GENERAL CABLE CORP /DE/
Form 10-Q
August 04, 2016
Table of Contents

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

FORM 10-Q

(Mark One)
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended July 1, 2016
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	06-1398235
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4 Tesseneer Drive Highland Heights, KY	41076-9753
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, 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 x Accelerated filer ¨
Non-accelerated filer ¨ Smaller reporting company ¨
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x
Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date:

Class	Outstanding at July 29, 2016
Common Stock, $0.01 par value	49,288,566

Table of Contents

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

		PAGE
PART I	Financial Information	
Item 1.	Condensed Consolidated Financial Statements (Unaudited)	
	Statements of Operations and Comprehensive Income (Loss)	3
	Balance Sheets	4
	Statements of Cash Flows	5
	Statements of Changes in Total Equity	6
	Notes to Condensed Consolidated Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	43
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	57
Item 4.	Controls and Procedures	57
PART II	Other Information	
Item 1.	Legal Proceedings	57
Item 1A.	Risk Factors	57
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	58
Item 6.	Exhibits	58
Signatures		59
Exhibit Index		60

Table of Contents

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 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Net sales	$990.0	$1,113.4	$1,964.0	$2,284.5
Cost of sales	873.8	990.2	1,741.7	2,047.6
Gross profit	116.2	123.2	222.3	236.9
Selling, general and administrative expenses	55.6	97.8	144.5	195.3
Goodwill impairment charge	—	—	1.6	—
Intangible asset impairment charges	2.5	1.7	2.8	1.7
Operating income (loss)	58.1	23.7	73.4	39.9
Other income (expense)	9.1	(6.0)	7.7	(31.8)
Interest income (expense):				
Interest expense	(22.7)	(25.3)	(44.2)	(49.7)
Interest income	0.3	0.5	0.6	1.0
	(22.4)	(24.8)	(43.6)	(48.7)
Income (loss) before income taxes	44.8	(7.1)	37.5	(40.6)
Income tax (provision) benefit	(11.4)	5.5	(12.2)	4.1
Equity in net earnings of affiliated companies	0.3	—	0.4	0.2
Net income (loss) from continuing operations	33.7	(1.6)	25.7	(36.3)
Net income (loss) from discontinued operations, net of tax	(5.4)	(6.8)	(1.8)	(13.0)
Net income (loss) including noncontrolling interest	28.3	(8.4)	23.9	(49.3)
Less: net income (loss) attributable to noncontrolling interest	(1.5)	(1.5)	(1.2)	(4.3)
Net income (loss) attributable to Company common shareholders	$29.8	$(6.9)	$25.1	$(45.0)
Earnings (loss) per share - Net income (loss) from continuing operations attributable to Company common shareholders per common share				
Earnings (loss) per common share-basic	$0.71	$(0.03)	$0.54	$(0.72)
Earnings (loss) per common share-assuming dilution	$0.68	$(0.03)	$0.52	$(0.72)
Earnings (loss) per share - Net income (loss) from discontinued operations attributable to Company common shareholders per common share				
Earnings (loss) per common share-basic	$(0.11)	$(0.11)	$(0.03)	$(0.20)
Earnings (loss) per common share-assuming dilution	$(0.11)	$(0.11)	$(0.03)	$(0.20)
Earnings (loss) per share - Net income (loss) attributable to Company common shareholders per common share				
Earnings (loss) per common share-basic	$0.60	$(0.14)	$0.51	$(0.92)
Earnings (loss) per common share-assuming dilution	$0.57	$(0.14)	$0.48	$(0.92)
Dividends per common share	$0.18	$0.18	$0.36	$0.36
Comprehensive income (loss):				
Net income (loss)	$28.3	$(8.4)	$23.9	$(49.3)
Currency translation gain (loss)	(0.3)	(13.6)	31.2	(58.2)
Defined benefit plan adjustments, net of tax of $0.9 million and $1.8 million in the three and six months ended July 1, 2016 and $1.0 million and $2.5 million in the three and six months ended July 3, 2015	1.3	1.8	2.6	4.8
Comprehensive income (loss), net of tax	29.3	(20.2)	57.7	(102.7)

Comprehensive income (loss) attributable to noncontrolling interest, net of tax	(1.8)	(2.3)	(1.3)	(8.7)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	$31.1	$(17.9)	$59.0	$(94.0)

See accompanying Notes to Condensed Consolidated Financial Statements.

3

Table of Contents

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

	July 1, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$62.8	$ 79.7
Receivables, net of allowances of $16.0 million at July 1, 2016 and $17.6 million at December 31, 2015	753.2	686.9
Inventories	771.5	807.8
Prepaid expenses and other	102.0	62.1
Current assets of discontinued operations	90.0	103.9
Total current assets	1,779.5	1,740.4
Property, plant and equipment, net	506.3	523.5
Deferred income taxes	18.2	20.6
Goodwill	19.7	22.2
Intangible assets, net	36.5	36.6
Unconsolidated affiliated companies	8.8	8.4
Other non-current assets	41.5	46.0
Non-current assets of discontinued operations	56.1	56.9
Total assets	$2,466.6	$ 2,454.6
Liabilities and Total Equity		
Current liabilities:		
Accounts payable	$427.7	$ 411.4
Accrued liabilities	360.1	331.4
Current portion of long-term debt	133.8	154.9
Current liabilities of discontinued operations	25.9	51.6
Total current liabilities	947.5	949.3
Long-term debt	890.3	911.6
Deferred income taxes	145.5	145.3
Other liabilities	178.9	185.6
Non-current liabilities of discontinued operations	1.8	1.7
Total liabilities	2,164.0	2,193.5
Commitments and contingencies (see Note 18)		
Redeemable noncontrolling interest	18.2	18.2
Total equity:		
Common stock, $0.01 par value, issued and outstanding shares:		
July 1, 2016 – 49,286,436 (net of 9,523,530 treasury shares)		
December 31, 2015 – 48,908,227 (net of 9,901,739 treasury shares)	0.6	0.6
Additional paid-in capital	713.7	720.5
Treasury stock	(171.7)	(180.1)
Retained earnings	34.5	27.2
Accumulated other comprehensive income (loss)	(306.3)	(340.2)
Total Company shareholders' equity	270.8	228.0
Noncontrolling interest	13.6	14.9
Total equity	284.4	242.9
Total liabilities, redeemable noncontrolling interest and equity	$2,466.6	$ 2,454.6

See accompanying Notes to Condensed Consolidated Financial Statements.

Table of Contents

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

	Six Fiscal Months Ended	
	July 1, 2016	July 3, 2015
Cash flows of operating activities:		
Net income (loss) attributable to Company common shareholders	$25.1	$(45.0)
Net income (loss) attributable to noncontrolling interest	(1.2)	(4.3)
Net income (loss) including noncontrolling interest	23.9	(49.3)
Net (income) loss from discontinued operations, net of taxes	1.8	13.0
Adjustments to reconcile net income (loss) to net cash flows of operating activities:		
Depreciation and amortization	42.8	47.4
Foreign currency exchange (gain) loss	(4.5)	29.4
Deferred income taxes	1.1	(11.3)
Non-cash asset impairment charges	11.8	12.2
Non-cash interest charges	1.8	1.7
(Gain) loss on disposal of subsidiaries	(46.5)	10.8
Loss on disposal of subsidiaries held for sale	13.3	—
(Gain) loss on disposal of property	1.4	1.3
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
(Increase) decrease in receivables	(82.6)	(13.1)
(Increase) decrease in inventories	30.8	(24.4)
(Increase) decrease in other assets	4.1	25.3
Increase (decrease) in accounts payable	28.0	117.5
Increase (decrease) in accrued and other liabilities	(20.9)	(31.7)
Net cash flows of operating activities from continuing operations	6.3	128.8
Net cash flows of operating activities from discontinued operations	9.7	0.7
Net cash flows of operating activities	16.0	129.5
Cash flows of investing activities:		
Capital expenditures	(32.1)	(30.3)
Proceeds from properties sold	0.6	0.3
Disposal of subsidiaries, net of cash disposed of	64.6	22.7
Other	(0.2)	0.3
Net cash flows of investing activities from continuing operations	32.9	(7.0)
Net cash flows of investing activities from discontinued operations	(0.1)	(4.4)
Net cash flows of investing activities	32.8	(11.4)
Cash flows of financing activities:		
Dividends paid to shareholders	(17.8)	(17.7)
Proceeds from debt	753.0	1,839.8
Repayments of debt	(787.8)	(1,949.7)
Dividends paid to noncontrolling interest	(0.1)	(0.1)
Proceeds from exercise of stock options	—	0.2
Net cash flows of financing activities from continuing operations	(52.7)	(127.5)
Net cash flows of financing activities from discontinued operations	(1.8)	(3.4)
Net cash flows of financing activities	(54.5)	(130.9)
Effect of exchange rate changes on cash and cash equivalents	3.9	(38.2)
Cash held for sale	(4.7)	—
Increase (decrease) in cash and cash equivalents	(6.5)	(51.0)

Cash and cash equivalents – beginning of period	112.4	205.8
Cash and cash equivalents – end of period	105.9	154.8
Less cash and cash equivalents of discontinued operations	43.1	52.5
Cash and cash equivalents of continuing operations – end of period	$62.8	$102.3
Supplemental Information		
Cash paid during the period for:		
Income tax payments from continuing operations, net of refunds	$8.8	$7.0
Interest paid from continuing operations	$40.9	$44.5
Non-cash investing and financing activities from continuing operations:		
Capital expenditures included in accounts payable	$15.4	$11.7

See accompanying Notes to Condensed Consolidated Financial Statements.

