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 September 30, 2011

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, or a non-accelerated filer. See definition of accelerated filer, large accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

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

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

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

Class	**Outstanding at October 27, 2011**
Common Stock, $0.01 per value	52,188,356

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GENERAL CABLE CORPORATION AND SUBSIDIARIES

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ON FORM 10-Q

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PART I. FINANCIAL STATEMENTS

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

GENERAL CABLE CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

(in millions, except per share data)

(unaudited)

	Three Fiscal Months Ended		Nine Fiscal Months Ended	
	September 30, 2011	October 1, 2010	September 30, 2011	October 1, 2010
Net sales	$ 1,517.8	$ 1,200.5	$ 4,497.6	$ 3,507.1
Cost of sales	1,361.4	1,075.2	3,999.6	3,099.5
Gross profit	156.4	125.3	498.0	407.6
Selling, general and administrative expenses	93.0	83.2	281.7	248.4
Operating income	63.4	42.1	216.3	159.2
Other income (expense)	(31.5)	7.7	(28.4)	(31.8)
Interest income (expense):				
Interest expense	(25.4)	(19.4)	(73.0)	(57.2)
Interest income	2.2	1.5	6.2	3.7
	(23.2)	(17.9)	(66.8)	(53.5)
Income before income taxes	8.7	31.9	121.1	73.9
Income tax (provision) benefit	(5.5)	(10.5)	(42.1)	(32.9)
Equity in earnings of affiliated companies	0.8	0.4	2.2	1.0
Net income including non-controlling interest	4.0	21.8	81.2	42.0
Less: preferred stock dividends	0.1	0.1	0.3	0.3
Less: net income attributable to non-controlling interest	0.3	3.6	1.6	7.6
Net income attributable to Company common shareholders	$ 3.6	$ 18.1	$ 79.3	$ 34.1
Earnings per share				
Earnings per common share-basic	$ 0.07	$ 0.35	$ 1.52	$ 0.65
Weighted average common shares-basic	52.2	52.1	52.2	52.1

Earnings per common share-assuming dilution	$ 0.07	$ 0.34	$ 1.47	$ 0.65
Weighted average common shares-assuming dilution	53.4	53.1	54.2	53.1

See accompanying Notes to Condensed Consolidated Financial Statements.

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GENERAL CABLE CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(in millions, except share data)

(unaudited)

	September 30, 2011	December 31, 2010
Assets		
Current Assets:		
Cash and cash equivalents	$ 416.6	$ 458.7
Receivables, net of allowances of $23.0 million at September 30, 2011 and $21.1 million at December 31, 2010	1,199.9	1,067.0
Inventories, net	1,251.5	1,118.9
Deferred income taxes	65.7	39.8
Prepaid expenses and other	120.8	121.3
Total current assets	3,054.5	2,805.7
Property, plant and equipment, net	1,031.4	1,039.6
Deferred income taxes	15.6	11.3
Goodwill	165.2	174.9
Intangible assets, net	184.6	199.6
Unconsolidated affiliated companies	18.9	17.3
Other non-current assets	72.2	79.3
Total assets	$ 4,542.4	$ 4,327.7
Liabilities and Total Equity		
Current Liabilities:		
Accounts payable	$ 985.3	$ 922.5
Accrued liabilities	476.8	376.7
Current portion of long-term debt	183.9	121.0
Total current liabilities	1,646.0	1,420.2
Long-term debt	880.6	864.5
Deferred income taxes	204.2	202.4
Other liabilities	219.3	235.3
Total liabilities	2,950.1	2,722.4
Commitments and Contingencies		
Total Equity:		
Redeemable convertible preferred stock, at redemption value (liquidation preference of $50.00 per share):		
September 30, 2011 76,002 shares outstanding		
December 31, 2010 76,202 shares outstanding	3.8	3.8
Common stock, $0.01 par value, issued and outstanding shares:		
September 30, 2011 52,188,356 (net of 6,227,781 treasury shares)		
December 31, 2010 52,116,390 (net of 6,211,854 treasury shares)	0.6	0.6
Additional paid-in capital	663.3	652.8

Treasury stock	(73.8)	(74.0)
Retained earnings	954.6	875.3
Accumulated other comprehensive income (loss)	(73.0)	23.5
Total Company shareholders equity	1,475.5	1,482.0
Non-controlling interest	116.8	123.3
Total equity	1,592.3	1,605.3
Total liabilities and equity	$ 4,542.4	$ 4,327.7

See accompanying Notes to Condensed Consolidated Financial Statements.

