BELDEN INC.
Form 10-Q
August 05, 2009

Table of Contents

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

# FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the quarterly period ended June 28, 2009**
**Commission File No. 001-12561**

**BELDEN INC.**
**(Exact name of registrant as specified in its charter)**

| **Delaware** | **36-3601505** |
| --- | --- |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |

**7733 Forsyth Boulevard, Suite 800**
**St. Louis, Missouri 63105**
**(Address of principal executive offices)**
**(314) 854-8000**
**Registrant s telephone number, including area code**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Act 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 þ No o.
Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 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 o No o.
Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ.
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 þ | Accelerated filer o | Non-accelerated filer o<br>(Do not check if a smaller reporting company) | Smaller reporting company o |
| --- | --- | --- | --- |

As of August 3, 2009, the Registrant had 46,607,306 outstanding shares of common stock.

**TABLE OF CONTENTS**

PART I FINANCIAL INFORMATION
Item 1. Financial Statements
Item 2: Management s Discussion and Analysis of Financial Condition and Results of Operations
Item 3: Quantitative and Qualitative Disclosures about Market Risks
Item 4: Controls and Procedures
PART II OTHER INFORMATION
Item 1: Legal Proceedings
Item 1A: Risk Factors
Item 4: Submission of Matters to a Vote of Security Holders
Item 6: Exhibits
EX-31.1
EX-31.2
EX-32.1
EX-32.2

Table of Contents

**PART I FINANCIAL INFORMATION**
**Item 1. Financial Statements**
**BELDEN INC.**
**CONSOLIDATED BALANCE SHEETS**

| | June 28, 2009 (Unaudited) | December 31, 2008 |
|---|---|---|
| | (In thousands) | |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 274,640 | $ 227,413 |
| Receivables, net | 245,672 | 292,236 |
| Inventories, net | 155,635 | 216,022 |
| Deferred income taxes | 20,647 | 22,606 |
| Other current assets | 51,258 | 34,826 |
| Total current assets | 747,852 | 793,103 |
| Property, plant and equipment, less accumulated depreciation | 298,548 | 324,569 |
| Goodwill | 314,194 | 321,478 |
| Intangible assets, less accumulated amortization | 142,183 | 156,025 |
| Deferred income taxes | 2,625 | |
| Other long-lived assets | 52,640 | 53,388 |
| | $ 1,558,042 | $ 1,648,563 |
| **LIABILITIES AND STOCKHOLDERS EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 142,367 | $ 160,744 |
| Accrued liabilities | 147,974 | 180,801 |
| Total current liabilities | 290,341 | 341,545 |
| Long-term debt | 590,000 | 590,000 |
| Postretirement benefits | 120,370 | 120,256 |
| Deferred income taxes | | 4,270 |
| Other long-term liabilities | 19,842 | 21,624 |
| Stockholders equity: | | |
| Preferred stock | | |
| Common stock | 503 | 503 |
| Additional paid-in capital | 585,650 | 585,704 |
| Retained earnings | 64,904 | 106,949 |
| Accumulated other comprehensive income | 16,107 | 10,227 |

| | | |
|---|---|---|
| Treasury stock | (129,675) | (132,515) |
| Total stockholders equity | 537,489 | 570,868 |
| | $ 1,558,042 | $ 1,648,563 |

The accompanying notes are an integral part of these Consolidated Financial Statements

Table of Contents

**BELDEN INC.**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited)**

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | June 28, 2009 | June 29, 2008 |
| | (In thousands, except per share data) | | | |
| Revenues | $ 343,821 | $ 556,303 | $ 672,333 | $ 1,068,129 |
| Cost of sales | (235,303) | (389,830) | (479,622) | (755,839) |
| Gross profit | 108,518 | 166,473 | 192,711 | 312,290 |
| Selling, general and administrative expenses | (67,579) | (86,913) | (144,276) | (182,076) |
| Research and development | (14,122) | (11,093) | (30,677) | (20,164) |
| Amortization of intangibles | (3,911) | (2,609) | (7,776) | (5,161) |
| Asset impairment | (1,453) | | (26,176) | (11,549) |
| Loss on sale of assets | (17,184) | | (17,184) | (884) |
| Operating income (loss) | 4,269 | 65,858 | (33,378) | 92,456 |
| Interest expense | (8,895) | (11,066) | (16,218) | (19,409) |
| Interest income | 238 | 1,875 | 602 | 2,832 |
| Other income | 695 | 1,986 | 444 | 3,154 |
| Income (loss) before taxes | (3,693) | 58,653 | (48,550) | 79,033 |
| Income tax benefit (expense) | (1,193) | (16,848) | 11,210 | (24,343) |
| Net income (loss) | $ (4,886) | $ 41,805 | $ (37,340) | $ 54,690 |
| Weighted average number of common shares and equivalents: | | | | |
| Basic | 46,587 | 43,506 | 46,557 | 43,821 |
| Diluted | 46,587 | 47,478 | 46,557 | 47,926 |
| Basic income (loss) per share | $ (0.10) | $ 0.96 | $ (0.80) | $ 1.25 |
| Diluted income (loss) per share | $ (0.10) | $ 0.88 | $ (0.80) | $ 1.14 |
| Dividends declared per share | $ 0.05 | $ 0.05 | $ 0.10 | $ 0.10 |

The accompanying notes are an integral part of these Consolidated Financial Statements

Table of Contents

**BELDEN INC.**
**CONSOLIDATED CASH FLOW STATEMENTS**
**(Unaudited)**

| | Six Months Ended | |
|---|---|---|
| | June 28, 2009 | June 29, 2008 |
| | (In thousands) | |
| Cash flows from operating activities: | | |
| Net income (loss) | $ (37,340) | $ 54,690 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 26,842 | 27,503 |
| Asset impairment | 26,176 | 11,549 |
| Loss on sale of assets | 17,184 | 884 |
| Share-based compensation | 4,719 | 7,292 |
| Provision for inventory obsolescence | 4,273 | 4,132 |
| Tax deficiency (benefit) related to share-based compensation | 1,469 | (1,141) |
| Pension funding in excess of pension expense | (6,452) | (3,339) |
| Amortization of discount on convertible subordinated notes | | 1,069 |
| Changes in operating assets and liabilities, net of the effects of currency exchange rate changes and acquired businesses: | | |
| Receivables | 42,655 | (21,827) |
| Inventories | 42,161 | (3,746) |
| Accounts payable | (15,669) | 32,910 |
| Accrued liabilities | (25,931) | (32,397) |
| Deferred revenue | 782 | |
| Accrued taxes | (16,558) | 2,931 |
| Other assets | 1,484 | (8,060) |
| Other liabilities | 3,539 | 2,125 |
| Net cash provided by operating activities | 69,334 | 74,575 |
| Cash flows from investing activities: | | |
| Capital expenditures | (18,342) | (18,185) |
| Cash used to invest in and acquire businesses | | (7,891) |
| Proceeds from disposal of tangible assets | 367 | 40,249 |
| Net cash provided by (used for) investing activities | (17,975) | 14,173 |
| Cash flows from financing activities: | | |
| Cash dividends paid | (4,707) | (4,458) |
| Debt issuance costs | (1,541) | |
| Tax benefit (deficiency) related to share-based compensation | (1,469) | 1,141 |
| Proceeds from exercise of stock options | 23 | 5,171 |
| Payments under share repurchase program | | (68,336) |