Tables of Contents

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, 2015	$242.9	$0.6	$ 720.5	$(180.1)	$ 27.2	$ (340.2)	$ 14.9
Comprehensive income (loss)	57.7				25.1	33.9	(1.3)
Common stock dividend	(17.8)				(17.8)		
Excess tax benefit (deficiency) from stock based compensation	(3.1)		(3.1)				
Stock options and RSU expense	6.2		6.2				
Other – issuance pursuant to restricted stock, stock options and other	(1.5)		(9.9)	8.4			
Balance, July 1, 2016	$284.4	$0.6	$ 713.7	$(171.7)	$ 34.5	$ (306.3)	$ 13.6

	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	(5.4)						(5.4)
Other – issuance pursuant to restricted stock, stock options and other	4.2		0.2	4.0			
Balance, July 3, 2015	$387.8	$0.6	$ 713.5	$(180.3)	$ 121.7	$ (312.4)	$ 44.7

See accompanying Notes to Condensed Consolidated Financial Statements.

Table of Contents

GENERAL CABLE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (unaudited)
1.Basis of Presentation and Principles of Consolidation
The accompanying unaudited Condensed Consolidated Financial Statements of General Cable Corporation and Subsidiaries (“General Cable” or the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and 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 1, 2016 are not necessarily indicative of results that may be expected for the full year. The December 31, 2015 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 2015 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 29, 2016. The Company's results from continuing operations do not include the results of the Asia Pacific businesses ("Asia Pacific"). The results of these businesses, which comprised a portion of the Africa/Asia Pacific segment, are classified as discontinued operations for all periods disclosed in this report. Previously, the results of these businesses included certain allocated corporate costs, which have been reallocated to the remaining continuing operations on a retrospective basis, and are included in the Africa/Asia Pacific segment.
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 wholly-owned subsidiaries and majority-owned controlled subsidiaries. The Company records its investment in each unconsolidated affiliated Company (generally 20-50 percent ownership in which it has the ability to exercise significant influence) at its respective equity in net assets. Other investments (generally less than 20 percent ownership) are recorded at cost. All intercompany transactions and balances among the consolidated companies have been eliminated.
Prior to October 2, 2015, the Company included the results of the Venezuelan operations in the Condensed Consolidated Financial Statements using the consolidation method of accounting. The Company’s Venezuelan earnings and cash flows are reflected in the historical Condensed Consolidated Financial Statements using a combination of official exchange rates, including the SICAD 1, SICAD 2 and SIMADI rates. Evolving conditions in Venezuela, including currency exchange regulations which reduced access to dollars through currency exchange markets and local market dynamics, have resulted in an other-than-temporary lack of exchangeability between the Venezuelan bolivar and U.S. dollar, and have restricted the Company's Venezuelan operations’ ability to pay dividends and satisfy certain other obligations denominated in U.S. dollars. Additionally, the existence of other governmental limitations restricted the Company's ability to control its Venezuelan operations. The Company expects this condition will continue for the foreseeable future. For accounting purposes, this lack of exchangeability and governmental restrictions on operations have resulted in a lack of control over the Company's Venezuelan subsidiary. Therefore, in accordance with ASC 810, the Company deconsolidated its Venezuelan subsidiary as of October 2, 2015 and began accounting for the investment in the Venezuelan subsidiary using the cost method of accounting.
The Company's Venezuelan operations’ cash balance of $8.2 million at the date of deconsolidation (previously measured using the SIMADI exchange rate), is no longer reported in Cash and cash equivalents in the Company's Condensed Consolidated Balance Sheets. There were no receivables due from the Venezuelan subsidiary at July 1, 2016 and December 31, 2015. At December 31, 2015, there was a payable of $2.9 million from the Company's Peru subsidiary that was classified to a third party trade payable upon deconsolidation in the Company's Condensed Consolidated Balance Sheet. This payable was settled during the second quarter of 2016 and there were no payables due to the Venezuelan subsidiary at July 1, 2016.
Since October 2, 2015, the Company's financial results have not included the operating results of its Venezuelan subsidiary. The

Company's financial results will only include U.S. dollar payments received from its Venezuelan subsidiary. Dividends, if any,
from the Venezuelan subsidiary are recorded as operating income upon receipt of the cash. As of July 1, 2016, there have been no material developments in the conditions in Venezuela, including currency controls and governmental restrictions on operations, and this cost method investment has zero carrying value.
Subsequent to the deconsolidation of the Company's Venezuelan subsidiary under the majority voting interest framework on
October 2, 2015, the subsidiary is considered a variable interest entity ("VIE"). The Company concluded that it was not deemed to be the primary beneficiary, and accordingly did not consolidate this subsidiary. To assess whether the Company had the power to direct the activities of the subsidiary that most significantly impact the subsidiary's economic performance, the Company

Table of Contents

considered all facts and circumstances, including identifying the activities that most significantly impact the subsidiary's economic performance, and determining if the Company had power over those activities.

The Company was not obligated to provide, nor has it provided, any financial support to its Venezuelan subsidiary subsequent to deconsolidation. As such, the risk associated with the Company's involvement in this VIE was limited to the carrying value of the Company's investment in the entity, and any receivables due from the entity. As of July 1, 2016, the Company's maximum risk of loss related to VIEs in which the Company was not the primary beneficiary was zero. In the third quarter of 2016, the Company completed the sale of its Venezuelan subsidiary for cash consideration of approximately $6 million. Upon completing the sale of the subsidiary in the third quarter of 2016, the subsidiary is no longer considered a VIE.

2. Accounting Standards

The Company's significant accounting policies are described in Note 2 to the audited annual consolidated financial statements in the 2015 Annual Report on Form 10-K. In the six months ended July 1, 2016, the Company did not change any of its existing accounting policies that are expected to have a significant effect on the condensed consolidated financial statements.

The following accounting pronouncements were adopted and became effective with respect to the Company in 2016:

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 include the face amount of the debt liability and the effective interest rate. In August 2015, the FASB also issued ASU 2015-15, "Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements", which clarified the presentation and subsequent measurement of debt issuance costs associated with lines of credit. These costs may be presented as an asset and amortized ratably over the term of the line of credit arrangement, regardless of whether there are outstanding borrowings on the arrangement. The update requires retrospective application and represents a change in accounting principle. Debt issuance costs of $1.5 million, previously recorded to Prepaid expenses and other, and $10.6 million, previously recorded to Other non-current assets, are now presented as a direct deduction from the carrying amount of Long-term debt on the Company's Condensed Consolidated Balance Sheets as of December 31, 2015.

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 adoption of this standard did not have a material effect on the Company's Condensed Consolidated Financial Statements.

The following accounting pronouncements will become effective in future periods with respect to the Company:

In March 2016, the FASB issued ASU 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting." The update is intended to simplify several areas of accounting for share-based compensation arrangements such as accounting for income taxes, forfeitures and statutory tax withholding requirements and the classification of related amounts on the statement of cash flows. This update is effective for annual and interim reporting periods beginning after December 15, 2016. Early adoption is permitted in any interim or annual period for financial statements that have not been previously issued. ASU 2016-09 is not expected to have a material impact on the Company's Condensed Consolidated Financial Statements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." The standard requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The new guidance is effective for annual and interim reporting periods beginning after December 15, 2018. The amendments should be applied at the beginning of the earliest period presented using a modified retrospective approach with earlier application permitted as of the beginning of an interim or annual reporting period. The Company is in the process of evaluating the impact of the new guidance on its Condensed Consolidated Financial Statements.

In July 2015, the FASB issued ASU 2015-11, “Inventory (Topic 330): Simplifying the Measurement of Inventory.” This update provides guidance on simplifying the measurement of inventory. The current standard is to measure inventory at lower of cost or market; where market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. ASU 2015-11 updates this guidance to measure inventory at the lower of cost and net realizable value; where net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal, and transportation. This update is effective for annual reporting periods beginning after December 15, 2016. The amendments should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. ASU 2015-11 is not expected to have a material impact on the Company’s Condensed Consolidated Financial Statements.

Table of Contents

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606).” This ASU outlines a single, comprehensive model for accounting for revenue from contracts with customers which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The standard permits the use of either the retrospective or modified retrospective (cumulative effect) transition method. The Company has not selected a transition method and is evaluating the impact that the standard will have on its Condensed Consolidated Financial Statements and related disclosures. In August 2015, the FASB issued ASU 2015-14, “Revenue from Contracts with Customers (Topic 606)", which defers the effective date of ASU 2014-09 to annual and interim reporting periods beginning after December 15, 2017 with early application permitted for annual and interim reporting periods beginning after December 15, 2016. The Company will adopt this standard on January 1, 2018.

