset Seller before the Second Closing Date.

“**Liability**” or “**Liabilities**” means any and all debts, liabilities and obligations of any nature whatsoever, whether accrued or fixed, absolute or contingent, mature or unmatured or determined or indeterminable.

“**Lien**” means any mortgage, lien, pledge, charge, security interest, claim, contractual restriction, easement, right-of-way, option, conditional sale or other title retention agreement or encumbrance of any kind.

“**Loss**” means any direct or indirect Liability, indebtedness, claim, loss, damage, Lien, deficiency, obligation, judgment, penalty, responsibility or other costs or expenses (including reasonable attorneys’ fees and expenses paid in connection with any of the foregoing), in each case after deducting all insurance proceeds in connection with any of the foregoing and excluding any punitive damages, lost profit, diminution in value or other special, exemplary or consequential damages or Liabilities.

“**Net Cash Amount**” means the aggregate amount of cash and cash equivalents, each determined in accordance with GAAP, held on the balance sheet as of the relevant determination date for: (i) PDITL; (ii) PD Trading; (iii) GC China; and (iv) GC Australia, less Indebtedness of each such Subject Company, including all accrued but unpaid interest thereon and any other amounts payable with respect thereto.

“**Net Working Capital**” means, as of any date, the Working Capital of a Company, but excluding, for the avoidance of doubt, any amount which is included in the calculation of the Net Cash Amount.

“**Neutral Accounting Firm**” means an independent accounting firm of nationally recognized standing which firm is not the regular auditing firm of any of the Buyer, the Companies or the Equity Sellers.

“**New Zealand Business Employee**” means an employee of Asset Seller at the date of this Agreement.

“**NZ GST**” means goods and services tax under the Goods and Services Tax Act 1985 (New Zealand) (the “**NZ GST Act**”).

“**NZ Income Tax Act**” means the Income Tax Act 2007 (New Zealand).

“**Order**” means any writ, judgment, decree, injunction or similar order of any Government Entity, in each case whether preliminary or final.

“**Other Business Agreements**” means all other deeds, arrangements, agreements or understandings relating to the operation of the Business entered into by Asset Seller in the ordinary course of the operation of the Business before Closing to the extent that the same have not been performed at Closing, excluding: (i) any insurance policies; and (ii) any agreements that are or relate to the Excluded Assets.

“**PD Trading**” means PDTL Trading Company Limited, a Thailand limited company.

“**PD Trading Equity**” means 4,900 shares of the outstanding capital stock of PD Trading, representing 49.00% of the issue and outstanding equity of PD Trading.

“**PDITL**” means Phelps Dodge International (Thailand) Limited, a Thailand limited company.

“**PDITL Equity**” means 33,206 shares of the outstanding capital stock of PDITL, representing 75.47% of the issued and outstanding equity of PDITL.

“**Permitted Liens**” means Liens as a result of: (a) the constitutional documents of a Company; (b) liens for Taxes not yet due and payable; (c) mechanics’, carriers’, workmen’s,

repairmen's or other like liens arising or incurred in the ordinary course of business consistent with past practice or amounts that are not delinquent and which are not, individually or in the aggregate, material to the Business; (d) easements, rights of way, zoning ordinances and other similar encumbrances affecting real property which are not, individually or in the aggregate, material to the Business; or (e) liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business consistent with past practice which are not, individually or in the aggregate, material to the Business.

“**Person**” means any individual, partnership, corporation, association, limited liability company, joint stock company, a trust, joint venture, firm, association, unincorporated organization, Government Entity or other entity.

“**PRC**” means the People's Republic of China, which, for purposes of this Agreement, exclude the Hong Kong Special Administrative Region and the Macau Special Administrative Region.

“**Preliminary Net Cash Amount**” means: (i) for PDITL, \$4,659,076 after giving effect to the Pro-Rata Percentage Interest (\$6,173,414 before giving effect to the Pro-Rata Percentage Interest); (ii) for PD Trading, \$498,514 after giving effect to the Pro-Rata Percentage Interest (\$1,017,375 before giving effect to the Pro-Rata Percentage Interest); (iii) for GC China, \$20,273,048; and (iv) for GC Australia, \$4,790,632. The aggregate Preliminary Net Cash Amount (after giving effect to the relevant Pro-Rata Percentage Interest) is \$30,221,269, all of which have been determined from the management account of each of the Companies as of May 29, 2015.

“**Prime Rate**” means the prime rate of interest as from time to time published by *The Wall Street Journal (Eastern Edition)*.

“**Pro-Rata Percentage Interest**” means: (i) for PDITL, 75.47%; (ii) for PD Trading, 49.00%; (iii) for GC China, 100.00%; and (iv) for GC Australia, 100.00%.

“**Representatives**” means with respect to a particular Person, any director, officer, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

“**Seller Disclosure Schedule**” or “Disclosure Schedules” means the disclosure schedule constituting exceptions to and applicable disclosures associated with the Seller's representations and warranties set forth in ARTICLE III hereof, prepared and delivered by the Seller concurrently with the execution of this Agreement, as the same may be amended or supplemented from time to time, as required and/or permitted herein.