| | | |
|---|---|---|
| Net cash used for financing activities | (7,694) | (66,482) |
| Effect of foreign currency exchange rate changes on cash and cash equivalents | 3,562 | 7,436 |
| Increase in cash and cash equivalents | 47,227 | 29,702 |
| Cash and cash equivalents, beginning of period | 227,413 | 159,964 |
| Cash and cash equivalents, end of period | $ 274,640 | $ 189,666 |

The accompanying notes are an integral part of these Consolidated Financial Statements

-3-

Table of Contents

**BELDEN INC.**
**CONSOLIDATED STOCKHOLDERS EQUITY STATEMENT**
**SIX MONTHS ENDED JUNE 28, 2009**
**(Unaudited)**

| | Common Stock | | Additional Paid-In | Retained | Treasury Stock | | Accumulated Other Comprehensive Income (Loss) | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Translation Component of | Pension and Postretirement | |
| | Shares | Amount | Capital | Earnings | Shares | Amount | Equity | Liability | Total |
| | (In thousands) | | | | | | | | |
| **Balance at December 31, 2008** | 50,335 | $ 503 | $ 585,704 | $ 106,949 | (3,844) | $ (132,515) | $ 45,675 | $ (35,448) | $ 570,868 |
| Net loss | | | | (37,340) | | | | | (37,340) |
| Foreign currency translation | | | | | | | 5,880 | | 5,880 |
| Comprehensive loss | | | | | | | | | (31,460) |
| Release of restricted stock, net of tax withholding forfeitures | | | (3,316) | | 115 | 2,814 | | | (502) |
| Exercise of stock options | | | (3) | | 1 | 26 | | | 23 |
| Share-based compensation | | | 3,250 | | | | | | 3,250 |
| Dividends ($0.10 per share) | | | 15 | (4,705) | | | | | (4,690) |
| **Balance at June 28, 2009** | 50,335 | $ 503 | $ 585,650 | $ 64,904 | (3,728) | $ (129,675) | $ 51,555 | $ (35,448) | $ 537,489 |

The accompanying notes are an integral part of these Consolidated Financial Statements

**Table of Contents**

**BELDEN INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

**Note 1: Summary of Significant Accounting Policies**

Basis of Presentation

The accompanying Consolidated Financial Statements include Belden Inc. and all of its subsidiaries (the Company, us, we, or our). We eliminate all significant affiliate accounts and transactions in consolidation.

The accompanying Consolidated Financial Statements presented as of any date other than December 31, 2008:

- Are prepared from the books and records without audit, and
- Are prepared in accordance with the instructions to Form 10-Q and do not include all of the information required by accounting principles generally accepted in the United States for complete statements, but
- Include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial statements.

These Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Supplementary Data contained in our 2008 Annual Report on Form 10-K.

Business Description

We design, manufacture, and market signal transmission solutions, including cable, connectivity and active components for mission-critical applications in markets ranging from industrial automation to data centers, broadcast studios, and aerospace.

Reporting Periods

Our fiscal year and fiscal fourth quarter both end on December 31. Our fiscal first, second and third quarter each end typically on the last Sunday falling on or before their respective calendar quarter-end. The six months ended June 28, 2009 and June 29, 2008 include 179 and 181 calendar days, respectively.

Reclassifications

We have made certain reclassifications to the 2008 Consolidated Financial Statements with no impact to reported net income in order to conform to the 2009 presentation.

Fair Value Measurement

On January 1, 2008, we adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurement*, related to financial assets and financial liabilities. In accordance with Financial Accounting Standards Board (FASB) Staff Position 157-2, *Effective Date of FASB Statement No. 157*, we adopted the provisions of SFAS No. 157 related to nonfinancial assets and nonfinancial liabilities on January 1, 2009.

SFAS No. 157 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data

obtained from independent sources or reflect our own assumptions of market participant valuation. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

Level 1 Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly;

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

As of and during the six months ended June 28, 2009, we utilized Level 1 inputs to determine the fair value of short-term investments included in cash equivalents, and we utilized Level 2 inputs to determine the fair value of certain long-lived assets (see Note 5).

Cash and Cash Equivalents

We classify cash on hand and deposits in banks, including commercial paper, money market accounts, and other investments with an original maturity of three months or less, that we hold from time to time, as cash and cash equivalents. We periodically have cash equivalents consisting of short-term money market funds and other investments. The primary objective of our short-term investment activities is to preserve our capital for the purpose of funding operations. We do not enter into short-term investments for trading or speculative purposes. The fair value of these short-term investments as of June 28, 2009 was $91.5 million and is based on quoted market prices in active markets.

Contingent Liabilities

We have established liabilities for environmental and legal contingencies that are probable of occurrence and reasonably estimable. We accrue environmental remediation costs, on an undiscounted basis, based on estimates of known environmental remediation exposures developed in consultation with our environmental consultants and legal counsel. We are, from time to time, subject to routine litigation incidental to our business. These lawsuits primarily involve claims for damages arising out of the use of our products, allegations of patent or trademark infringement, and litigation and administrative proceedings involving employment matters and commercial disputes. Based on facts currently available, we believe the disposition of the claims that are pending or asserted will not have a materially adverse effect on our financial position, results of operations or cash flow.

At June 28, 2009, we were party to standby letters of credit, bank guaranties, and surety bonds totaling $9.3 million, $7.1 million, and $2.6 million, respectively.