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 Asia Pacific and Africa. The Company expects to incur approximately $14 million in pre-tax charges consisting primarily of legal and transaction fees for the dispositions. Charges incurred in the three and six months ended July 1, 2016 were $1.4 million and $1.6 million, respectively. Charges incurred in the three and six months ended July 3, 2015 were $1.1 million and $1.3 million, respectively.

Asia Pacific

The disposal of the Company's Asia Pacific operations is considered a strategic shift that has or will have a major effect on the Company's operations and financial results. As part of the October 2014 announcement, the Company completed the following as of July 1, 2016:

- In the first quarter of 2016, the Company completed the sale of General Cable Energy India Private Ltd. ("India") for gross proceeds of $10.8 million. The pre-tax gain recognized in the six months ended July 1, 2016 from the disposition of India was $1.6 million.
- In the third quarter of 2015, the Company completed the sale of Phelps Dodge International Thailand ("Thailand") for cash consideration of approximately $88 million.
- In the first quarter of 2015, the Company completed the sale of its 51% interest in Dominion Wire and Cables ("Fiji") and its 20% interest in Keystone Electric Wire and Cable ("Keystone") 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.

As of July 1, 2016, the Company determined that the remaining Asia Pacific operations continued to meet the held for sale criteria set forth in ASC 360 - Property, Plant and Equipment ("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 is ceased. Development of estimates of fair value in this circumstance is complex and is dependent upon, among other factors, the nature of potential sales transactions, 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.

Consistent with the conclusion reached in 2015, as of July 1, 2016, the Company determined the disposals of the PDP and PDEP, Fiji, Keystone, Thailand and India businesses combined with the businesses held for sale result in the Company’s disposal of a major geographical area, Asia Pacific. This disposal is considered a strategic shift; therefore, the results of Asia Pacific are classified 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, the Africa/Asia Pacific segment is now comprised primarily of the Company’s Africa businesses.

Africa

The Company's Africa businesses, and disposals of related operations to date, is not considered a strategic shift that has or will have a major effect on the Company's operations and financial results. The Company has completed the following as of July 1, 2016:

- In the second quarter of 2016, the Company completed the sale of General Cable S.A.E. ("Egypt") for gross proceeds of $5.8 million. The pre-tax loss recognized in the three and six months ended July 1, 2016 from the disposition of Egypt was $8.4 million and is included in the SG&A expenses caption in the Condensed Consolidated Statements of Operations

9

Table of Contents

and Comprehensive Income (Loss) in the Europe segment (based on the legal entity hierarchy). The disposal loss was calculated using the Company's cumulative translation adjustment as part of the carrying amount of the investment.

- In 2016, the Company signed a definitive agreement to sell Metal Fabricators of Zambia PLC ("Zambia") for cash consideration of approximately $9 million, subject to customary working capital adjustments at the closing date. The Company expects to close the sale of the operations in 2016. As of July 1, 2016, the Company determined that Zambia met the held for sale criteria set forth in ASC 360. Current assets of $35.5 million are included in the Prepaid expenses and other caption and non-current assets of $2.6 million are included in the Other non-current assets caption in the Condensed Consolidated Balance Sheets. Current liabilities of $40.8 million are included in the Accrued liabilities caption and non-current liabilities of $0.5 million are included in the Other liabilities caption of the Condensed Consolidated Balance Sheets. The estimated pre-tax loss from the disposition of Zambia recognized in the three and six months ended July 1, 2016 was $13.3 million and is included in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) in the Africa/Asia Pacific segment. The estimated disposal loss was calculated using the Company's cumulative translation adjustment as part of the carrying amount of the investment.

As of July 1, 2016, the Company determined that the remaining 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 disposal of the Company's Africa businesses is not considered a strategic shift that has or will have a major effect on the Company’s operations and financial results; therefore, the results are presented as continued operations.

Discontinued Operations Financial Results - Asia Pacific

The results of operations, financial position and cash flows for Asia Pacific are separately reported as discontinued operations for all periods presented. Included in Net income (loss) from discontinued operations, net of tax 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 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Net sales	$31.2	$89.5	$59.9	$180.6
Cost of sales	28.2	81.2	52.1	165.3
Gross profit	3.0	8.3	7.8	15.3
Selling, general and administrative expenses	7.8	13.1	9.0	25.1
Goodwill and intangible asset impairment charges	—	—	—	3.2
Operating income (loss)	(4.8)	(4.8)	(1.2)	(13.0)
Other income (expense)	(1.1)	(2.1)	(0.9)	(1.2)
Interest expense, net	0.1	(0.4)	(0.1)	(1.0)
Pre-tax gain on the disposal of discontinued operation	—	—	1.6	—
Income (loss) before income taxes	(5.8)	(7.3)	(0.6)	(15.2)
Income tax (provision) benefit	0.4	0.5	(1.2)	2.1
Equity in net earnings of affiliated companies	—	—	—	0.1
Net income (loss) including noncontrolling interest	$(5.4)	$(6.8)	$(1.8)	$(13.0)

The pre-tax loss attributable to the parent for Asia Pacific for the three and six months ended July 1, 2016 was $5.8 million and $0.6 million. The pre-tax loss attributable to the parent for Asia Pacific for the three and six months ended July 3, 2015 was $5.5 million and $9.7 million.

Table of Contents

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

	July 1, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$43.1	$ 32.7
Receivables, net of allowances	18.3	28.5
Inventories	26.8	38.6
Prepaid expenses and other	1.8	4.1
Total current assets	90.0	103.9
Property, plant and equipment, net	39.4	39.7
Deferred income taxes	10.4	10.3
Other non-current assets	6.3	6.9
Total assets	$146.1	$ 160.8
Liabilities		
Current liabilities:		
Accounts payable	$9.6	$ 17.3
Accrued liabilities	16.3	21.1
Current portion of long-term debt	—	13.2
Total current liabilities	25.9	51.6
Deferred income taxes	(0.1)	0.2
Other liabilities	1.9	1.5
Total liabilities	$27.7	$ 53.3

Table of Contents

4. Restructuring

November 2015 restructuring program

In the fourth quarter of 2015, the Company committed to a new strategic roadmap targeting growth and improvement in market positions, improvement to its overall cost position, growth through innovation, enhancement of organizational capabilities, alignment of its organization structure and cultivation of a high-performance culture. This effort has been launched in a phased approach and is expected to continue over the next several years.

The Company expects to incur approximately $30 million in before-tax restructuring charges; $15 million in the North America segment ("North America"), $11 million in the Europe segment ("Europe") and $4 million in the Latin America segment ("Latin America"). For the three and six months ended July 1, 2016, the Company incurred charges of $9.6 million and $16.4 million, respectively. For the three and six months ended July 1, 2016, costs incurred were $8.3 million and $12.3 million in North America, $0.9 million and $3.6 million in Europe and $0.4 million and $0.5 million in Latin America, respectively. For the three and six months ended July 1, 2016, $3.9 million and $6.3 million of these charges were recorded in the Cost of sales caption and $5.7 million and $10.1 million were recorded in the Selling, general and administrative ("SG&A") expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), respectively. As of July 1, 2016, aggregate costs incurred were $12.4 million in North America, $10.3 million in Europe and $2.3 million in Latin America.

As part of the strategic roadmap, in the second quarter of 2016, the Company completed the disposal of its North American Automotive Ignition Wire business for total consideration of $70.7 million. The pre-tax gain recognized in the three and six months ended July 1, 2016 was $53.2 million. The gain is recognized in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). This disposal did not represent a strategic shift that has or will have a major effect on the Company’s operations and financial results; therefore, the results are presented as continued operations.

Changes in the restructuring reserve and activity for the six months ended July 1, 2016 are below (in millions):

	Employee Separation Costs	Asset-Related Costs	Other Costs	Total
Total expected restructuring charges	$ 5.0	$ 6.0	$ 19.0	$ 30.0
Balance, December 31, 2015	$ 1.3	$ —	$ 3.2	$ 4.5
Net provisions	2.4	1.4	12.6	16.4
Net benefits charged against the assets	—	(1.4)	(0.3)	(1.7)
Payments	(1.5)	—	(11.9)	(13.4)
Foreign currency translation	—	—	0.1	0.1
Balance, July 1, 2016	$ 2.2	$ —	$ 3.7	$ 5.9
Total aggregate costs to date	$ 4.6	$ 3.3	$ 17.1	$ 25.0

Employee Separation Costs

The Company recorded employee separation costs of $1.1 million and $2.4 million for the three and six months ended July 1, 2016, respectively. The employee separation charges were $0.5 million and $1.0 million in North America and $0.6 million and $1.4 million in Europe for the three and six months ended July 1, 2016, respectively.