“**Seller Material Adverse Change**” means a material adverse change in the ability of the Seller to perform its obligations under this Agreement and the Transaction Documents or on the ability of the Seller to consummate the Transactions.

“**Selling Affiliates**” means, collectively, the Asset Seller and the Equity Sellers.

“**Subject Companies**” means GC Australia, GC China, PDITL and PD Trading.

“**Target Net Working Capital**” means: (i) for PDITL, \$28,000,000 before giving effect to the Pro-Rata Percentage Interest; (ii) for PD Trading, \$0 before giving effect to the Pro-Rata Percentage Interest; (iii) for GC China, \$15,000,000; (iv) for GC Australia, \$7,000,000; and (v) for Asset Seller, \$25,000,000.

“**Tax**” or “**Taxes**” means: (a) any foreign, federal, state or local income taxes, charges, duties, levies, imposts or other similar assessments imposed by a Government Entity, including all income, earnings, profits, gross receipts, franchise, capital stock, net worth, sales, use, value added, occupancy, general property, real property, personal property, intangible property, transfer, fuel, excise, parking, payroll, withholding, unemployment compensation, workers’ compensation, social security, retirement, pension plan or other tax of any nature; or (b) any deficiency, interest or penalty imposed with respect to any of the foregoing.

“**Tax Contest**” means an audit, claim, dispute or controversy relating to Taxes.

“**Tax Returns**” means all returns and reports, amended returns, information returns, statements, declarations, estimates, schedules, notices, notifications, forms, elections, certificates or other documents required to be filed or submitted to any Government Entity with respect to the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of, or compliance with, any Tax.

“**Transaction Documents**” means, collectively, this Agreement, the Transition Services Agreement, the Thailand Technical Assistance Termination Agreement, the Thailand Management Termination Agreement, the Thailand Trademark License Agreement, the China Management Termination Agreement, the China Trademark License Agreement, and the Australia Management Termination Agreement.

“**Transaction Payments**” means the Closing Costs, the accelerated write-off of deferred finance fees and loan costs, all other legal, accounting, investment banking and other fees and expenses paid by the Seller prior to the relevant Closing or by the Companies and any bonuses paid to employees or other service providers, in each case, in connection with the transactions that are the subject of this Agreement and the relevant Closing.

“**Transactions**” means the transactions contemplated by the Transaction Documents.

“**Transfer Taxes**” means any excise, sales, use, stock transfer, real property transfer, transfer, stamp, registration, VAT, documentary, recording or similar Tax (other than NZ GST) imposed by any Government Entity, including any interest, addition to tax or penalties related thereto, incurred as a result of the sale of the Company Equity pursuant to this Agreement.

“**Transferred Employee**” means a New Zealand Business Employee who accepts an offer of employment from the Buyer in accordance with Section 4.9(a), such New Zealand Business Employee being considered a Transferred Employee from the Second Closing Date.

“**VAT**” means any value-added Tax, goods and services Tax or similar Tax (other than NZ GST).

“**Working Capital**” means (a) the sum of: (i) Total Inventories; (ii) Accounts Receivable; and (iii) Other Operating Receivables, *minus* (b) the sum of (i) Accounts Payable; and (ii) Other Operating Liabilities, where each of the terms “Total Inventories,” “Accounts Receivable,” “Other Operating Receivables,” “Accounts Payable” and “Other Operating Liabilities” shall have the meaning given to such terms in Schedule 7.

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ARTICLE VIII TERMINATION

8.1 Termination. This Agreement may be terminated:

(a) at any time prior to the relevant Closing by mutual written agreement of the Buyer and the Seller;

(b) by either the Buyer or the Seller if a material breach of any provision of this Agreement has been committed (in the case of termination by the Buyer, a breach by the Seller, and in the case of termination by the Seller, a breach by the Buyer), such breach results in a relevant Closing condition becoming incapable of being satisfied and such material breach has not been waived in writing; *provided* that a material breach described above shall not give rise to a right to terminate this Agreement under this Section 8.1(b) unless and until (i) the non-breaching Party delivers a written notice to the breaching Party, notifying the breaching Party of the breach (including a reasonable description thereof) and (ii) the breaching Party fails to cure such breach within ten (10) days after delivery of such written notice;

(c) (i) by the Buyer, if any of the conditions in Section 6.1 has not been satisfied as of the relevant Closing Date or if satisfaction of such a condition is or becomes

incapable of fulfillment (other than through the failure of the Buyer to comply with its obligations under this Agreement) and the Buyer has not waived in writing such condition on or before the relevant Closing Date; or (ii) by the Seller, if any of the conditions in Section 6.2 has not been satisfied as of the relevant Closing Date or if satisfaction of such a condition is or becomes incapable of fulfillment (other than through the failure of the Seller to comply with its obligations under this Agreement) and the Sellers has not waived in writing such condition on or before the relevant Closing Date;

(d) by either the Buyer or the Seller if (i) the Transactions shall violate any Order that shall have become final and nonappealable or (ii) there shall be a Law which makes the Transactions illegal or otherwise prohibited; or

(e) by the Buyer or the Seller if the Second Closing shall not have occurred on or before December 31, 2015; *provided* that the right to terminate this Agreement under this subsection (e) shall not be available to any Party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or resulted in, the failure of the Closings to occur prior to such date;

provided that the Party seeking termination pursuant to Sections (a), (b), (c), (d) or (e) above is not then in breach of any of its representations, warranties, covenants or agreements contained in this Agreement, *provided further* that such notice of termination is provided in writing.