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GENERAL CABLE CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(in millions)

(unaudited)

	Nine Fiscal Months Ended	
	September 30, 2011	October 1, 2010
Cash flows of operating activities:		
Net income (loss) including non-controlling interest	$ 81.2	$ 42.0
Adjustments to reconcile net income (loss) to net cash flows of operating activities:		
Depreciation and amortization	84.8	74.8
Amortization on restricted stock awards	2.6	3.2
Foreign currency exchange (gain) loss	24.3	31.6
Deferred income taxes	(27.0)	(7.4)
Excess tax (benefits) deficiencies from stock-based compensation	(1.0)	(0.2)
Convertible debt instruments noncash interest charges	15.4	14.3
(Gain) loss on disposal of property	(1.6)	(1.4)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
(Increase) decrease in receivables	(160.2)	(122.6)
(Increase) decrease in inventories	(159.0)	(142.7)
(Increase) decrease in other assets	(22.9)	(7.7)
Increase (decrease) in accounts payable, accrued and other liabilities	124.2	96.7
Net cash flows of operating activities	(39.2)	(19.4)
Cash flows of investing activities:		
Capital expenditures	(86.2)	(82.5)
Proceeds from properties sold	2.9	4.4
Acquisitions, net of cash acquired		(31.7)
Other	0.7	3.4
Net cash flows of investing activities	(82.6)	(106.4)
Cash flows of financing activities:		
Preferred stock dividends paid	(0.3)	(0.3)
Excess tax benefits (deficiencies) from stock-based compensation	1.0	0.2
Proceeds from revolving credit borrowings	687.6	11.1
Repayments of revolving credit borrowings	(666.7)	(11.1)
Proceeds (repayments) of other debt	51.3	61.1
Dividends to non-controlling interest	(3.8)	(3.9)
Proceeds from exercise of stock options	1.2	0.2
Net cash flows of financing activities	70.3	57.3
Effect of exchange rate changes on cash and cash equivalents	9.4	(39.9)
Increase (decrease) in cash and cash equivalents	(42.1)	(108.4)
Cash and cash equivalents beginning of period	458.7	499.4

Cash and cash equivalents end of period	$ 416.6	$ 391.0
Supplemental Information		
Cash paid during the period for:		
Income tax payments, net of refunds	$ 26.0	$ 23.0
Interest paid	$ 45.4	$ 31.8

See accompanying Notes to Condensed Consolidated Financial Statements.

GENERAL CABLE CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements of General Cable Corporation and Subsidiaries (General Cable or the Company) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results of operations for the three and nine fiscal months ended September 30, 2011 are not necessarily indicative of results that may be expected for the full year. The December 31, 2010 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 2010 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2011. The Company s fiscal quarters consist of 13-week periods ending on the Friday nearest to the end of the calendar months of March, June and September.

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

2. Accounting Standards

The Company s significant accounting policies are described in Note 2 to the audited annual consolidated financial statements. In the nine months ended September 30, 2011, there have been no significant changes to these policies. In the nine months ended September 30, 2011 there have been no recent accounting pronouncements that are expected to have a significant effect on the consolidated financial statements.

3. Acquisitions and Divestitures

General Cable actively seeks to identify key global macroeconomic and geopolitical trends in order to capitalize on expanding markets and new niche markets or exit declining or non-strategic markets in order to achieve better returns. The Company also sets aggressive performance targets for its business and intends to refocus or divest those activities which fail to meet targets or do not fit long-term strategies. The Company did not enter into any acquisitions or divestitures in the nine months ended September 30, 2011.

4. Other income (expense)

Other income (expense) includes foreign currency transaction gains or losses, which result from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated as well as unrealized gains and losses on derivative instruments that are not designated as cash flow hedges. During the three months ended September 30, 2011 and October 1, 2010, the Company recorded other expense of $31.5 million and other income of $7.7 million, respectively. During the nine months ended September 30, 2011 and October 1, 2010, the Company recorded other expense of $28.4 million and $31.8 million, respectively. For the three and nine months ended September 30, 2011, other income (expense) was primarily attributable to foreign currency transaction losses which resulted from changes in exchange rates in the various countries in which the Company operates, primarily in Africa, South America and Mexico, as well as the result of unrealized losses on derivative instruments which were not designated as cash flow hedges. For the three months ended October 1, 2010, other income (expense) comprised of foreign currency transaction gains and losses which resulted from changes in exchange rates in the various countries in which the Company operates as well as the result of unrealized gains and losses on derivative instruments which were not designated as cash flow hedges. For the nine months ended October 1, 2010, other expense of $31.8 million was primarily attributable to the $29.8 million Venezuelan currency devaluation, as discussed below, as well as other income (expense) attributable to foreign currency transaction gains which resulted from changes in exchange rates in the various countries in which the Company operates and as the result of unrealized losses on derivative instruments which were not designated as cash flow hedges.