Employee separation costs include severance and retention bonuses. As of July 1, 2016, employee separation costs included severance charges for approximately 250 employees; approximately 190 of these employees were classified as manufacturing employees and approximately 60 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 ("ASC 420") or charges for contractual termination benefits under ASC 712 - Compensation - Nonretirement Postemployment Benefits ("ASC 712").

Asset-Related Costs

The Company recorded asset-related costs of $1.3 million and $1.4 million for the three and six months ended July 1, 2016, respectively. The asset-related charges were $1.0 million in North America and $0.3 million and $0.4 million in Latin America for the three and six months ended July 1, 2016, respectively.

Asset-related costs consist of asset write-downs and accelerated depreciation. 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

Table of Contents

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.
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 $7.2 million and $12.6 million for the three and six months ended July 1, 2016, respectively. The other restructuring-type charges were $6.8 million and $10.3 million in North America, $0.3 million and $2.2 million in Europe and $0.1 million in Latin America for the three and six months ended July 1, 2016, 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, project management, termination of contracts and other immaterial costs.

July 2014 restructuring program

In July 2014, the Company announced a comprehensive restructuring program. As of July 1, 2016, this program is substantially complete and future estimated costs are expected to be immaterial. The restructuring program was focused on the closure of certain underperforming assets as well as the consolidation and realignment of other facilities. The Company also implemented initiatives to reduce SG&A expenses globally. 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.

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 did represent a strategic shift that had or will have a major effect on the Company's operations and financial results; 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).

For the three and six months ended July 1, 2016, the Company incurred charges of $4.9 million and $9.8 million, respectively. 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 1, 2016, costs incurred were $3.7 million and $6.1 million in North America, $0.8 million and $1.8 million in Europe and $0.4 million and $1.9 million in Latin America, respectively. For the three and six months ended July 3, 2015, costs incurred were $3.7 million and $7.6 million in North America, $12.4 million and $21.5 million in Europe and $3.1 million and $6.0 million in Latin America, respectively.

For the three and six months ended July 1, 2016, approximately $2.8 million and $7.0 million of these charges were recorded in the Cost of sales caption and $2.1 million and $2.8 million were recorded in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), respectively. For the three and six months ended July 3, 2015, $2.4 million and $11.5 million of these charges were recorded in the Cost of sales caption and $16.8 million and $23.6 million were recorded in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), respectively. The Company also incurred other costs as outlined below. As of July 1, 2016, aggregate costs incurred were $24.8 million in North America, $139.5 million in Europe and $38.5 million in Latin America.

Table of Contents

Changes in the restructuring reserve and activity for the six months ended July 1, 2016 are below (in millions):

	Employee Separation Costs	Asset-Related Costs	Other Costs	Total
Balance, December 31, 2015	$ 7.6	$ —	$ 3.0	$ 10.6
Net provisions	1.4	1.7	6.7	9.8
Net benefits charged against the assets	—	(1.7)	0.6	(1.1)
Payments	(8.3)	—	(4.8)	(13.1)
Foreign currency translation	0.2	—	—	0.2
Balance, July 1, 2016	$ 0.9	$ —	$ 5.5	$ 6.4
Total aggregate costs to date	$ 51.6	$ 121.7	$ 29.5	$ 202.8

Employee Separation Costs

The Company recorded employee separation costs of $0.6 million and $1.4 million for the three and six months ended July 1, 2016, respectively. The employee separation charges were $0.6 million and $1.3 million in North America for the three and six months ended July 1, 2016, respectively, and $0.1 million in Latin America for the six months ended July 1, 2016. The Company recorded employee separation costs of $2.7 million and $12.2 million for the three and six months ended July 3, 2015, respectively. The employee separation charges were $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 for the three and six months ended July 3, 2015, respectively.

Employee separation costs include severance, retention bonuses and pension costs. As of July 1, 2016, employee separation costs included severance charges for approximately 1,310 employees; approximately 1,060 of these employees were classified as manufacturing employees and approximately 250 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 or charges for contractual termination benefits under ASC 712.

Asset-Related Costs

The Company recorded asset-related costs of $0.2 million and $1.7 million for the three and six months ended July 1, 2016, respectively. The long-lived asset impairment charges were $0.2 million and $1.0 million in North America for the three and six months ended July 1, 2016, respectively, and $0.7 million in Latin America for the six months ended July 1, 2016. The Company recorded asset-related costs of $12.8 million and $14.0 million for the three and six months ended July 3, 2015, respectively. The long-lived asset impairment charges were $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 asset write-downs and accelerated depreciation. 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.

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 $4.1 million and $6.7 million for the three and six months ended July 1, 2016, respectively. The other restructuring-type charges were $2.9 million and $3.8 million in North America, $0.8 million and $1.8 million in Europe and $0.4 million and $1.1 million in Latin America for the three and six months ended July 1, 2016, respectively. 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 for the three and six months ended July 3, 2015, 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 immaterial costs.

Tables of Contents

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 1, 2016 and July 3, 2015, the Company recorded other income of $9.1 million and other expense of $6.0 million, respectively. For the three months ended July 1, 2016, other income was primarily attributable to $5.7 million related to foreign currency transaction gains and $3.4 million related to gains on derivative instruments that were not designated as cash flow hedges. For the three months ended July 3, 2015, other expense was primarily attributable to $3.6 million related to foreign currency transaction losses and $2.4 million related to losses on derivative instruments that were not designated as cash flow hedges.

During the six months ended July 1, 2016 and July 3, 2015, the Company recorded other income of $7.7 million and other expense of $31.8 million, respectively. For the six months ended July 1, 2016, other income was primarily attributable to $4.2 million related to foreign currency transaction gains and $3.5 million related to gains on derivative instruments that were not designated as cash flow hedges. 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.

Refer to Note 1 - Basis of Presentation and Principles of Consolidation for more information regarding the Company's Venezuelan operations.

6. Inventories

Approximately 84% of the Company’s inventories are valued using the average cost method and all remaining inventories are valued using the first-in, first-out (FIFO) method. All inventories are stated at the lower of cost or market.

(in millions)	July 1, 2016	December 31, 2015
Raw materials	$165.2	$ 175.3
Work in process	128.9	122.5
Finished goods	477.4	510.0
Total	$771.5	$ 807.8

7. Property, Plant and Equipment

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

	July 1, 2016	December 31, 2015
Land	$45.1	$ 47.1
Buildings and leasehold improvements	198.7	189.7
Machinery, equipment and office furnishings	693.5	734.3
Construction in progress	31.1	25.7
Total gross book value	968.4	996.8
Less accumulated depreciation	(462.1)	(473.3)
Total net book value	$506.3	$ 523.5

Depreciation expense for the three and six fiscal months ended July 1, 2016 was $19.1 million and $37.8 million, respectively. Depreciation expense for the three and six fiscal months ended July 3, 2015 was $19.9 million and $42.0 million, respectively.

Tables of Contents

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 (in millions):

	Goodwill				Indefinite-Lived Assets – Trade Names		
	North America	Latin America	Africa/Asia Pacific	Total	North America	Europe	Total
Balance, December 31, 2015	$16.5	$ 3.9	$ 1.8	$22.2	$0.3	$ 0.4	$0.7
Currency translation and other adjustments	(0.7)	—	(0.2)	(0.9)	0.4	—	0.4
Goodwill and indefinite-lived asset impairment	—	—	(1.6)	(1.6)	(0.3)	—	(0.3)
Balance, July 1, 2016	$15.8	$ 3.9	$ —	$19.7	$0.4	$ 0.4	$0.8

The amounts of other intangible assets, excluding capitalized software, were as follows (in millions):

	July 1, 2016	December 31, 2015
Amortized intangible assets:		
Amortized intangible assets	$122.6	$ 129.4
Accumulated amortization	(88.4)	(87.9)
Foreign currency translation adjustment	(5.5)	(5.6)
Amortized intangible assets, net	$28.7	$ 35.9

Amortized intangible assets are stated at cost less accumulated amortization as of July 1, 2016 and December 31, 2015. 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 1, 2016 and July 3, 2015 was $4.2 million and $5.0 million, respectively. The estimated amortization expense during the twelve month periods beginning July 1, 2016 through July 2, 2021 and thereafter, based on exchange rates as of July 1, 2016, is $8.1 million, $5.9 million, $4.6 million, $3.3 million, $2.7 million and $4.1 million thereafter.

The Company capitalizes costs for internal use software incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Capitalized software will be amortized once the product is ready for its intended use, using the straight-line method over the estimated useful lives of the assets, which is three years.