8.2 Effect of Termination. Each Party's right of termination under Section 8.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of such right of termination will not be an election of remedies. In the event of termination of this Agreement pursuant to Section 8.1, all obligations of the Parties under this Agreement will terminate, except that the obligations of the Parties in this Section 8.2, Section 2.3 (Broker Fees), Section 4.5 (Publicity and Confidentiality), and ARTICLE IX (Miscellaneous) will survive; *provided* that, if this Agreement is terminated because of a breach of this Agreement by the non-terminating Party or because one or more of the conditions to the terminating Party's obligations under this Agreement are not satisfied as a result of the non-terminating Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired. In the event of termination of this Agreement, and regardless of the reason for the termination, the Confidentiality Agreement and any agreement executed by the Buyer in connection with the receipt of the Confidential Information Memoranda of the Company shall continue in full force and effect.

ARTICLE IX MISCELLANEOUS

9.1 Australian Privacy Laws. The Buyer agrees to comply with all Australian Privacy Laws by which it is bound in connection with personal information. The Buyer must not do anything with personal information (including disclosure) that may cause the Seller to be in

breach of the Australian Privacy Laws to which the Buyer is bound, or of which the Seller has notified the Buyer. If the Seller is required or authorized by this Agreement or by Law to retain any personal information which is part of the confidential information, the Seller may use and disclose that personal information for the purpose for which it is required or authorized to be retained under this Agreement or as required by such Law.

9.2 Expenses. Whether or not the Transactions are consummated, and except as otherwise provided in this Agreement, each Party to this Agreement shall bear its respective fees, costs and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement or the Transactions (including legal, accounting and other professional fees).

9.3 Stamp Duty. The Buyer agrees to pay all stamp duty (including fines and penalties) chargeable, payable or assessed in relation to this Agreement or any transaction contemplated hereby, including the transfer of the Company Equity and Purchased Assets to the Buyer. The Buyer indemnifies and must keep indemnified the Seller against any liability with respect to stamp duty (including fines and penalties) which is the responsibility of the Buyer pursuant to this Section 9.3. Any payment under this indemnity must be made as soon as reasonably practicable following a written demand by the Seller.

9.4 Governing Law. This Agreement will be governed by and construed in accordance with the internal Laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of Law principles that would require the application of any other Law.

9.5 Jurisdiction; Service of Process. Any Action or Proceeding arising out of or relating to this Agreement or any of the Transactions may be brought in the federal and state courts located in New York City, New York, and each of the Parties irrevocably submits to the exclusive jurisdiction of such courts in any such Action or Proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the Action or Proceeding shall be heard and determined only in any such court and agrees not to bring any Action or Proceeding arising out of or relating to this Agreement or any of the Transactions in any other court. The Parties agree that any or all of them may file a copy of this Section 9.5 with any court as written evidence of the knowing, voluntary and bargained-for agreement among the Parties irrevocably to waive any objections to venue or to convenience of forum. Process in any Action or Proceeding referred to in the first sentence of this Section 9.5 may be served on any Party anywhere in the world.

9.6 Waiver of Jury Trial. THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM

MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY ACTION OR PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

9.7 Attorneys' Fees. If any Action or Proceeding for the enforcement of this Agreement is brought with respect to or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions hereof, the successful or prevailing Party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that Action or Proceeding, in addition to any other relief to which it may be entitled.

9.8 Waiver; Remedies Cumulative. The rights and remedies of the Parties to this Agreement are cumulative and not alternative. Neither any failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or any of the other Transaction Documents will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable Law, (a) no claim or right arising out of this Agreement or any of the other Transaction Documents can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other Parties; (b) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one Party will be deemed to be a waiver of any obligation of that Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement or any of the other Transaction Documents.

9.9 Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be deemed given to a Party when (a) delivered by hand, (b) one (1) Business Day after being sent by a nationally recognized overnight courier service (costs prepaid), (c) sent by facsimile or email with confirmation of transmission by the transmitting equipment, or (d) received by the addressee, if sent by certified, registered or recorded mail, postage prepaid and return receipt requested, in each case to the following:

If to Buyer to:

M M Logistics Co., Ltd.
978 Srinakarin Road,
Suanlaung, Suanlaung,
Bangkok, Thailand 10250
Tel: 66 (0) 81 984 6638

Attention: Directors

with a copy to:

Hunton & Williams (Thailand) Limited

34th Floor, Q. House Lumpini Building,
1 South Sathorn Road,
Thungmahamek, Sathorn,
Bangkok 10120 Thailand
Attention: Mr. Chinawat Assavapokee
Direct Number: 66 (0) 2645 8884
Tel: 66 (0) 2645 8800
Fax Number: 66 (0) 2645 8880
Cellphone Number: 66 (0) 91772 7423
Email Address: chinawat@hunton.com

If to Seller to:

General Cable Corporation

4 Tesseneer Drive
Highland Heights, Kentucky 41076-9753
Attention: General Counsel
Fax Number: (859) 572 8444
Email Address: legal@generalcable.com

with a copy to:

Blank Rome LLP

One Logan Square
130 North 18th Street
Philadelphia, PA 19103-6998
Attention: Mr. Alan H. Lieblich
Tel: (215) 569 5693
Fax Number: (215) 832 5693
Cellphone Number: (267) 237 2538
Email Address: lieblich@blankrome.com

Any Party may change its contact information for notices and other communications hereunder by notice to the other Parties hereto in accordance with this Section 9.9.