Revenue Recognition

We recognize revenue when all of the following circumstances are satisfied: (1) persuasive evidence of an arrangement exists, (2) price is fixed or determinable, (3) collectibility is reasonably assured, and (4) delivery has occurred. Delivery occurs in the period in which the customer takes title and assumes the risks and rewards of ownership of the products specified in the customer s purchase order or sales agreement. We record revenue net of estimated rebates, price allowances, invoicing adjustments, and product returns. We charge revisions to these estimates to accounts receivable and revenue in the period in which the facts that give rise to each revision become known.

**Table of Contents**

Our Wireless segment accounts for revenue in accordance with Statement of Position No. 97-2, *Software Revenue Recognition* (SOP 97-2). Sales from our Wireless segment often involve multiple elements, principally hardware, software, hardware and software maintenance and other support services. When a sale involves multiple elements, we allocate the proceeds from the arrangement to each respective element based on its Vendor Specific Objective Evidence (VSOE) of fair value and recognize revenue when each element s revenue recognition criteria are met. VSOE of fair value for each element is established based on the price charged when the same element is sold separately. If VSOE of fair value cannot be established for the undelivered element of an agreement, the proceeds from the arrangement are deferred and recognized ratably over the period that the service or element is delivered. Through June 28, 2009, our Wireless segment did not establish VSOE of fair value of post-contract customer support. As a result, the proceeds and related cost of sales from revenue transactions involving multiple-element arrangements are deferred and recognized ratably over the post-contract customer support period, ranging from one to three years. As of June 28, 2009, total deferred revenue and deferred cost of sales were $20.9 million and $7.2 million, respectively. Of the total deferred revenue, $17.7 million is included in accrued liabilities, and $3.2 million is included in other long-term liabilities. Of the total deferred cost of sales, $6.1 million is included in other current assets and $1.1 million is included in other long-lived assets.

Subsequent Events

We have evaluated subsequent events after the balance sheet date through the financial statement issuance date for appropriate accounting and disclosure (see Note 11).

Current-Year Adoption of Accounting Pronouncements

On January 1, 2009, we adopted SFAS No. 141(R), *Business Combinations*, which replaces SFAS No. 141 and retains the fundamental requirements in SFAS No. 141, including that the purchase method be used for all business combinations and for an acquirer to be identified for each business combination. This standard defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control instead of the date that the consideration is transferred. SFAS No. 141(R) requires an acquirer in a business combination to recognize the assets acquired, liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions. It also requires the recognition of assets acquired and liabilities assumed arising from certain contractual contingencies as of the acquisition date, measured at their acquisition-date fair values. SFAS No. 141(R) will affect our accounting treatment for any future business combinations.

Table of Contents

On January 1, 2009, we adopted FASB Staff Position (FSP) APB 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)*. This FSP changes the accounting for our $110.0 million aggregate principal convertible subordinated debentures that were converted into cash and shares of common stock in 2008 (see Note 7). The FSP requires that we allocate the proceeds from the debt issuance between debt and equity components in a manner that reflects our nonconvertible debt borrowing rate. The equity component reflects the value of the conversion feature of the debentures. The FSP requires retrospective application to all periods presented and does not grandfather existing debt instruments. As such, we have adjusted our prior year financial statements. The cumulative impact of the adjustments as of January 1, 2009 was a $1.7 million decrease to retained earnings with a corresponding increase to additional paid in capital. The following table summarizes the impact of the adjustments on the three and six months ended June 29, 2008.

| | Three Months Ended June 29, 2008 | | Six Months Ended June 29, 2008 | |
|---|---|---|---|---|
| | As Previously Reported | As Adjusted | As Previously Reported | As Adjusted |
| | (In thousands, except per share amounts) | | | |
| Interest expense | $ (10,528) | $ (11,066) | $ (18,347) | $ (19,409) |
| Income before taxes | 59,191 | 58,653 | 80,095 | 79,033 |
| Income tax expense | (17,041) | (16,848) | (24,725) | (24,343) |
| Net income | $ 42,150 | $ 41,805 | $ 55,370 | $ 54,690 |
| Basic income per share | $ 0.97 | $ 0.96 | $ 1.26 | $ 1.25 |
| Diluted income per share | $ 0.89 | $ 0.88 | $ 1.16 | $ 1.14 |

**Note 2: Operating Segments**

In 2009, we made organizational changes to consolidate our North American operations, primarily consisting of consolidating our former Specialty Products and Belden Americas segments. This reorganization resulted in a change in our reported operating segments. We have organized the enterprise around geographic areas except for our wireless business. We now conduct our operations through four reported operating segments Americas; Wireless; Europe, Middle East and Africa (EMEA); and Asia Pacific. We have reclassified prior year segment disclosures to conform to the new segment presentation.

Table of Contents

| | Americas | Wireless | EMEA | Asia Pacific | Total Segments |
|---|---|---|---|---|---|
| | | | (In thousands) | | |
| **Three Months Ended June 28, 2009** | | | | | |
| Total assets | $526,580 | $123,408 | $495,276 | $229,645 | $1,374,909 |
| External customer revenues | 186,734 | 13,234 | 86,237 | 57,616 | 343,821 |
| Affiliate revenues | 10,888 | | 13,109 | | 23,997 |
| Operating income (loss) | 33,521 | (7,978) | (13,380) | 8,262 | 20,425 |
| **Three Months Ended June 29, 2008** | | | | | |
| Total assets | $583,639 | $ | $944,793 | $390,484 | $1,918,916 |
| External customer revenues | 278,578 | | 171,688 | 106,037 | 556,303 |
| Affiliate revenues | 17,017 | | 23,767 | 111 | 40,895 |
| Operating income | 48,819 | | 24,398 | 15,775 | 88,992 |
| **Six Months Ended June 28, 2009** | | | | | |
| Total assets | $526,580 | $123,408 | $495,276 | $229,645 | $1,374,909 |
| External customer revenues | 368,944 | 25,237 | 174,298 | 103,854 | 672,333 |
| Affiliate revenues | 18,879 | | 25,582 | | 44,461 |
| Operating income (loss) | 58,179 | (16,300) | (56,625) | 11,596 | (3,150) |
| **Six Months Ended June 29, 2008** | | | | | |
| Total assets | $583,639 | $ | $944,793 | $390,484 | $1,918,916 |
| External customer revenues | 535,172 | | 333,218 | 199,739 | 1,068,129 |
| Affiliate revenues | 37,377 | | 44,665 | 111 | 82,153 |
| Operating income | 70,480 | | 41,229 | 27,062 | 138,771 |

The following table is a reconciliation of the total of the reportable segments operating income (loss) to consolidated income (loss) before taxes.