Tables of Contents

9. Long-Term Debt

(in millions)	July 1, 2016	December 31, 2015
North America		
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	(256.7)	(257.8)
Debt issuance costs	(11.4)	(12.1)
Asset-Based Revolving Credit Facility ("Revolving Credit Facility")	71.0	127.6
Other	9.2	9.2
Europe		
Revolving Credit Facility	42.3	8.7
Other	8.4	23.4
Latin America credit facilities	123.9	113.8
Africa/Asia Pacific credit facilities	7.9	24.2
Total debt	1,024.1	1,066.5
Less current maturities	133.8	154.9
Long-term debt	$ 890.3	$ 911.6

At July 1, 2016, maturities of long-term debt during the twelve month periods beginning July 1, 2016 through July 2, 2021 and thereafter are $133.8 million, $0.9 million, $116.5 million, $0.8 million and $1.6 million, respectively, and $770.5 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 1, 2016	December 31, 2015
Face Value	$600.0	$ 600.0
Debt issuance costs	(7.6)	(8.2)
Book value	592.4	591.8
Fair Value (Level 1)	555.5	450.0
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

	Beginning Date	5.75% Senior Notes 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, on or prior to October 1, 2015, the Company had the right to 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 remained outstanding immediately after giving effect to any such redemption; and (ii) notice of any such redemption was given within 60 days after the date of the closing of any such equity

Tables of Contents

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 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 1, 2016 and December 31, 2015 as follows:

	Subordinated Convertible Notes	
(in millions)	July 1, 2016	December 31, 2015
Face value	$ 429.5	$ 429.5
Debt discount	(256.7)	(257.8)
Debt issuance costs	(3.8)	(3.9)
Book value	169.0	167.8
Fair value (Level 1)	250.2	265.8
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	

Revolving Credit Facility

On July 21, 2011, the Company entered into a $400 million Revolving Credit Facility, which was first amended in 2012 to increase the facility size to $700 million and then subsequently amended and restated on September 6, 2013 and further amended on October 22, 2013, May 20, 2014, September 23, 2014, October 28, 2014 and February 9, 2016, 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 an immaterial amount in 2016, $0.6 million in 2015 and $1.7 million in 2014 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 commitments under the Revolving Credit Facility. As of July 1, 2016, the availability under the Revolving Credit Facility is greater than $100 million. The fair value of the Revolving Credit Facility approximates

the carrying value based on Level 2 inputs.

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

Tables of Contents

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:

	Revolving Credit Facility	
(in millions)	July 1, 2016	December 31, 2015
Outstanding borrowings	$113.3	$ 136.3
Total credit under facility	1,000.0	1,000.0
Undrawn availability(1)	383.3	347.5
Interest rate	2.5 %	2.5 %
Outstanding letters of credit	$25.2	$ 36.7
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 1, 2016 is $312.6 million, $32.6 million and $38.1 million, respectively. Total undrawn availability for the U.S. borrower, the Canadian borrower and the European borrowers at December 31, 2015 was $239.1 million, $34.8 million and $73.6 million, respectively.

Latin America Credit Facilities

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

(in millions)	July 1, 2016	December 31, 2015
Outstanding borrowings	$123.9	$ 113.8
Undrawn availability	16.4	44.4
Interest rate – weighted average	10.0 %	8.6 %
Maturity date	Various; $123.5 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 based on Level 2 inputs.

Africa/Asia Pacific Credit Facilities

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

(in millions)	July 1, 2016	December 31, 2015
Outstanding borrowings	$7.9	$ 24.2
Undrawn availability	29.1	85.8
Interest rate – weighted average	7.3 %	6.5 %
Maturity date	Various; $7.9 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 based on Level 2 inputs.

Tables of Contents

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.

The Company accounts for these commodity instruments and foreign currency exchange contracts as economic 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 1, 2016 and December 31, 2015 are shown below (in millions):

	July 1, 2016			December 31, 2015		
	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	$99.8	$2.7	$ 1.8	$133.5	$0.3	$ 9.9
Foreign currency exchange	44.9	0.2	1.0	75.2	0.4	2.3
		$2.9	$ 2.8		$0.7	$ 12.2

(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 1, 2016 and December 31, 2015, 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 1, 2016 and December 31, 2015, 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 1, 2016 and December 31, 2015, there were no contracts held by the Company that required collateral to secure the Company's derivative liability positions. Refer to Note 5 - Other Income (Expense) for more information.

Table of Contents

11. Income Taxes

The Company’s effective tax rate for the six months ended July 1, 2016 and July 3, 2015 was 32.5% and 10.1%, respectively. The effective tax rate on the Company’s pre-tax income for the six months ended July 1, 2016 was favorably impacted by the use of U.S. capital losses for which no tax benefit was previously recognized. This resulted in the recognition of only $3.2 million of income tax expense on $53.2 million of pre-tax gain associated with the sale of the North American Automotive Ignition Wire business. This favorable factor was partially offset by recognizing no tax benefit on $18.6 million of operational losses and $8.4 million of loss recorded on the sale of our Egyptian business. These losses were incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets.

The low effective tax rate on the Company’s pre-tax loss for the six months ended July 3, 2015 was primarily due to no tax benefit being available for the $22.8 million Venezuelan currency devaluation loss 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 unfavorable factors were partially offset by $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 the Thailand business due to the sale in the third quarter of 2015.

The Company’s effective tax rate for the three months ended July 1, 2016 and July 3, 2015 was 25.4% and 77.5%, respectively. The effective tax rate for the three months ended July 1, 2016 was favorably impacted by the recognition of only $3.2 million of income tax expense on $53.2 million of pre-tax gain associated with the sale of the North American Automotive Ignition Wire business due to the use of U.S. capital losses for which no tax benefit was previously recognized. This favorable factor was partially offset by recognizing no tax benefit on $6.4 million of operational losses and $8.4 million of loss recorded on the sale of our Egyptian business. These losses were incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets.

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 due to the 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 pre-tax loss was extremely low for the three months ended July 3, 2015 which also contributed to the volatile impact of these items on the effective tax rate.

During the second quarter of 2016, the Company accrued approximately $0.9 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, $0.1 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 $3 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") is currently in the process of finalizing its examination of the Company's 2012 consolidated income tax return. As discussed in the Company's 2015 Annual Report on Form 10-K, the IRS proposed a cumulative taxable income adjustment of $33.6 million through 2012 in connection with the Original Issue Discount (“OID”) yield on the Company’s $429.5 million Subordinated Convertible Notes (“Notes”) due 2029. The Company believes that the amount of the OID deductions claimed on its federal income tax returns since the 2009 issuance of the Notes is proper and appealed the IRS proposed adjustment in 2016. The appeal is ongoing. With limited exceptions, tax years prior to 2010 are no longer open in major foreign, state, or local tax jurisdictions.

Tables of Contents

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 1, 2016		July 3, 2015	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Service cost	$0.3	$ 1.0	$0.4	$ 1.5
Interest cost	1.8	0.8	1.8	1.1
Expected return on plan assets	(2.4)	(0.6)	(2.6)	(0.7)
Amortization of prior service cost	—	0.2	—	0.2
Amortization of net loss	1.7	0.3	1.9	0.7
Net pension expense	$1.4	$ 1.7	$1.5	$ 2.8

	Six Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Service cost	$0.6	$ 2.0	$0.8	$ 3.0
Interest cost	3.6	1.6	3.6	2.2
Expected return on plan assets	(4.8)	(1.2)	(5.2)	(1.4)
Amortization of prior service cost	—	0.4	—	0.4
Amortization of net loss	3.4	0.6	3.8	1.4
Settlement loss	—	—	—	0.9
Net pension expense	$2.8	$ 3.4	$3.0	$ 6.5

The estimated net loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive income (loss) into net pension expense in 2016 is $8.4 million. The prior service cost to be amortized from accumulated other comprehensive income (loss) into net pension expense over the next fiscal year is immaterial.

Defined benefit pension plan cash contributions for the three fiscal months ended July 1, 2016 and July 3, 2015 were $1.3 million and $3.0 million, respectively. Defined benefit pension plan cash contributions for the six fiscal months ended July 1, 2016 and July 3, 2015 were $2.6 million and $6.0 million, respectively.

Tables of Contents

13. Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) as of July 1, 2016 and December 31, 2015, respectively, consisted of the following (in millions):

	July 1, 2016		December 31, 2015	
	Company Common Shareholders	Noncontrolling Interest	Company Common Shareholders	Noncontrolling Interest
Foreign currency translation adjustment	$(244.3)	$ (13.6)	$(275.6)	$ (13.5)
Pension adjustments, net of tax	(62.0)	(1.5)	(64.6)	(1.5)
Accumulated other comprehensive income (loss)	$(306.3)	$ (15.1)	$(340.2)	$ (15.0)

The following is the detail of the change in the Company's accumulated other comprehensive income (loss) from December 31, 2015 to July 1, 2016 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, 2015	$ (275.6)	$ (64.6)	$(340.2)
Other comprehensive income (loss) before reclassifications	13.0	—	13.0
Amounts reclassified from accumulated other comprehensive income	18.3	2.6	20.9
Net current - period other comprehensive income (loss)	31.3	2.6	33.9
Balance, July 1, 2016	$ (244.3)	$ (62.0)	$(306.3)

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	$ (238.9)	$ (73.5)	$(312.4)

Tables of Contents

The following is the detail of the reclassifications out of accumulated other comprehensive income (loss) for the three and six months ended July 1, 2016 and July 3, 2015 (in millions, net of tax):

	Three Fiscal Months Ended July 1, 2016 Amount reclassified from accumulated other comprehensive income (loss)	Six Fiscal Months Ended July 1, 2016 Amount reclassified from accumulated other comprehensive income (loss)	Affected line item in the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss)
Foreign currency translation			
Sale of subsidiaries from continuing operations	$ 7.8	$ 7.8	SG&A
Sale of subsidiaries from discontinued operations	—	10.5	Net income (loss) from discontinued operations, net of tax
Total - Foreign Currency Items	$ 7.8	$ 18.3	
Amortization of defined pension items, net of tax:			
Prior service cost	$ 0.1	$ 0.2	Cost of Sales
Net loss	1.2	2.4	Cost of Sales
Total - Pension Items	$ 1.3	$ 2.6	
Total	$ 9.1	$ 20.9	

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

Table of Contents

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 fourth 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 1, 2016, 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 the Cost of sales caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) and totaled $29.8 million and $28.5 million, respectively, for the three fiscal months ended July 1, 2016 and July 3, 2015 and $57.8 million and $59.5 million, respectively, for the six fiscal months ended July 1, 2016 and July 3, 2015.