9.10 Assignment. This Agreement shall be binding upon, and shall be enforceable by and inure solely to the benefit of the Parties hereto and their respective successors and assigns;

provided, that this Agreement and the rights and obligations hereunder shall not be assignable or transferable by any Party without the prior written consent of the other Parties hereto, except that the Seller may assign all or part of its rights, interests and obligations under this Agreement to any Affiliate of the Seller without the Buyer's prior written consent, *provided*, that the Seller shall not be relieved of its obligations under this Agreement, and any reference in this Agreement to "Seller" shall be deemed to include the assignee. Notwithstanding the foregoing, the Buyer may delegate the performance of its obligations (other than the obligation to pay the Purchase Price) to a Designated Affiliate in accordance with Section 4.24 so long as the Buyer remains fully responsible for the performance of the delegated obligation. Nothing expressed or referred to in this Agreement will be construed to give any Person, other than the parties to this Agreement, any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement except such rights as may inure to a successor or permitted assignee under this Section 9.10; *provided, however*, that after the relevant Closing, the Covered Persons shall be third party beneficiaries of, and entitled to enforce, Section 4.11.

9.11 No Third-Party Beneficiaries. Except for contemplated third party beneficiaries as expressly provided otherwise in this Agreement (including provisions benefiting the Persons contained in Section 4.8, Section 4.9 and Section 4.11 hereof and ARTICLE V hereof), this Agreement is for the sole benefit of the Parties hereto and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give to any Person, other than the Parties hereto and such successors and assigns, any legal or equitable rights, remedy or claim hereunder.

9.12 Amendments. No amendment to this Agreement shall be effective unless it shall be in writing and signed by the Buyer and the Seller, and, with respect to enforceability in the PRC, approved by the China Approval Authority.

9.13 Disclosure Schedules. The Seller Disclosure Schedule shall be subject to the following terms and conditions: (a) all disclosures in the Financial Statements shall be deemed to be disclosed on all sections of the Disclosure Schedules; (b) any item disclosed in any particular part of the Disclosure Schedules shall be deemed to be disclosed in all parts of the Disclosure Schedules; (c) no disclosure of any matter contained in the Disclosure Schedules shall create an implication that such matter meets any standard of materiality (matters reflected in the Disclosure Schedules are not necessarily limited to matters required by this Agreement to be reflected in the Disclosure Schedules; such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature, nor shall the inclusion of any item be construed as implying that any such item is "material" for any purpose); (d) any disclosures contained in the Disclosure Schedules which refer to a document are qualified in their entirety by reference to the text of such document, a true and complete copy of which was included in the due diligence information supplied to the Buyer; and (e) headings and introductory language have been inserted on the sections of the Disclosure Schedules for convenience of reference only and shall to no extent have the effect of amending or changing the express description of the sections as set forth in this Agreement.

9.14 Non-Recourse. No past, present or future director, manager, officer, employee, incorporator, agent, attorney or Representative of the Companies, the Equity Sellers or the Seller or any of their respective Affiliates shall have be deemed to (a) have made any representations or warranties in connection with the Transactions, or (b) have any personal Liability to the Buyer for any obligations or Liabilities of the Companies or the Seller under this Agreement for any claim based on, in respect of, or by reason of, the Transactions. It is further understood that any certificate or certification contemplated by this Agreement and executed by an officer of a Party shall be deemed to have been delivered only in such officer's capacity as an officer of such Party (and not in his or her individual capacity) and shall not entitle any Party to assert a claim against such officer in his or her individual capacity.

9.15 Construction. In construing this Agreement, including the Exhibits and Schedules hereto, the following principles shall be followed: (a) the terms "herein," "hereof," "hereby," "hereunder" and other similar terms refer to this Agreement as a whole and not only to the particular Article, Section or other subdivision in which any such terms may be employed; (b) except as otherwise set forth herein, references to Articles, Sections, Schedules and Exhibits refer to the Articles, Sections, Schedules and Exhibits of this Agreement, which are incorporated in and made a part of this Agreement; (c) a reference to any Person shall include such Person's predecessors; (d) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP; (e) no consideration shall be given to the headings of the Articles, Sections, Schedules, Exhibits, subdivisions, subsections or clauses, which are inserted for convenience in locating the provisions of this Agreement and not as an aid in its construction; (f) the word "includes" and "including" and their syntactical variants mean "includes, but is not limited to" and "including, without limitation," and corresponding syntactical variant expressions; (g) a defined term has its defined meaning throughout this Agreement, regardless of whether it appears before or after the place in this Agreement where it is defined, including in any Schedule or Exhibit; (h) the word "dollar" and the symbol "\$" refer to the lawful currency of the United States of America; and (i) the plural shall be deemed to include the singular and vice versa.