The functional currency of the Company s subsidiary in Venezuela is the U.S. dollar; therefore, gains and losses for transactions at a rate other than the official exchange rate are recorded in the statement of operations. The Company remeasures the financial statements of the Venezuelan subsidiary at the rate in which the Company expects to remit dividends, which is 4.30 Venezuelan Bolivar (BsF) per U.S. dollar. During the three and nine fiscal months ended October 1, 2010,

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the Company was authorized to import copper at the official exchange rate for essential goods of 2.60 BsF per U.S. dollar. For the three and nine months ended October 1, 2010, the Company recorded $12.2 million and $16.6 million in foreign exchange gains related to transactions completed at the 2.60 BsF per U.S. dollar essential rate. Copper imports prior to the approval were imported at the parallel rate, which was closed on June 9, 2010. For the nine months ended October 1, 2010, the Company recorded $10.7 million in foreign exchange losses related to copper imports at the parallel rate.

Effective January 1, 2011, the Central Bank of Venezuela and the Ministry of Finance published an amendment to Convenio Cambiario No. 14 (the Exchange Law), whereby the official exchange rate was set at 4.30 BsF per U.S. dollar, eliminating the 2.60 BsF per U.S. dollar rate previously established for essential goods in the first quarter of 2010. Therefore, the Company can only import copper at the 4.30 BsF per U.S. dollar rate, eliminating gains and losses in the statement of operations for transactions completed at a rate other than the official exchange rate for the three and nine months ended September 30, 2011. See Item 2, Venezuelan Operations for additional details.

5. Inventories

Approximately 83% of the Company s inventories are valued using the average cost method and all remaining inventories are valued using the first-in, first-out (FIFO) method. All inventories are stated at the lower of cost or market value.

(in millions)	September 30, 2011	December 31, 2010
Raw materials	$ 261.5	$ 206.9
Work in process	246.4	215.5
Finished goods	743.6	696.5
Total	$ 1,251.5	$ 1,118.9

6. Property, Plant and Equipment

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

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

	September 30, 2011	December 31, 2010
Land	$ 114.5	$ 112.0
Buildings and leasehold improvements	310.1	309.7
Machinery, equipment and office furnishings	1,071.7	1,028.6
Construction in progress	77.9	73.5
Total gross book value	1,574.2	1,523.8
Less accumulated depreciation	(542.8)	(484.2)
Total net book value	$ 1,031.4	$ 1,039.6

Depreciation expense for the three and nine fiscal months ended September 30, 2011 was $25.5 million and $74.1 million, respectively. Depreciation expense for the three and nine fiscal months ended October 1, 2010 was $21.4 million and $62.4 million, respectively.

The Company periodically evaluates the recoverability of the carrying amount of long-lived assets (including property, plant and equipment and intangible assets with determinable lives) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. The Company evaluates events or changes in circumstances based mostly on actual historical operating results, but business plans, forecasts, general and industry trends, and anticipated cash flows are also considered. Impairment is assessed when the undiscounted expected future cash flows derived from an asset are less than its carrying amount. Impairment losses are measured as the amount by which the carrying value of an asset exceeds its fair value and are recognized in earnings. The Company also continually evaluates the estimated useful lives of all long-lived assets and, when warranted, revises such estimates based on current events. No material impairment charges occurred during the nine fiscal months ended September 30, 2011 and October 1, 2010.

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7. Goodwill and Other Intangible Assets

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

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

	Goodwill				Indefinite-lived assets Trade names			
	North America	Europe and Mediterranean	ROW	Total	North America	Europe and Mediterranean	ROW	Total
Balance at December 31, 2010	$ 2.3	$ 6.8	$ 165.8	$ 174.9	$ 2.4	$ 0.5	$ 136.0	$ 138.9
Acquisitions								
Currency translation and other adjustments		(4.5)	(5.2)	(9.7)			(4.1)	(4.1)
Balance at September 30, 2011	$ 2.3	$ 2.3	$ 160.6	$ 165.2	$ 2.4	$ 0.5	$ 131.9	$ 134.8

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

	September 30, 2011	December 31, 2010
Amortized intangible assets:		
Customer relationships	$ 107.9	$ 107.0
Accumulated amortization	(58.8)	(49.4)
Foreign currency translation adjustment	0.7	3.1
Amortized intangible assets, net	$ 49.8	$ 60.7

Amortized intangible assets are stated at cost less accumulated amortization as of September 30, 2011 and December 31, 2010. Customer relationships have been determined to have a useful life in the range of 3.5 to 10 years and the Company has accelerated the amortization expense to align with the historical customer attrition rates. The amortization of intangible assets for the first nine fiscal months of 2011 and 2010 was $9.4 million and $10.9 million, respectively. The estimated amortization expense during the twelve month periods beginning September 30, 2011 through September 30, 2016, based on exchange rates as of September 30, 2011, are $10.7 million, $9.4 million, $8.6 million, $7.7 million, $6.9 million and $6.5 million thereafter.