Tables of Contents

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 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Amounts attributable to the Company – basic and diluted:				
Net income (loss) from continuing operations	$33.7	$(1.6)	$25.7	$(36.3)
Less: net income (loss) attributable to continuing operations noncontrolling interest	(1.5)	(0.2)	(1.2)	(1.0)
Net income (loss) from continuing operations attributable to Company common shareholders	$35.2	$(1.4)	$26.9	$(35.3)
Net income (loss) from discontinued operations, net of tax	(5.4)	(6.8)	(1.8)	(13.0)
Less: net income (loss) attributable to discontinued operations noncontrolling interest	—	(1.3)	—	(3.3)
Net income (loss) from discontinued operations attributable to Company common shareholders	$(5.4)	$(5.5)	$(1.8)	$(9.7)
Net income (loss) attributable to Company common shareholders [(1)]	$29.8	$(6.9)	$25.1	$(45.0)
Weighted average shares outstanding for basic EPS computation [(2,3)]	49.6	48.9	49.5	48.8
Earnings (loss) per common share calculation - basic: [(4)]				
Earnings (loss) from continuing operations attributable to Company common shareholders per common share – basic [(3)]	$0.71	$(0.03)	$0.54	$(0.72)
Earnings (loss) from discontinued operations attributable to Company common shareholders per common share – basic	$(0.11)	$(0.11)	$(0.03)	$(0.20)
Earnings (loss) per common share attributable to Company common shareholders – basic [(3)]	$0.60	$(0.14)	$0.51	$(0.92)
Weighted average shares outstanding including nonvested shares	49.6	48.9	49.5	48.8
Dilutive effect of stock options and restricted stock units	2.5	—	2.5	—
Weighted average shares outstanding for diluted EPS computation [(2)]	52.1	48.9	52.0	48.8
Earnings (loss) per common share calculation - dilution: [(4)]				
Earnings (loss) from continuing operations attributable to Company common shareholders per common share – assuming dilution	$0.68	$(0.03)	$0.52	$(0.72)
Earnings (loss) from discontinued operations attributable to Company common shareholders per common share – assuming dilution	(0.11)	(0.11)	(0.03)	(0.20)
Earnings (loss) per common share attributable to Company common shareholders – assuming dilution	$0.57	$(0.14)	$0.48	$(0.92)

(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).
(4) Earnings (loss) per common share amounts are calculated by line item and may not add due to rounding.

For the three and six months ended July 1, 2016, there were approximately 1.9 million shares and for the three and six months ended July 3, 2015, there were approximately 3.7 million shares excluded from the earnings per common share — assuming dilution computation because their impact was anti-dilutive, respectively.

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

Tables of Contents

Convertible Notes. The average stock price threshold conditions had not been met as of July 1, 2016 or 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 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 Company conducts its operations through four geographic operating and reportable segments — North America, Europe, Latin America, and Africa/Asia Pacific. 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 1, 2016, intersegment sales were $9.1 million and $23.7 million in North America, $1.1 million and $4.4 million in Europe, and $6.2 million and $9.8 million in Latin America, respectively. 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, respectively.

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. Summarized financial information for the Company's reportable segments reported in continuing operations for the three and six fiscal months ended July 1, 2016 and July 3, 2015 is as follows:

	Three Fiscal Months Ended		Six Fiscal Months Ended	
(in millions)	July 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Net Sales:				
North America	$530.9	$609.4	$1,069.1	$1,247.6
Europe	229.5	250.9	451.4	512.7
Latin America	168.2	188.8	323.2	394.1
Africa/Asia Pacific	61.4	64.3	120.3	130.1
Total	$990.0	$1,113.4	$1,964.0	$2,284.5

Segment Operating Income (Loss):				
North America	$73.8	$30.9	$91.5	$60.5
Europe	(1.5)	(1.2)	6.2	4.7
Latin America	0.4	(2.5)	(3.3)	(18.4)
Africa/Asia Pacific	(14.6)	(3.5)	(21.0)	(6.9)
Total	$58.1	$23.7	$73.4	$39.9

Tables of Contents

(in millions)	July 1, 2016	December 31, 2015
Total Assets:		
North America	$960.1	$ 986.9
Europe	705.0	632.0
Latin America	504.7	480.8
Africa/Asia Pacific	296.8	354.9
Total	$2,466.6	$ 2,454.6

The total assets of the discontinued operations as of July 1, 2016 and December 31, 2015 are $146.1 million and $160.8 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.

On March 7, 2011, GK Technologies, Inc. (“GK Tech”) was served with a Complaint filed on February 24, 2011, by the Housing Authority of the City of Los Angeles (“HACLA”) arising under CERCLA, California statutory law, and common law in the case known as Housing Authority of the City of Los Angeles v. PCC Technical Industries, Inc., Case No. 11-CV-01626 FMO (C.D. Cal.). The Housing Authority contends that GK Tech and several other defendants are responsible for environmental contamination at property located at 9901 S. Alameda Street in Los Angeles (the “Site”), which was apparently the location of a steel recycling mill formerly operated by a former subsidiary of GK Tech. The former subsidiary was legally dissolved in September 1993.

GK Tech has asserted various defenses to the claim, including the dissolution of the former subsidiary and the lack of knowledge of the environmental contamination. The Court had previously determined, as a matter of law, that the former subsidiary is one of several potentially responsible parties (“PRPs”) liable under CERCLA for costs of remediation of the contamination at the Site.

HACLA began conducting remediation work at the Site in April 2015, with projected costs at the time ranging from $5 million to $13 million. In October 2015, HACLA substantially expanded the scope of the remediation work at the Site and now estimates that the total costs to complete the work are between $21 million and $30 million. HACLA has collected some amounts through prior settlements with parties that owned and/or conducted operations on the Site after March 1979, which amounts we believe would partially offset any possible liability of GK Tech. GK Tech believes that it has very good defenses to HACLA’s successor liability theories but, nevertheless, it is reasonably

possible that GK Tech could be held liable for between $0 million and $30 million in this case.
At July 1, 2016 and December 31, 2015, we had an accrued liability of approximately $4.6 million and $3.6 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.

Table of Contents

Asbestos litigation

We have been a defendant in asbestos litigation for the past 28 years. Our subsidiaries have been named as defendants in lawsuits alleging exposure to asbestos in products manufactured by us. As of July 1, 2016, we were a defendant in approximately 316 cases brought in state and federal courts throughout the United States. In the six months ended July 1, 2016, 37 asbestos cases were brought against us. In the calendar year 2015, 99 asbestos cases were brought against us. In the last 28 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 1, 2016, 50,920 asbestos cases have been dismissed. In the six months ended July 1, 2016, 45 asbestos cases were dismissed. As of December 31, 2015, 50,875 cases were dismissed. With regards to the approximately 316 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 1, 2016, plaintiffs have asserted monetary damages in 165 cases. In 55 of these cases, plaintiffs allege only damages in excess of some dollar amount (about $692 thousand per plaintiff); in these cases there are no claims for specific dollar amounts requested as to any defendant. In 109 other cases pending in state and federal district courts, plaintiffs seek approximately $440 million in damages from as many as 50 defendants. In one case, plaintiffs have asserted damages related to General Cable in the amount of $4 million. In addition, in relation to these 165 cases, there are claims of $280 million in punitive damages from all of the defendants. However, many of the plaintiffs in these cases allege non-malignant injuries. As of July 1, 2016 and December 31, 2015, we had accrued, on a gross basis, approximately $4.3 million and $4.1 million, respectively, and as of July 1, 2016 and December 31, 2015, had recovered approximately $0.4 million of insurance recoveries for these lawsuits. The net amount of $3.9 million and $3.7 million, as of July 1, 2016 and December 31, 2015, respectively, represents our best estimate in order to cover resolution of current asbestos-related claims.

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 1, 2016 and December 31, 2015, aggregate settlement costs were $9.8 million and $9.7 million, respectively. For the six months ended July 1, 2016 and July 3, 2015, settlement costs totaled less than $0.1 million. As of July 1, 2016 and December 31, 2015, aggregate litigation costs were $26.7 million and $26.1 million, respectively. For the six months ended July 1, 2016 and July 3, 2015, litigation costs were $0.6 million and $0.7 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 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.