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | June 28, 2009 | June 29, 2008 |
| | (In thousands) | | | |
| Segment operating income (loss) | $ 20,425 | $ 88,992 | $ (3,150) | $ 138,771 |
| Corporate expenses | (9,310) | (12,327) | (17,667) | (26,223) |
| Eliminations | (6,846) | (10,807) | (12,561) | (20,092) |
| Total operating income (loss) | 4,269 | 65,858 | (33,378) | 92,456 |
| Interest expense | (8,895) | (11,066) | (16,218) | (19,409) |
| Interest income | 238 | 1,875 | 602 | 2,832 |

| | | | | |
|---|---|---|---|---|
| Other income | 695 | 1,986 | 444 | 3,154 |
| Income (loss) before taxes | $ (3,693) | $ 58,653 | $ (48,550) | $ 79,033 |

Table of Contents

**Note 3: Income (Loss) per Share**

The following table presents the basis for the income (loss) per share computations:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | June 28, 2009 | June 29, 2008 |
| | (in thousands, except per share amounts) | | | |
| Numerator: | | | | |
| Net income (loss) | $ (4,886) | $ 41,805 | $ (37,340) | $ 54,690 |
| Denominator: | | | | |
| Weighted average shares outstanding, basic | 46,587 | 43,506 | 46,557 | 43,821 |
| Effect of dilutive common stock equivalents | | 3,972 | | 4,105 |
| Weighted average shares outstanding, diluted | 46,587 | 47,478 | 46,557 | 47,926 |
| Net income (loss) per share: | | | | |
| Basic | $ (0.10) | $ 0.96 | $ (0.80) | $ 1.25 |
| Diluted | $ (0.10) | $ 0.88 | $ (0.80) | $ 1.14 |

For the three and six months ended June 28, 2009, diluted weighted average shares outstanding do not include outstanding equity awards of 3.5 million and 3.2 million, respectively, because to do so would have been anti-dilutive.

**Note 4: Inventories**

The major classes of inventories were as follows:

| | June 28, 2009 | December 31, 2008 |
|---|---|---|
| | (In thousands) | |
| Raw materials | $ 59,676 | $ 62,701 |
| Work-in-process | 33,261 | 45,900 |
| Finished goods | 82,248 | 128,672 |
| Perishable tooling and supplies | 3,884 | 3,946 |
| Gross inventories | 179,069 | 241,219 |
| Obsolescence and other reserves | (23,434) | (25,197) |
| Net inventories | $ 155,635 | $ 216,022 |

**Note 5: Long-Lived Assets**

Disposals

On June 1, 2009, we sold a 95% ownership interest in a German cable business that sells primarily to the automotive industry. The sales price was $0.4 million, and we recognized a loss of $17.2 million on the transaction. In addition to retaining a 5% interest in the business, we retained the associated land and building, which we are leasing to the buyer. The lease term is 15 years with a lessee option to renew up to an additional 10 years.

During the six months ended June 29, 2008, we sold and leased back under a normal sale-leaseback certain Americas segment real estate in Mexico. The sales price was $25.0 million, and we recognized a

loss of $0.9 million on the transaction. The lease term is 15 years with an option to renew up to an additional 10 years. We also sold our assembly operation in the Czech Republic for $8.2 million. We did not recognize a significant gain or loss on the transaction.

Impairments

During the six months ended June 28, 2009, we determined that certain long-lived assets of the German cable business that we sold on June 1, 2009 were impaired. We estimated the fair market value of these assets based upon the terms of the sales agreement and recognized an impairment loss of $20.4 million in the operating results of the EMEA segment. Of this total impairment loss, $14.1 million related to machinery and equipment and $2.7 million, $2.3 million, and $1.3 million related to trademarks, developed technology, and customer relations intangible assets, respectively. We also recognized impairment losses on property, plant and equipment of $3.6 million, $1.2 million, and $1.0 million in the Americas, EMEA, and Asia Pacific segments, respectively, primarily related to our Lean enterprise strategies and corresponding decisions to consolidate capacity and dispose of excess machinery and equipment. The fair values of these assets were based upon quoted prices for identical assets.

During the six months ended June 29, 2008, we recognized an impairment loss of $7.3 million in the operating results of our Americas segment due to the decision to close our manufacturing facility in Manchester, Connecticut. We also recognized an impairment loss of $4.2 million in the operating results of this segment related to our decision to consolidate capacity and dispose of excess machinery and equipment.

Depreciation and Amortization Expense

We recognized depreciation expense of $9.7 million and $19.0 million in the three- and six-month periods ended June 28, 2009, respectively. We recognized depreciation expense of $11.1 million and $22.3 million in the three- and six-month periods ended June 29, 2008, respectively.

We recognized amortization expense related to our intangible assets of $3.9 million and $7.8 million in the three- and six-month periods ended June 28, 2009, respectively. We recognized amortization expense related to our intangible assets of $2.6 million and $5.2 million in the three- and six-month periods ended June 29, 2008, respectively.

**Note 6: Restructuring Activities**

Global Restructuring

In 2008, we announced our decision to further streamline our manufacturing, sales and administrative functions worldwide in an effort to reduce costs and mitigate the weakening demand experienced throughout the global economy. During the first six months of 2009, we continued to implement our plan to streamline these functions and recognized severance costs primarily in the EMEA segment totaling $26.0 million ($15.8 million in cost of sales; $8.5 million in selling, general and administrative expenses; and $1.7 million in research and development) related to these restructuring actions. From inception of these restructuring actions through June 28, 2009, we have recognized severance costs totaling $52.3 million. We expect to recognize approximately $3.0 million of additional severance costs in the Americas segment associated with our plan that we announced in July 2009 to close one of our two manufacturing plants in Leominster, Massachusetts.

EMEA Manufacturing Restructuring

In prior years, we announced various decisions to realign our EMEA operations in order to consolidate manufacturing capacity. We did not recognize any new charges in 2009 related to these previous restructuring actions. From inception of these restructuring actions through June 28, 2009, we have recognized severance costs totaling $42.6 million (including amounts accounted for through purchase accounting). We do not expect to recognize additional costs related to these restructuring actions.

Voluntary Separation Program

In 2007, we announced a voluntary separation program primarily for associates in the United States who were at least 50 years of age and had 10 years of service with the Company. We did not recognize any costs in 2009 nor do we expect to recognize any future costs related to this program. In prior years, we recognized severance costs totaling $7.2 million related to this program.