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8. Long-Term Debt

(in millions)	September 30, 2011	December 31, 2010
North America		
Subordinated Convertible Notes due 2029	$ 429.5	$ 429.5
Debt discount on Subordinated Convertible Notes due 2029	(264.7)	(265.6)
1.00% Senior Convertible Notes due 2012	10.6	10.6
Debt discount on 1.00% Senior Convertible Notes due 2012	(0.6)	(1.1)
0.875% Convertible Notes due 2013	355.0	355.0
Debt discount on 0.875% Convertible Notes due 2013	(45.4)	(59.5)
7.125% Senior Notes due 2017	200.0	200.0
Senior Floating Rate Notes	125.0	125.0
Revolving Credit Facility	20.9	
Other	9.0	9.0
Europe and Mediterranean		
Spanish Term Loan	35.2	50.1
Credit facilities	22.0	38.1
Uncommitted accounts receivable facilities		
Other	12.8	15.3
Rest of World (ROW)		
Credit facilities	155.2	79.1
Total debt	1,064.5	985.5
Less current maturities	183.9	121.0
Long-term debt	$ 880.6	$ 864.5

At September 30, 2011, maturities of long-term debt during twelve month periods beginning September 30, 2011 through September 30, 2016 are $183.9 million, $31.4 million, $319.9 million, $26.8 million and $127.5 million, respectively, and $375.0 million thereafter. As of September 30, 2011 and December 31, 2010, the Company was in compliance with all debt covenants as discussed below.

The Company s convertible debt instruments outstanding as of September 30, 2011 and December 31, 2010 are as follows:

	Subordinated Convertible Notes		1.00% Senior Convertible Notes		0.875% Convertible Notes	
(in millions)	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Face value	$ 429.5	$ 429.5	$ 10.6	$ 10.6	$ 355.0	$ 355.0
Debt discount	(264.7)	(265.6)	(0.6)	(1.1)	(45.4)	(59.5)
Book value	164.8	163.9	10.0	9.5	309.6	295.5
Fair value	378.5	521.0	10.0	9.7	326.6	350.6
Maturity date	November 2029		October 2012		November 2013	
Stated annual interest rate	4.50% until Nov 2019 2.25% until Nov 2029		1.00% until Oct 2012		0.875% until Nov 2013	
Interest payments	Semi-annually: May 15 & November 15		Semi-annually: April 15 & October 15		Semi-annually: May 15 & November 15	

The 1.00% Senior Convertible Notes and the 0.875% Convertible Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by the Company s wholly-owned U.S. and Canadian subsidiaries. For additional information on the convertible notes, refer to the Company s 2010 Annual Report on Form 10-K.

Subordinated Convertible Notes

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

1.00% Senior Convertible Notes

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

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

0.875% Convertible Notes

The Company s 0.875% Convertible Notes were issued in November of 2006 in the amount of $355.0 million. At the time of issuance, the notes and the common stock issuable upon conversion of the notes were registered on a Registration Statement on Form S-3ASR which was renewed on September 30, 2009 when the Company filed a Renewal Registration Statement for the underlying common stock on Form S-3ASR. The Company separately accounted for the liability and equity components of the instrument based on the Company s nonconvertible debt borrowing rate on the instrument s issuance date of 7.35%. At issuance, the liability and equity components were $230.9 million and $124.1 million, respectively. The equity component (debt discount) is being amortized to interest expense based on the effective interest method.

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

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

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

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

7.125% Senior Notes and Senior Floating Rate Notes

The Company s $325.0 million in aggregate principal amount of senior unsecured notes, comprised of $125.0 million of Senior Floating Rate Notes due 2015 (the Senior Floating Rate Notes) and $200.0 million of 7.125% Senior Fixed Rate Notes due 2017 (the 7.125% Senior Notes and together, the Notes) were offered and sold in private transactions in

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accordance with Rule 144A and Regulation S under the Securities Act on March 21, 2007. An exchange offer commenced on June 11, 2007 and was completed on July 26, 2007 to replace the unregistered Notes with registered Notes with like terms pursuant to an effective Registration Statement on Form S-4.