Table of Contents

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. On March 24, 2016, the ICC Tribunal issued its final order finding the Company liable for $15.7 million in damages plus prejudgment interest of $3.5 million. The Company was fully insured for the $19.2 million award. Payment from the insurers was made in the second quarter of 2016.

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. We currently estimate our range of reasonably possible loss to be between $0 million and $8 million.

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.

Government and internal investigations

We have been reviewing, with the assistance of external counsel, our use and payment of agents in connection with, and certain other transactions involving, our operations in Angola, Thailand, India, China and Egypt (the "Subject Countries"). Our review has focused upon payments and gifts made, offered, contemplated or promised by certain employees in one or more of the Subject Countries, directly and indirectly, and at various times, to employees of public utility companies and/or other officials of state owned entities that raise concerns under the FCPA and possibly under the laws of other jurisdictions. During 2015, we substantially completed our internal review in the Subject Countries and, based on our findings, we increased our outstanding FCPA-related accrual to $28 million in the year ended December 31, 2015. At this time, we are in early stages of discussions with the SEC and DOJ regarding the terms of a potential resolution of the ongoing investigations, and based on these discussions, we believe the amount of total disgorgement of profits, including pre-judgment interest, required to resolve the investigation is in the range of

$33 million to $59 million. As a result, we have increased our existing accrual as of July 1, 2016 by $5 million to $33 million, which represents the low-end of the range. The amount accrued solely reflects profits and pre-judgment interest that may be disgorged, and does not include, and we are not able to reasonably estimate, the amount of any possible fines, civil or criminal penalties or other relief, any or all of which could be substantial. The SEC and DOJ inquiries into these matters remain ongoing, and 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.

The amounts accrued and the additional range of reasonably possible loss solely reflect profits that may be disgorged based on our investigation in the Subject Countries, and do not include, and we are not able to reasonably estimate, the amount of any possible fines, civil or criminal penalties or other relief, any or all of which could be substantial. The SEC and DOJ inquiries into these matters remain ongoing. We continue to cooperate with the DOJ and the SEC with respect to these matters. At this time,

Table of Contents

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.

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 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, 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

Table of Contents

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. On May 24, 2016, the Sixth Circuit Court of Appeals affirmed the lower Court's decisions. On June 28, 2016, plaintiff filed a petition for rehearing or rehearing en banc. On July 19, 2016, the Sixth Circuit Court of Appeals denied plaintiff's petition for rehearing or rehearing en banc.

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 officers, one of whom is a 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. On July 27, 2016, plaintiff filed a Notice of Dismissal with the Court voluntarily terminating the derivative litigation.

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.

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, Chief Compliance Officer 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 1, 2016, future minimum rental payments required under non-cancelable lease agreements during the twelve month periods beginning July 1, 2016 through July 2, 2021 and thereafter are $15.3 million, $8.0 million, $6.1 million, $4.5 million and $3.8 million, respectively, and $5.0 million thereafter.

As of July 1, 2016, the Company had $27.9 million in letters of credit (including the $25.2 million outstanding on the Company's Revolving Credit Facility), $233.7 million in various performance bonds and $100.4 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.

Table of Contents

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 1, 2016 and July 3, 2015, equity in net earnings of affiliated companies was $0.3 million and $0.0 million, respectively. For the six fiscal months ended July 1, 2016 and July 3, 2015, equity in net earnings of affiliated companies was $0.4 million and $0.2 million, respectively. The net investment in unconsolidated affiliated companies was $8.8 million and $8.4 million as of July 1, 2016 and December 31, 2015, respectively. As of July 1, 2016, the Company's ownership percentage was as follows: Colada Continua Chilena, S.A. 41%, Nostag GmbH & Co. KG 33%, and Pakistan Cables Limited 24.6%.

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 1, 2016				December 31, 2015			
	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3	Fair Value
Assets:								
Derivative assets	$—	$ 2.9	$ —	$ 2.9	$—	$0.7	$ —	$ 0.7
Equity securities (1)	10.7	—	—	10.7	18.0	—	—	18.0
Total assets	$ 10.7	$ 2.9	$ —	$ 13.6	$ 18.0	$0.7	$ —	$ 18.7
Liabilities:								
Derivative liabilities	$—	$ 2.8	$ —	$ 2.8	$—	$ 12.2	$ —	$ 12.2
Total liabilities	$—	$ 2.8	$ —	$ 2.8	$—	$ 12.2	$ —	$ 12.2

(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 1, 2016 and December 31, 2015 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 $16.2 million and $25.6 million as of July 1, 2016 and December 31, 2015, respectively. Amounts payable to the plan participants at July 1, 2016 and December 31, 2015, excluding the Deferred Stock, were $11.7 million and $19.0 million, respectively, and are classified as "Other liabilities" in the Condensed Consolidated Balance Sheets.

At July 1, 2016, 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 other nonfinancial assets or nonfinancial liabilities measured at fair value on a non-recurring basis.

Tables of Contents

21. 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 Asia Pacific have been reclassified as discontinued operations for all periods presented, and 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 1, 2016

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	$—	$ 453.2	$ 536.8	$ —	$990.0
Intercompany	16.6	51.2	37.0	(104.8)	—
	16.6	504.4	573.8	(104.8)	990.0
Cost of sales	—	442.5	519.5	(88.2)	873.8
Gross profit	16.6	61.9	54.3	(16.6)	116.2
Selling, general and administrative expenses	12.9	(3.6)	62.9	(16.6)	55.6
Intangible asset impairment charges	—	—	2.5	—	2.5
Operating income (loss)	3.7	65.5	(11.1)	—	58.1
Other income (expense)	—	(0.5)	9.6	—	9.1
Interest income (expense):					
Interest expense	(14.4)	(15.9)	(7.6)	15.2	(22.7)
Interest income	13.7	1.4	0.4	(15.2)	0.3
	(0.7)	(14.5)	(7.2)	—	(22.4)
Income (loss) before income taxes	3.0	50.5	(8.7)	—	44.8
Income tax (provision) benefit	(1.1)	(3.4)	(6.9)	—	(11.4)
Equity in net earnings of affiliated companies and subsidiaries	27.9	(19.2)	0.1	(8.5)	0.3
Net income (loss) from continuing operations	29.8	27.9	(15.5)	(8.5)	33.7
Net income (loss) from discontinued operations, net of tax	—	—	(5.4)	—	(5.4)
Net income (loss) including noncontrolling interest	29.8	27.9	(20.9)	(8.5)	28.3
Less: net income (loss) attributable to noncontrolling interest	—	—	(1.5)	—	(1.5)
Net income (loss) attributable to Company common shareholders	$29.8	$ 27.9	$ (19.4)	$ (8.5)	$29.8
Comprehensive income (loss):					
Net income (loss)	$29.8	$ 27.9	$ (20.9)	$ (8.5)	$28.3
Currency translation gain (loss)	—	—	0.1	(0.4)	(0.3)
Defined benefit plan adjustments, net of tax	1.3	1.3	0.3	(1.6)	1.3
Comprehensive income (loss), net of tax	31.1	29.2	(20.5)	(10.5)	29.3
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	—	—	(1.8)	—	(1.8)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	$31.1	$ 29.2	$ (18.7)	$ (10.5)	$31.1

Tables of Contents

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 tax	—	—	(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)

35

Tables of Contents

Condensed Statements of Operations and Comprehensive Income (Loss) Information
Six Fiscal Months Ended July 1, 2016

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	$—	$ 900.4	$ 1,063.6	$ —	$1,964.0
Intercompany	33.7	118.2	80.1	(232.0)	—
	33.7	1,018.6	1,143.7	(232.0)	1,964.0
Cost of sales	—	896.4	1,043.6	(198.3)	1,741.7
Gross profit	33.7	122.2	100.1	(33.7)	222.3
Selling, general and administrative expenses	31.6	41.3	105.3	(33.7)	144.5
Goodwill impairment charge	—	—	1.6	—	1.6
Intangible asset impairment charges	—	0.3	2.5	—	2.8
Operating income (loss)	2.1	80.6	(9.3)	—	73.4
Other income (expense)	—	(0.3)	8.0	—	7.7
Interest income (expense):					
Interest expense	(28.7)	(32.1)	(13.8)	30.4	(44.2)
Interest income	27.5	2.6	0.9	(30.4)	0.6
	(1.2)	(29.5)	(12.9)	—	(43.6)
Income (loss) before income taxes	0.9	50.8	(14.2)	—	37.5
Income tax (provision) benefit	(1.0)	(3.8)	(7.4)	—	(12.2)
Equity in net earnings of affiliated companies and subsidiaries	25.2	(21.8)	0.1	(3.1)	0.4
Net income (loss) from continuing operations	25.1	25.2	(21.5)	(3.1)	25.7
Net income (loss) from discontinued operations, net of tax	—	—	(1.8)	—	(1.8)
Net income (loss) including noncontrolling interest	25.1	25.2	(23.3)	(3.1)	23.9
Less: net income (loss) attributable to noncontrolling interest	—	—	(1.2)	—	(1.2)
Net income (loss) attributable to Company common shareholders	$25.1	$ 25.2	$ (22.1)	$ (3.1)	$25.1
Comprehensive income (loss):					
Net income (loss)	$25.1	$ 25.2	$ (23.3)	$ (3.1)	$23.9
Currency translation gain (loss)	31.3	31.3	26.9	(58.3)	31.2
Defined benefit plan adjustments, net of tax	2.6	2.6	0.6	(3.2)	2.6
Comprehensive income (loss), net of tax	59.0	59.1	4.2	(64.6)	57.7
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	—	—	(1.3)	—	(1.3)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	$59.0	$ 59.1	$ 5.5	$ (64.6)	$59.0