The table below sets forth restructuring activity that occurred during the three and six months ended June 28, 2009. The balances are included in accrued liabilities.

| | Global Restructuring | EMEA Manufacturing Restructuring | Voluntary Separation Program |
|---|---|---|---|
| Balance at December 31, 2008 | $ 24,957 | $ 24,357 | $ 1,441 |
| New charges | 25,920 | | |
| Purchase accounting adjustment | | (2,109) | |
| Cash payments | (13,157) | (9,234) | (442) |
| Foreign currency translation | 995 | (814) | |
| Other adjustments | (215) | (53) | |
| Balance at March 29, 2009 | 38,500 | 12,147 | 999 |
| New charges | 55 | | |
| Cash payments | (10,092) | (2,170) | (550) |
| Foreign currency translation | 758 | 254 | |
| Other adjustments | (290) | | (77) |
| Balance at June 28, 2009 | $ 28,931 | $ 10,231 | $ 372 |

We continue to review our business strategies and evaluate further restructuring actions. This could result in additional restructuring costs in future periods.

**Note 7: Long-Term Debt and Other Borrowing Arrangements**

Senior Subordinated Notes

We have outstanding $350.0 million aggregate principal amount of 7.0% senior subordinated notes due 2017. The notes are guaranteed on a senior subordinated basis by certain of our domestic subsidiaries. The notes rank equal in right of payment with any of our future senior subordinated debt, and are subordinated to all of our senior debt and the senior debt of our subsidiary guarantors, including our senior secured credit facility. Interest is payable semiannually on March 15 and September 15.

In our fiscal third quarter of 2009, we issued $200.0 million in senior subordinated notes due 2019 (see Note 11).

Senior Secured Credit Facility

As of June 28, 2009, we had a senior secured credit facility with a $350.0 million commitment. The facility was scheduled to mature in January 2011, had a variable interest rate based on LIBOR or the prime rate and was secured by our overall cash flow and certain of our assets in the United States. At June 28, 2009, there were outstanding borrowings of $240.0 million under the facility at a 3.2% interest rate, and we had $100.7 million in available borrowing capacity, net of letters of credit. During the six months ended June 28, 2009, we amended the facility and changed the definition of EBITDA used in the computation of the debt-to-EBITDA leverage ratio covenant. The amendment also increased the cost of borrowings under the facility by 100 basis points, and we incurred $1.5 million of fees that are included in other expense in the Consolidated Statements of Operations. As of June 28, 2009, we were in compliance with all of the amended covenants of the facility.

In our fiscal third quarter of 2009, we amended and extended our senior secured credit facility (see Note 11).

Convertible Subordinated Debentures

In 2008, we had outstanding $110.0 million aggregate principal of 4.0% convertible subordinated debentures due 2023. The convertible debentures contained a net share settlement feature requiring us upon conversion to pay the principal amount in cash and to pay any conversion consideration in excess of the principal amount in shares of our common stock. In July 2008, we called all of our convertible subordinated debentures for redemption. As a result of the call for redemption, holders of the debentures had the option to convert each $1,000 principal amount of their debentures and receive value in a combination of cash and shares equal to 56.8246 shares of Belden s common stock (a conversion price of $17.598). All holders of the debentures elected to convert their debentures. Upon conversion, we paid $110.0 million in cash and issued 3,343,509 shares of common stock. We financed the cash portion of the conversion through borrowings under our senior secured credit facility.

Fair Value of Long-Term Debt

The fair value of our debt instruments at June 28, 2009 was approximately $549.8 million based on sales prices of the debt instruments from recent trading activity. Included in this amount is an estimated $309.8 million fair value of senior subordinated notes with a face value of $350.0 million and an estimated $240.0 million fair value of borrowings under our senior secured credit facility.

Table of Contents

**Note 8: Income Taxes**

The tax benefit of $11.2 million for the six months ended June 28, 2009 resulted from a loss before taxes of $48.6 million. The difference between the effective rate reflected in the provision for income taxes on income before taxes and the amount determined by applying the applicable statutory United States tax rate for the six months ended June 28, 2009 is analyzed below:

| | Amount | Rate |
|---|---|---|
| | (in thousands, except rate data) | |
| United States federal statutory rate | $ (16,993) | 35.0% |
| State and local income taxes | 2,177 | (4.5) |
| Change in uncertain tax positions | (153) | 0.3 |
| Foreign tax rate variances and other | 3,759 | (7.7) |
| Total tax benefit | $ (11,210) | 23.1% |

**Note 9: Pension and Other Postretirement Obligations**

The following table provides the components of net periodic benefit costs for the plans:

| | Pension Obligations | | Other Postretirement Obligations | |
|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | June 28, 2009 | June 29, 2008 |
| | (In thousands) | | | |
| **Three Months Ended** | | | | |
| Service cost | $ 751 | $ 1,455 | $ 17 | $ 34 |
| Interest cost | 2,608 | 3,203 | 733 | 637 |
| Expected return on plan assets | (2,143) | (3,076) | | |
| Amortization of prior service cost | 18 | 4 | (74) | (54) |
| Settlement loss | | 1,760 | | |
| Net loss recognition | 744 | 359 | 44 | 171 |
| Net periodic benefit cost | $ 1,978 | $ 3,705 | $ 720 | $ 788 |
| **Six Months Ended** | | | | |
| Service cost | $ 2,577 | $ 2,855 | $ 47 | $ 69 |
| Interest cost | 6,348 | 6,432 | 1,295 | 1,290 |
| Expected return on plan assets | (6,207) | (6,246) | | |
| Amortization of prior service cost | 46 | 8 | (122) | (108) |
| Settlement loss | | 1,760 | | |
| Net loss recognition | 1,286 | 682 | 214 | 342 |
| Net periodic benefit cost | $ 4,050 | $ 5,491 | $ 1,434 | $ 1,593 |

Table of Contents

**Note 10: Comprehensive Income (Loss)**

The following table summarizes total comprehensive income (loss):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | June 28, 2009 | June 29, 2008 |
| | (In thousands) | | | |
| Net income (loss) | $ (4,886) | $ 41,805 | $ (37,340) | $ 54,690 |
| Foreign currency translation gain (loss) | 24,010 | (533) | 5,880 | 60,244 |
| Total comprehensive income (loss) | $ 19,124 | $ 41,272 | $ (31,460) | $ 114,934 |

**Note 11: Subsequent Events**

In our fiscal third quarter of 2009, we completed the issuance of $200.0 million in senior subordinated notes due 2019 with a coupon interest rate of 9.25% and an effective interest rate of 9.75%. The notes are guaranteed on a senior subordinated basis by certain of our domestic subsidiaries. The notes rank equal in right of payment with our current senior subordinated notes due 2017 and with any future senior subordinated debt, and they are subordinated to all of our senior debt and the senior debt of our subsidiary guarantors, including our senior secured credit facility. Interest is payable semiannually on June 15 and December 15. We used the $193.7 million in net proceeds of this debt offering to repay amounts drawn under our senior secured credit facility.