9.16 Entire Agreement. This Agreement (including any Exhibit or Schedule attached hereto) and the Transaction Documents contain the entire agreement and understanding among the Parties hereto with respect to the subject matter hereof and, except as explicitly set forth herein, supersede all prior and contemporaneous oral and written agreements and understandings relating to such subject matter. Notwithstanding the foregoing, the Confidentiality Agreement shall remain in effect in accordance with its terms and the terms hereof.

9.17 Severability. If any provision of this Agreement or the application of any such provision to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

9.18 Mutual Drafting. The Parties hereto are sophisticated and have been represented by counsel who have carefully negotiated the provisions hereof. As a consequence, the Parties do not intend that the presumptions of any Laws or other rules relating to the interpretation of contracts against the drafter of any particular clause should be applied to this Agreement and therefore waive their effects.

9.19 Counterparts; Facsimile. This Agreement may be executed in one or more counterparts, including by facsimile or email, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Party.

9.20 Limitation on Liability. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT OR ANY TRANSACTION DOCUMENTS TO THE CONTRARY, IN NO EVENT SHALL ANY PARTY OR ANY OF ITS AFFILIATES BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS, LOSS OF REVENUE OR LOST SALES) IN CONNECTION WITH ANY CLAIMS, LOSSES, DAMAGES OR INJURIES ARISING OUT OF THE CONDUCT OF SUCH PARTY PURSUANT TO THIS AGREEMENT REGARDLESS OF WHETHER THE NONPERFORMING PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR NOT.

9.21 Specific Performance. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by the Buyer in accordance with their specific terms or were otherwise breached by the Buyer. The Parties accordingly agree that, prior to the termination of this Agreement pursuant to Section 8.1, in addition to any other remedy to which the Parties are entitled at law or in equity, each Party is entitled to injunctive relief to prevent breaches of this Agreement by the other Party and otherwise to enforce specifically the provisions of this Agreement against such Party. Each Party expressly waives any requirement that the other Party obtains any bond or provides any indemnity in connection with any action seeking injunctive relief or specific enforcement of the provisions of this Agreement.

9.22 No Joint Venture. Nothing in this Agreement creates a joint venture or partnership between the Parties. This Agreement does not authorize either Party (a) to bind or commit, or to act as an agent, employee or legal representative of, the other Party, except as may be specifically set forth in other provisions of this Agreement, or (b) to have the power to control the activities and operations of the other Party. The Parties are independent contractors with respect to each other under this Agreement. Each Party agrees not to hold itself out as having any authority or relationship contrary to this Section 9.22.

9.23 Effectiveness. This Agreement, for purposes of enforceability in the PRC, shall become effective on the date on which this Agreement is approved by the China Approval

Authority. For all jurisdictions except for the PRC, this Agreement shall become effective on the date on which this Agreement is duly executed by each of the Parties hereto.

[SIGNATURES ON NEXT PAGE]

INTENDING TO BE LEGALLY BOUND, the undersigned Parties have executed this Purchase Agreement as of the date first written above.

BUYER:

M M LOGISTICS CO., LTD.

By: /s/ Vonnarat Tangkaravakoon

Name: Vonnarat Tangkaravakoon

Title: Authorized Director

SELLER:

GENERAL CABLE CORPORATION

By: /s/ Diana Toman

Name: Diana Toman

Title: Attorney-in-fact

Schedules

Schedule 1.6(D) New Zealand Allocation Schedule
Schedule 4.7 Documents to be Submitted to the China Approval Authority
Schedule 6.1(C) Antitrust Laws; Government Entity Approvals
Schedule 6.1(D) Third Party Consents
Schedule 7 Working Capital Terminology
Seller Disclosure Schedule

Exhibits

Exhibit 1.6 New Zealand Allocation Methodology
Exhibit 1.8(C) Form of Share Transfer Document
Exhibit 4.18 Non-Competing Products
Exhibit 6.1(F)(VI) Form of Transition Services Agreement
Exhibit 6.1(F)(VII) Form of Technical Assistance and Support Agreement
Exhibit 6.1(F)(X) Form of Thailand Trademark License Agreement
Exhibit 6.1(F)(XV) Form of China Trademark License Agreement

The schedules and exhibits to the purchase agreement are omitted pursuant to Item 601(b)(2) of Regulation S-K. General Cable agrees to furnish supplementally to the SEC, upon request, a copy of any omitted schedule or exhibit.

**GENERAL CABLE CORPORATION
STOCK INCENTIVE PLAN**

**GLOBAL STOCK UNIT AGREEMENT
NON-EMPLOYEE DIRECTOR**

GRANTED TO:

DATE OF GRANT:

GRANTED PURSUANT TO: General Cable Corporation Stock Incentive Plan

NUMBER OF UNITS:

VESTING SCHEDULE: 100% on 1st Anniversary of Date of Grant

1. Agreement. This Stock Unit Agreement (the “Agreement”) is made and entered into as of «Date_of_Grant» (the “Date of Grant”) between General Cable Corporation, a Delaware corporation (the “Company”), and «MProper_Name», as a participant (the “Participant”) in the General Cable Corporation Stock Incentive Plan (the “Plan”), a copy of which is enclosed herewith. Capitalized terms not defined herein shall have the meanings ascribed thereto in the Plan.