Tables of Contents

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 tax	—	—	(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)

Tables of Contents

Condensed Balance Sheets Information
July 1, 2016

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	$—	$ 1.5	$ 61.3	$—	$62.8
Receivables, net of allowances	—	250.2	503.0	—	753.2
Inventories	—	325.2	446.3	—	771.5
Prepaid expenses and other	—	20.4	81.6	—	102.0
Current assets of discontinued operations	—	—	90.0	—	90.0
Total current assets	—	597.3	1,182.2	—	1,779.5
Property, plant and equipment, net	0.3	187.2	318.8	—	506.3
Deferred income taxes	—	51.9	18.2	(51.9)	18.2
Intercompany accounts	1,104.2	110.4	74.9	(1,289.5)	—
Investment in subsidiaries	131.4	683.1	—	(814.5)	—
Goodwill	—	12.9	6.8	—	19.7
Intangible assets, net	0.1	10.8	25.6	—	36.5
Unconsolidated affiliated companies	—	8.6	0.2	—	8.8
Other non-current assets	—	17.9	23.6	—	41.5
Non-current assets of discontinued operations	—	—	56.1	—	56.1
Total assets	$1,236.0	$ 1,680.1	$ 1,706.4	$(2,155.9)	$2,466.6
Liabilities and Total Equity					
Current liabilities:					
Accounts payable	$—	$ 115.8	$ 311.9	$—	$427.7
Accrued liabilities	11.1	112.3	236.7	—	360.1
Current portion of long-term debt	—	—	133.8	—	133.8
Current liabilities of discontinued operations	—	—	25.9	—	25.9
Total current liabilities	11.1	228.1	708.3	—	947.5
Long-term debt	770.4	71.0	48.9	—	890.3
Deferred income taxes	183.2	—	14.2	(51.9)	145.5
Intercompany accounts	—	1,178.1	111.4	(1,289.5)	—
Other liabilities	0.5	71.5	106.9	—	178.9
Non-current liabilities of discontinued operations	—	—	1.8	—	1.8
Total liabilities	965.2	1,548.7	991.5	(1,341.4)	2,164.0
Redeemable noncontrolling interest	—	—	18.2	—	18.2
Total Company shareholders' equity	270.8	131.4	683.1	(814.5)	270.8
Noncontrolling interest	—	—	13.6	—	13.6
Total liabilities, redeemable noncontrolling interest and equity	$1,236.0	$ 1,680.1	$ 1,706.4	$(2,155.9)	$2,466.6

Tables of Contents

Condensed Balance Sheets Information
December 31, 2015

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	$—	$ 0.8	$ 78.9	$—	$79.7
Receivables, net of allowances	—	214.0	472.9	—	686.9
Inventories	—	367.7	440.1	—	807.8
Prepaid expenses and other	—	18.5	43.6	—	62.1
Current assets of discontinued operations	—	—	103.9	—	103.9
Total current assets	—	601.0	1,139.4	—	1,740.4
Property, plant and equipment, net	0.4	192.6	330.5	—	523.5
Deferred income taxes	—	56.2	20.6	(56.2)	20.6
Intercompany accounts	1,114.5	102.8	66.4	(1,283.7)	—
Investment in subsidiaries	72.4	672.8	—	(745.2)	—
Goodwill	—	13.8	8.4	—	22.2
Intangible assets, net	—	9.5	27.1	—	36.6
Unconsolidated affiliated companies	—	8.4	—	—	8.4
Other non-current assets	—	27.1	18.9	—	46.0
Non-current assets of discontinued operations	—	—	56.9	—	56.9
Total assets	$1,187.3	$ 1,684.2	$ 1,668.2	$ (2,085.1)	$2,454.6
Liabilities and Total Equity					
Current liabilities:					
Accounts payable	$—	$ 103.5	$ 307.9	$—	$411.4
Accrued liabilities	11.2	124.0	196.2	—	331.4
Current portion of long-term debt	—	—	154.9	—	154.9
Current liabilities of discontinued operations	—	—	51.6	—	51.6
Total current liabilities	11.2	227.5	710.6	—	949.3
Long-term debt	768.6	127.5	15.5	—	911.6
Deferred income taxes	179.5	—	22.0	(56.2)	145.3
Intercompany accounts	—	1,180.1	103.6	(1,283.7)	—
Other liabilities	—	76.7	108.9	—	185.6
Non-current liabilities of discontinued operations	—	—	1.7	—	1.7
Total liabilities	959.3	1,611.8	962.3	(1,339.9)	2,193.5
Redeemable noncontrolling interest	—	—	18.2	—	18.2
Total Company shareholders’ equity	228.0	72.4	672.8	(745.2)	228.0
Noncontrolling interest	—	—	14.9	—	14.9
Total liabilities, redeemable noncontrolling interest and equity	$1,187.3	$ 1,684.2	$ 1,668.2	$ (2,085.1)	$2,454.6

Tables of Contents

Condensed Statements of Cash Flows Information
Six Fiscal Months Ended July 1, 2016

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash flows of operating activities from continuing operations	$ 2.8	$ 23.9	$ (20.4)	$ —	$ 6.3
Net cash flows of operating activities from discontinued operations	—	—	9.7	—	9.7
Net cash flows of operating activities	2.8	23.9	(10.7)	—	16.0
Cash flows of investing activities:					
Capital expenditures	—	(15.2)	(16.9)	—	(32.1)
Proceeds from properties sold	—	0.4	0.2	—	0.6
Disposal of subsidiaries, net of cash disposed of	—	63.7	0.9	—	64.6
Other	—	(0.9)	0.7	—	(0.2)
Net cash flows of investing activities from continuing operations	—	48.0	(15.1)	—	32.9
Net cash flows of investing activities from discontinued operations	—	—	(0.1)	—	(0.1)
Net cash flows of investing activities	—	48.0	(15.2)	—	32.8
Cash flows of financing activities:					
Dividends paid to shareholders	(17.8)	—	—	—	(17.8)
Intercompany accounts	15.0	(19.5)	4.5	—	—
Proceeds from debt	—	505.6	247.4	—	753.0
Repayments of debt	—	(562.2)	(225.6)	—	(787.8)
Dividends paid to noncontrolling interest	—	—	(0.1)	—	(0.1)
Net cash flows of financing activities from continuing operations	(2.8)	(76.1)	26.2	—	(52.7)
Net cash flows of financing activities from discontinued operations	—	—	(1.8)	—	(1.8)
Net cash flows of financing activities	(2.8)	(76.1)	24.4	—	(54.5)
Effect of exchange rate changes on cash and cash equivalents	—	4.9	(1.0)	—	3.9
Cash held for sale	—	—	(4.7)	—	(4.7)
Increase (decrease) in cash and cash equivalents	—	0.7	(7.2)	—	(6.5)
Cash and cash equivalents – beginning of period	—	0.8	111.6	—	112.4
Cash and cash equivalents – end of period	$ —	$ 1.5	$ 104.4	$ —	$ 105.9
Less cash and cash equivalents of discontinued operations	—	—	43.1	—	43.1
Cash and cash equivalents of continuing operations – end of period	$ —	$ 1.5	$ 61.3	$ —	$ 62.8

40

Tables of Contents

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

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.

Tables of Contents

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 SG&A 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 Condensed Consolidated Statements 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 1, 2016 and the twelve months ended December 31, 2015:

(in millions)	July 1, 2016	December 31, 2015
Beginning Balance	$1,114.5	$ 1,280.8
Non-cash transactions		
Deferred tax	—	(19.9)
Equity based awards	4.8	11.7
Foreign currency and other	(0.1)	0.2
Cash transactions	(15.0)	(158.3)
Ending Balance	$1,104.2	$ 1,114.5

Dividends

There were no cash dividend payments to the Parent Company from the Guarantor Subsidiaries in the six fiscal months ended July 1, 2016 or July 3, 2015.

Parent Company Long-Term Debt

At July 1, 2016 and December 31, 2015, the Parent Company was party to the following long-term financing arrangements:

(in millions)	July 1, 2016	December 31, 2015
5.75% Senior Notes due 2022	$600.0	$ 600.0
Subordinated Convertible Notes due 2029	429.5	