We also amended and extended our senior secured credit facility in our fiscal third quarter of 2009. The amendment alters the level of the total leverage ratio covenant, increases the cost of borrowing under the facility, and inserts an asset coverage ratio covenant when the total leverage ratio is in excess of certain levels. The amendment extends the term of the facility from January 2011 to January 2013, and reduces the size of the facility from $350.0 million to $250.0 million through January 2011 and in January 2011 from $250.0 million to $230.0 million until its expiration in January 2013.

**Note 12: Supplemental Guarantor Information**

As of June 28, 2009, Belden Inc. (the Issuer) has outstanding $350.0 million aggregate principal amount of 7.0% senior subordinated notes due 2017. The notes rank equal in right of payment with any of our future senior subordinated debt, and are subordinated to all of our senior debt and the senior debt of our subsidiary guarantors, including our senior secured credit facility. Belden Inc. and its current and future material domestic subsidiaries have fully and unconditionally guaranteed the notes on a joint and several basis. The following consolidating financial information presents information about the Issuer, guarantor subsidiaries and non-guarantor subsidiaries. Investments in subsidiaries are accounted for on the equity basis. Intercompany transactions are eliminated.

Table of Contents

**Supplemental Condensed Consolidating Balance Sheets**

| | June 28, 2009 | | | | |
|---|---|---|---|---|---|
| | Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Total |
| | | | (In thousands) | | |
| | | **ASSETS** | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 59,539 | $ 11,306 | $ 203,795 | $ | $ 274,640 |
| Receivables, net | | 82,315 | 163,357 | | 245,672 |
| Inventories, net | | 86,149 | 69,486 | | 155,635 |
| Deferred income taxes | | (12,344) | 32,991 | | 20,647 |
| Other current assets | 3,150 | 12,533 | 35,575 | | 51,258 |
| Total current assets | 62,689 | 179,959 | 505,204 | | 747,852 |
| Property, plant and equipment, less accumulated depreciation | | 121,965 | 176,583 | | 298,548 |
| Goodwill | | 241,870 | 72,324 | | 314,194 |
| Intangible assets, less accumulated amortization | | 79,536 | 62,647 | | 142,183 |
| Deferred income taxes | | 18,677 | (16,052) | | 2,625 |
| Investment in subsidiaries | 808,299 | 326,407 | | (1,134,706) | |
| Other long-lived assets | 7,412 | 2,420 | 42,808 | | 52,640 |
| | $ 878,400 | $ 970,834 | $ 843,514 | $ (1,134,706) | $ 1,558,042 |
| | | **LIABILITIES AND STOCKHOLDERS EQUITY** | | | |
| Current liabilities: | | | | | |
| Accounts payable | $ 567 | $ 61,637 | $ 80,163 | $ | $ 142,367 |
| Accrued liabilities | 12,202 | 51,455 | 84,317 | | 147,974 |
| Total current liabilities | 12,769 | 113,092 | 164,480 | | 290,341 |
| Long-term debt | 590,000 | | | | 590,000 |
| Postretirement benefits | | 48,274 | 72,096 | | 120,370 |
| Other long-term liabilities | 10,021 | 4,556 | 5,265 | | 19,842 |
| Intercompany accounts | 203,960 | (474,126) | 270,166 | | |
| Total stockholders equity | 61,650 | 1,279,038 | 331,507 | (1,134,706) | 537,489 |
| | $ 878,400 | $ 970,834 | $ 843,514 | $ (1,134,706) | $ 1,558,042 |

-16-

Table of Contents

| | December 31, 2008 | | | | |
|---|---|---|---|---|---|
| | Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Total |
| | | | (In thousands) | | |
| | | ASSETS | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 130 | $ 57,522 | $ 169,761 | $ | $ 227,413 |
| Receivables, net | | 83,923 | 208,313 | | 292,236 |
| Inventories, net | | 110,018 | 106,004 | | 216,022 |
| Deferred income taxes | | (12,344) | 34,950 | | 22,606 |
| Other current assets | 1,782 | 7,133 | 25,911 | | 34,826 |
| Total current assets | 1,912 | 246,252 | 544,939 | | 793,103 |
| Property, plant and equipment, less accumulated depreciation | | 123,530 | 201,039 | | 324,569 |
| Goodwill | | 243,233 | 78,245 | | 321,478 |
| Intangible assets, less accumulated amortization | | 83,586 | 72,439 | | 156,025 |
| Investment in subsidiaries | 838,088 | 362,329 | | (1,200,417) | |
| Other long-lived assets | 7,753 | 2,323 | 43,312 | | 53,388 |
| | $ 847,753 | $ 1,061,253 | $ 939,974 | $ (1,200,417) | $ 1,648,563 |
| | | LIABILITIES AND STOCKHOLDERS EQUITY | | | |
| Current liabilities: | | | | | |
| Accounts payable | $ | $ 49,738 | $ 111,006 | $ | $ 160,744 |
| Accrued liabilities | 12,723 | 56,290 | 111,788 | | 180,801 |
| Total current liabilities | 12,723 | 106,028 | 222,794 | | 341,545 |
| Long-term debt | 590,000 | | | | 590,000 |
| Postretirement benefits | | 49,561 | 70,695 | | 120,256 |
| Deferred income taxes | | (14,366) | 18,636 | | 4,270 |
| Other long-term liabilities | 9,991 | 5,807 | 5,826 | | 21,624 |
| Intercompany accounts | 130,852 | (386,116) | 255,264 | | |
| Total stockholders equity | 104,187 | 1,300,339 | 366,759 | (1,200,417) | 570,868 |
| | $ 847,753 | $ 1,061,253 | $ 939,974 | $ (1,200,417) | $ 1,648,563 |