2. Grant. The Participant is granted «Munits» restricted stock units with respect to the Common Stock of the Company (the “Stock Units”). The Stock Units are granted as provided for under the Plan and are subject to the terms and conditions set forth in the Plan and this Agreement. Except as otherwise provided in Paragraphs 8 and 9 below, the Stock Units shall vest only if the Participant continues in service through the vesting date set forth in the vesting schedule above.

3. Vesting. The Stock Units shall be promptly recorded on the books of the Company as Stock Unit awards. When and if the vesting requirements are satisfied, the Participant shall be entitled to receive one share of Common Stock for each vested Stock Unit granted hereunder, except as otherwise provided in Paragraph 9(b) below. Each vested Stock Unit shall be settled within 90 days of the applicable vesting date, but no later than March 15 of the calendar year following the calendar year in which the Stock Unit vested. Prior to the vesting and settlement of the Stock Units, the Participant shall have no rights as a stockholder with respect to the shares of Common Stock underlying the Stock Units.

4. Adjustment. If under Section 12 of the Plan, the Participant shall be entitled to new, additional or different Stock Units, such new, additional or different Stock Units shall be subject to the vesting and other restrictions as provided in Paragraphs 7, 8 and 9 below.

5. Rights as Shareholder. The Stock Units shall be subject to the vesting requirements and other restrictions as provided in this Agreement. Upon the delivery of shares of Common Stock under this Agreement after vesting, the Participant shall have all the rights of a shareholder with respect to such shares of Common Stock, including, but not limited to, the right to vote such shares of Common Stock and to receive all dividends and other distributions paid with respect to them, and all such shares of Common Stock shall be evidenced by one or more certificates.

6. Dividend Equivalent Rights. The Stock Units shall include corresponding Dividend Equivalent Rights. The Dividend Equivalent Rights shall be subject to the same vesting requirements and forfeiture provisions as the Stock Units, and shall be settled in the form of a cash payment at the same time that the vested Stock Units are settled as provided in Paragraph 3 above.

7. Non-Transferability. Stock Units may not be sold, assigned, exchanged, transferred, pledged, hypothecated or otherwise disposed of except by will or the laws of descent and distribution. Any attempt by the Participant to dispose of any of the Stock Units in any such manner shall result in the immediate forfeiture of the Stock Units.

8. Termination of Service.

(a) In the event of the termination of the Participant's service on the Board prior to «Vesting_Date», the Participant shall forfeit any unvested Stock Units and shall not have any right to payment in respect thereof, unless otherwise provided in this Paragraph 8 or Paragraph 9 below.

(b) If the Participant's service on the Board terminates prior to «Vesting_Date» on account of the Participant's death or Disability (as defined below), any unvested Stock Units will vest as of the date of the Participant's death or Disability. For purposes of this Agreement, "Disability" shall mean the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

(c) If the Participant's service on the Board is terminated for Cause, whether before or after «Vesting_Date», the Stock Units shall immediately be forfeited and the Participant shall not have any right to payment in respect thereof.

(e) Any Stock Units that vest upon termination of service pursuant to this Paragraph 8 shall be settled in accordance with Paragraph 3 above. Any Stock Units that do not vest upon termination of service shall be forfeited and the Participant shall not have any right to payment in respect thereof.

9. Change in Control.

(a) If a Change in Control occurs prior to «Vesting_Date», the Stock Units shall become payable as described in this Paragraph 9; provided that, the Committee may take such other actions with respect to the Stock Units as it deems appropriate pursuant to the Plan.

(b) The Committee may determine that the unvested Stock Units shall be (i) converted to and payable in units with respect to shares or other equity interests of the acquiring company or its parent or (ii) payable in cash based on the Fair Market Value of the Stock Units as of the date of the Change in Control.

(c) If the Participant continues in service through «Vesting_Date», the Stock Units shall vest on such date and shall be paid in accordance with Paragraph 3.

(e) If the Participant's service on the Board terminates on account of death or Disability upon or after the Change in Control and prior to «Vesting_Date», the Stock Units shall become fully vested upon such termination of service and shall be paid in accordance with Paragraph 3.

(f) If the Participant's service on the Board is terminated by the Company without Cause upon or within 12 months following the Change in Control and prior to «Vesting_Date», any unvested Stock Units shall become fully vested upon such termination of service and shall be paid in accordance with Paragraph 3.