Table of Contents

**Supplemental Condensed Consolidating Statements of Operations**

| | Three Months Ended June 28, 2009 | | | | |
|---|---|---|---|---|---|
| | Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Total |
| | | | (In thousands) | | |
| Revenues | $ | $ 181,854 | $ 202,556 | $ (40,589) | $ 343,821 |
| Cost of sales | | (122,483) | (153,409) | 40,589 | (235,303) |
| Gross profit | | 59,371 | 49,147 | | 108,518 |
| Selling, general and administrative expenses | (140) | (37,031) | (30,408) | | (67,579) |
| Research and development | | (7,238) | (6,884) | | (14,122) |
| Amortization of intangibles | | (2,026) | (1,885) | | (3,911) |
| Asset impairment | | (737) | (716) | | (1,453) |
| Loss on sale of assets | | | (17,184) | | (17,184) |
| Operating income (loss) | (140) | 12,339 | (7,930) | | 4,269 |
| Interest expense | (8,871) | (5) | (19) | | (8,895) |
| Interest income | 51 | 5 | 182 | | 238 |
| Other income | | | 695 | | 695 |
| Intercompany income (expense) | 3,042 | (8,925) | 5,883 | | |
| Income (loss) from equity investment in subsidiaries | (1,194) | (4,789) | | 5,983 | |
| Income (loss) before taxes | (7,112) | (1,375) | (1,189) | 5,983 | (3,693) |
| Income tax benefit (expense) | 2,226 | 181 | (3,600) | | (1,193) |
| Net income (loss) | $ (4,886) | $ (1,194) | $ (4,789) | $ 5,983 | $ (4,886) |

| | Three Months Ended June 29, 2008 | | | | |
|---|---|---|---|---|---|
| | Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Total |
| | | | (In thousands) | | |
| Revenues | $ | $ 258,826 | $ 353,623 | $ (56,146) | $ 556,303 |
| Cost of sales | | (185,290) | (260,686) | 56,146 | (389,830) |
| Gross profit | | 73,536 | 92,937 | | 166,473 |
| Selling, general and administrative expenses | (22) | (38,597) | (48,294) | | (86,913) |
| Research and development | | (1,596) | (9,497) | | (11,093) |

| | | | | | |
|---|---|---|---|---|---|
| Amortization of intangibles | | (478) | (2,131) | | (2,609) |
| Operating income (loss) | (22) | 32,865 | 33,015 | | 65,858 |
| Interest expense | (8,862) | 33 | (2,237) | | (11,066) |
| Interest income | | 24 | 1,851 | | 1,875 |
| Other income | | | 1,986 | | 1,986 |
| Intercompany income (expense) | 3,050 | (4,676) | 1,626 | | |
| Income (loss) from equity investment in subsidiaries | 44,937 | 25,455 | | (70,392) | |
| Income (loss) before taxes | 39,103 | 53,701 | 36,241 | (70,392) | 58,653 |
| Income tax benefit (expense) | 2,702 | (8,764) | (10,786) | | (16,848) |
| Net income (loss) | $ 41,805 | $ 44,937 | $ 25,455 | $ (70,392) | $ 41,805 |

Table of Contents

| | Six Months Ended June 28, 2009 | | | | |
|---|---|---|---|---|---|
| | Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Total |
| | | | (In thousands) | | |
| Revenues | $ | $ 353,812 | $ 390,323 | $ (71,802) | $ 672,333 |
| Cost of sales | | (240,078) | (311,346) | 71,802 | (479,622) |
| Gross profit | | 113,734 | 78,977 | | 192,711 |
| Selling, general and administrative expenses | (164) | (71,685) | (72,427) | | (144,276) |
| Research and development | | (14,641) | (16,036) | | (30,677) |
| Amortization of intangibles | | (4,050) | (3,726) | | (7,776) |
| Asset impairment | | (4,040) | (22,136) | | (26,176) |
| Loss on sale of assets | | | (17,184) | | (17,184) |
| Operating income (loss) | (164) | 19,318 | (52,532) | | (33,378) |
| Interest expense | (16,190) | 71 | (99) | | (16,218) |
| Interest income | 56 | 85 | 461 | | 602 |
| Other income (expense) | (1,541) | | 1,985 | | 444 |
| Intercompany income (expense) | 5,984 | (12,178) | 6,194 | | |
| Income (loss) from equity investment in subsidiaries | (29,789) | (36,122) | | 65,911 | |
| Income (loss) before taxes | (41,644) | (28,826) | (43,991) | 65,911 | (48,550) |
| Income tax benefit (expense) | 4,304 | (963) | 7,869 | | 11,210 |
| Net income (loss) | $ (37,340) | $ (29,789) | $ (36,122) | $ 65,911 | $ (37,340) |

| | Six Months Ended June 29, 2008 | | | | |
|---|---|---|---|---|---|
| | Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Total |
| | | | (In thousands) | | |
| Revenues | $ | $ 496,226 | $ 678,824 | $ (106,921) | $ 1,068,129 |
| Cost of sales | | (358,720) | (504,040) | 106,921 | (755,839) |
| Gross profit | | 137,506 | 174,784 | | 312,290 |
| Selling, general and administrative expenses | (33) | (78,628) | (103,415) | | (182,076) |
| Research and development | | (3,363) | (16,801) | | (20,164) |
| Amortization of intangibles | | (978) | (4,183) | | (5,161) |

| | | | | | |
|---|---|---|---|---|---|
| Asset impairment | | (11,549) | | | (11,549) |
| Loss on sale of assets | | | (884) | | (884) |
| Operating income (loss) | (33) | 42,988 | 49,501 | | 92,456 |
| Interest expense | (17,507) | 39 | (1,941) | | (19,409) |
| Interest income | | 187 | 2,645 | | 2,832 |
| Other income | | | 3,154 | | 3,154 |
| Intercompany income (expense) | 6,852 | (9,285) | 2,433 | | |
| Income (loss) from equity investment in subsidiaries | 60,971 | 37,676 | | (98,647) | |
| Income (loss) before taxes | 50,283 | 71,605 | 55,792 | (98,647) | 79,033 |
| Income tax benefit (expense) | 4,407 | (10,634) | (18,116) | | (24,343) |
| Net income (loss) | $ 54,690 | $ 60,971 | $ 37,676 | $ (98,647) | $ 54,690 |