10. Deferral of Shares. Subject to Section 9(b) of the Plan and to the extent the Participant is eligible for participation in the General Cable Corporation Deferred Compensation Plan (the "DCP"), the Participant shall be entitled to defer receipt of shares of Common Stock under the terms of an agreement acceptable to the Company under the DCP and applicable law, including Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

11. Tax and Social Insurance Withholding. The Participant acknowledges that liability for all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items") legally due by the Participant is and remains the Participant's responsibility, and the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Units, including the grant of the Stock Units, the vesting of the Stock Units, the subsequent sale of any shares of Common Stock acquired pursuant to the Stock Units and the receipt of any dividends; and (b) does not commit to structure the terms of the grant or any aspect of the Stock Units to reduce or eliminate the Participant's liability for Tax-Related Items. Prior to the delivery of the shares of Common Stock upon the vesting of the Stock Units, if any taxing jurisdiction requires withholding of Tax-Related Items, the Company may withhold a sufficient number of whole shares of Common Stock otherwise issuable upon the vesting of the Stock Units that have an aggregate Fair Market Value (as defined under the Plan) sufficient to pay the minimum Tax-Related Items required to be withheld with respect to the shares of Common Stock (as determined by the Company in its sole discretion). The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. Alternatively, the Company may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from cash amounts payable under this Agreement or other amounts payable to the Participant, with no withholding in shares of Common Stock. By accepting this grant of Stock Units, the Participant expressly consents to the withholding of shares of Common Stock or other amounts payable to the Participant as provided for hereunder, if required by applicable law. All other Tax-Related Items related to the Stock Units and any shares of Common Stock delivered in payment thereof are the Participant's sole responsibility.

12. Legend. If the Company, in its sole discretion, shall determine that it is necessary, to comply with applicable securities laws, the certificate or certificates representing any shares of Common Stock delivered to the Participant under this Agreement shall bear an appropriate legend in form and substance, as determined by the Company, giving notice of applicable restrictions on transfer under or with respect to such laws.

13. Stock Units Subject to Securities Law. The Participant covenants and agrees with the Company that if, with respect to the Stock Units or any shares of Common Stock delivered to the Participant pursuant to this Agreement, there does not exist a Registration Statement on an appropriate form under the Securities Act of 1933, as amended (the "Act"), which Registration Statement shall have become effective and shall include a prospectus that is current with respect to the Stock Units or shares of Common Stock subject to this Agreement, (i) that he or she takes the Stock Units or such shares of Common Stock for his or her own account and not with a view to the resale or distribution thereof, (ii) that any subsequent offer for sale or sale of any such shares of Common Stock shall be made either pursuant to (x) a Registration Statement on an appropriate form under the Act, which Registration Statement shall have become effective and shall be current with

respect to the shares of Common Stock being offered and sold, or (y) a specific exemption from the registration requirements of the Act, but in claiming such exemption, the Participant shall, prior to any offer for sale of such shares of Common Stock, obtain a favorable written opinion from counsel for or approved by the Company as to the applicability of such exemption and (iii) that the Participant agrees that the certificates evidencing such shares of Common Stock shall bear a legend to the effect of the foregoing.

14. Stock Units Subject to Plan. This Agreement is subject to all terms, conditions, limitations and restrictions contained in the Plan, which shall be controlling in the event of any conflicting or inconsistent provisions, except as permitted by the Plan.

15. Policies. The Stock Units granted in this Agreement and any underlying shares of Common Stock or value received will be subject to all share retention and other policies applicable to non-employee members of the Company's Board of Directors that may be implemented by the Board from time to time.

16. EU Age Discrimination. For purposes of this Agreement, if the Participant is a resident of and provides services in a country that is a member of the European Union, the grant of the Stock Units and this Agreement are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent a court or tribunal of competent jurisdiction determines that any provision of the Agreement is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

17. Forced Sale of Shares; Compliance with Laws; Repatriation. Notwithstanding anything in the Agreement to the contrary, if required by applicable law or foreign exchange rules or regulations, the Company may, in its sole discretion, require the Participant to immediately sell any or all shares of Common Stock issued upon settlement of the Stock Units (in which case, the Company shall have the authority to issue sales instructions in relation to such shares of Common Stock on the Participant's behalf).

The Participant agrees, as a condition of the grant of the Stock Units, to repatriate all payments attributable to the Stock Units and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of the shares of Common Stock acquired pursuant to the Stock Units) in accordance with all foreign exchange rules and regulations applicable to the Participant. In addition, the Participant also agrees to take any and all actions, and consents to any and all actions taken by the Company and its Subsidiaries, as may be required to allow the Company and its Subsidiaries to comply with all applicable laws, rules and regulations in the Participant's country of residence (and country of service, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under all applicable laws, rules and regulations in the Participant's country of residence (and country of service, if different).

18. Code Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption, and payments may only be made under this Agreement upon an event and in a manner permitted by Section 409A, to the extent applicable. Any payments to be made upon a termination of service under this Agreement may only be made upon a "separation from service" under Section 409A. In no event may the Participant, directly or indirectly, designate the calendar year of a payment, except in accordance with Section 409A.

19. No Right to Continued Service. Nothing contained in the Plan or this Agreement shall confer upon the Participant any right to continued service nor shall it interfere in any way with the right of the Company to terminate the service of the Participant at any time.

20. Discretionary Nature of Plan; No Vested Rights. The Participant acknowledges and agrees that the Plan is discretionary in nature and may be amended, suspended, or terminated by the Company, in its sole discretion, at any time. The grant of the Stock Units under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Stock Units or any other award under the Plan or other benefits in lieu thereof in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of any grant, the number of shares of Common Stock subject to the grant, and the vesting provisions. Any amendment, suspension or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's service with the Company.

21. Consent to Collection, Use, Processing, and Transfer of Data. Pursuant to applicable personal data protection laws, the Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, use, processing and transfer of such data in relation to the Company's grant of the Stock Units and the Participant's participation in the Plan. The collection, use, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Plan and the Participant's participation in the Plan. The Participant's denial and/or objection to the collection, use, processing and transfer of personal data may affect the Participant's participation in the Plan. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

The Company holds certain personal information about the Participant, including name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all Stock Units, or any other entitlement to shares of Common Stock awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logic and procedures strictly correlated to the purposes for which the Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence (and country of service, if different). Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation in the Plan.

The Company will transfer Data internally as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant hereby authorizes (where required under applicable law) them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of

Common Stock on the Participant's behalf by a broker or other third party with whom the Participant may elect to deposit any shares of Common Stock acquired pursuant to the Plan.

The Participant may, at any time, exercise his or her rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan. The Participant may seek to exercise these rights by contacting [INSERT CONTACT].

22. Private Placement. The grant of the Stock Units is not intended to be a public offering of securities in the Participant's country of residence (and country of service, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities (unless otherwise required under U.S. or local law) and the grant of the Stock Units is not subject to the supervision of the local securities authorities (unless otherwise required under U.S. or local law).

23. Electronic Delivery of Documents. The Company may, in its sole discretion, decide to deliver any documents related to the Stock Units or other awards granted to the Participant under the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

24. English Language. The Participant acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Stock Units, be drawn up in English. If the Participant has received this Agreement, the Plan or any other documents related to the Stock Units translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

25. Additional Requirements. The Company reserves the right to impose other requirements on the Stock Units, any shares of Common Stock acquired pursuant to the Stock Units and the Participant's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local laws, rules and regulations or to facilitate the operation and administration of the Stock Units and the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

26. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties' respective heirs, legal representatives successors and assigns.

27. Governing Law/Severability. All questions concerning the construction, validity and interpretation of the Stock Units and the Plan shall be governed and construed according to the laws of the Commonwealth of Kentucky, without regard to the application of the conflicts of laws provisions thereof. Any disputes regarding the Stock Units or the Plan shall be brought only in the state or federal courts of the Commonwealth of Kentucky. In the event that any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

28. Entire Agreement. This Agreement is the entire agreement between the parties hereto, and all prior oral and written representations are merged into this Agreement. The headings in this Agreement are inserted for convenience and identification only and are not intended to describe, interpret, define or limit the scope, extent, or intent of this Agreement or any provision hereof.

29. By accepting the grant of the Stock Units, the Participant acknowledges that the Participant has read this Agreement, the Addendum to this Agreement (as applicable) and the Plan, and specifically accepts and agrees to the provisions therein.

GENERAL CABLE CORPORATION AND SUBSIDIARIES

Computation of Ratio of Earnings to Fixed Charges
(in millions)

	Six months ended	Year ended December 31,				
	July 3, 2015	2014	2013	2012	2011	2010
EARNINGS AS DEFINED						
Earnings (loss) from operations before income taxes and before adjustments for minority interests in consolidated subsidiaries and after eliminating undistributed earnings of equity method investees from continuing operations \$	(40.6)	\$ (550.0)	\$ (6.8)	\$ 66.1	\$ 87.6	\$ 92.1
Preferred stock dividend (pre-tax equivalent)	—	—	(0.3)	(0.3)	(0.3)	(0.3)
Fixed charges	55.5	123.7	133.2	110.5	100.3	78.7
TOTAL EARNINGS, AS DEFINED	\$ 14.9	\$ (426.3)	\$ 126.1	\$ 176.3	\$ 187.6	\$ 170.5
FIXED CHARGES, AS DEFINED						
Interest expense	\$ 47.6	\$ 109.6	\$ 118.2	\$ 100.4	\$ 91.4	\$ 71.3
Amortization of capitalized expenses related to debt	2.1	3.8	3.9	3.3	4.4	3.3
Preferred stock dividend (pre-tax equivalent)	—	—	0.3	0.3	0.3	0.3
Interest component of rent expense	5.8	10.3	10.8	6.5	4.2	3.8
TOTAL FIXED CHARGES, AS DEFINED	\$ 55.5	\$ 123.7	\$ 133.2	\$ 110.5	\$ 100.3	\$ 78.7
RATIO OF EARNINGS TO FIXED CHARGES	0.3	(3.4)	0.9	1.6	1.9	2.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Michael T. McDonnell, certify that:

- 1) I have reviewed this Form 10-Q of General Cable Corporation;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2015

/s/ MICHAEL T. MCDONNELL

Michael T. McDonnell
President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Brian J. Robinson, certify that:

- 1) I have reviewed this Form 10-Q of General Cable Corporation;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2015

/s/ BRIAN J. ROBINSON

Brian J. Robinson

Executive Vice President and Chief Financial Officer