Table of Contents

**Supplemental Condensed Consolidating Statements of Cash Flows**

| | Six Months Ended June 28, 2009 | | | | |
|---|---|---|---|---|---|
| | Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Total |
| | | | (In thousands) | | |
| Net cash provided by (used for) operating activities | $ 67,103 | $ (35,736) | $ 37,967 | $ | $ 69,334 |
| Cash flows from investing activities: | | | | | |
| Capital expenditures | | (10,462) | (7,880) | | (18,342) |
| Proceeds from disposal of tangible assets | | (18) | 385 | | 367 |
| Net cash used for investing activities | | (10,480) | (7,495) | | (17,975) |
| Cash flows from financing activities: | | | | | |
| Cash dividends paid | (4,707) | | | | (4,707) |
| Debt issuance costs | (1,541) | | | | (1,541) |
| Tax deficiency related to share-based compensation | (1,469) | | | | (1,469) |
| Proceeds from exercises of stock options | 23 | | | | 23 |
| Net cash used for financing activities | (7,694) | | | | (7,694) |
| Effect of currency exchange rate changes on cash and cash equivalents | | | 3,562 | | 3,562 |
| Increase (decrease) in cash and cash equivalents | 59,409 | (46,216) | 34,034 | | 47,227 |
| Cash and cash equivalents, beginning of period | 130 | 57,522 | 169,761 | | 227,413 |
| Cash and cash equivalents, end of period | $ 59,539 | $ 11,306 | $ 203,795 | $ | $ 274,640 |

| | Six Months Ended June 29, 2008 | | | | |
|---|---|---|---|---|---|
| | Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Total |
| | | | (In thousands) | | |
| Net cash provided by (used for) operating activities | $ 196,734 | $ (107,789) | $ (14,370) | $ | $ 74,575 |

| | | | | | |
|---|---|---|---|---|---|
| Cash flows from investing activities: | | | | | |
| Capital expenditures | | (4,608) | (13,577) | | (18,185) |
| Cash used to invest in and acquire businesses | | (2,500) | (5,391) | | (7,891) |
| Proceeds from disposal of tangible assets | | 30 | 40,219 | | 40,249 |
| Net cash provided by (used for) investing activities | | (7,078) | 21,251 | | 14,173 |
| Cash flows from financing activities: | | | | | |
| Cash dividends paid | (4,458) | | | | (4,458) |
| Excess tax benefits related to share-based compensation | 1,141 | | | | 1,141 |
| Proceeds from exercises of stock options | 5,171 | | | | 5,171 |
| Payments under share repurchase program | (68,336) | | | | (68,336) |
| Intercompany capital contributions | (130,242) | 130,242 | | | |
| Net cash provided by (used for) financing activities | (196,724) | 130,242 | | | (66,482) |
| Effect of currency exchange rate changes on cash and cash equivalents | | | 7,436 | | 7,436 |
| Increase in cash and cash equivalents | 10 | 15,375 | 14,317 | | 29,702 |
| Cash and cash equivalents, beginning of period | | 13,947 | 146,017 | | 159,964 |
| Cash and cash equivalents, end of period | $ 10 | $ 29,322 | $ 160,334 | $ | $ 189,666 |

**Table of Contents**

## Item 2: Management s Discussion and Analysis of Financial Condition and Results of Operations

### Overview

We design, manufacture, and market signal transmission solutions, including cable, connectivity and active components for mission-critical applications in markets ranging from industrial automation to data centers, broadcast studios, and aerospace.

We consider revenue growth, operating margin, cash flows, return on invested capital, and working capital management metrics to be our key operating performance indicators.

Trends and Events

The following trends and events arising during 2009 have had varying effects on our financial condition, results of operations and cash flows.

*Global Restructuring Activities*

In 2008, we announced our decision to further streamline our manufacturing, sales and administrative functions worldwide in an effort to reduce costs and mitigate the weakening demand experienced throughout the global economy. In the first six months of 2009, we continued to implement our plan to streamline these functions and recognized severance costs and asset impairment losses of $26.0 million and $26.2 million, respectively, related to these restructuring actions. We continuously review our business strategies and evaluate potential restructuring actions. This could result in additional restructuring costs in future periods.

*Share-Based Compensation*

We provide certain employees with share-based compensation in the form of stock options, stock appreciation rights, restricted stock shares, restricted stock units with service vesting conditions, and restricted stock units with performance vesting conditions. At June 28, 2009, the total unrecognized compensation cost related to all nonvested awards was $22.1 million. That cost is expected to be recognized over a weighted-average period of 1.9 years.

*Product Demand*

Many of our customers are distributors that stock inventory for resale. Due to the weakening demand experienced throughout the global economy, many of our customers have lowered their inventory balances. Our revenues are negatively impacted by these inventory reductions. Our customers may continue this trend if overall demand remains weak.

*Subsequent Events*

In our fiscal third quarter of 2009, we completed the issuance of $200.0 million in senior subordinated notes due 2019 with a coupon interest rate of 9.25% and an effective interest rate of 9.75%. The notes are guaranteed on a senior subordinated basis by certain of our domestic subsidiaries. The notes rank equal in right of payment with our current senior subordinated notes due 2017 and with any future senior subordinated debt, and they are subordinated to all of our senior debt and the senior debt of our subsidiary guarantors, including our senior secured credit facility. Interest is payable semiannually on June 15 and December 15. We used the $193.7 million in net proceeds of this debt offering to repay amounts drawn under our senior secured credit facility.

We also amended and extended our senior secured credit facility in our fiscal third quarter of 2009. The amendment alters the level of the total leverage ratio covenant, increases the cost of borrowing under the facility, and inserts an asset coverage ratio covenant when the total leverage ratio is in excess of certain levels. The amendment extends the term of the facility from January 2011 to January 2013, and reduces the size of the facility from $350.0 million to $250.0 million through January 2011 and in January 2011 from $250.0 million to $230.0 million until its expiration in January 2013.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a material effect on our financial condition, results of operations, or cash flows.

Adoption of Recent Accounting Pronouncements

Discussion regarding our adoption of recent accounting pronouncements is included in Note 1 to the Consolidated Financial Statements.

Critical Accounting Policies

During the six months ended June 28, 2009:

- We did not change any of our existing critical accounting policies from those listed in our 2008 Annual Report on Form 10-K;
- No existing accounting policies became critical accounting policies because of an increase in the materiality of associated transactions or changes in the circumstances to which associated judgments and estimates relate; and
- There were no significant changes in the manner in which critical accounting policies were applied or in which related judgments and estimates were developed.

**Results of Operations**

Consolidated Continuing Operations

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | % Change | June 28, 2009 | June 29, 2008 | % Change |
| | (in thousands, except percentages) | | | | | |
| Revenues | $343,821 | $556,303 | -38.2% | $672,333 | $1,068,129 | -37.1% |
| Gross profit | 108,518 | 166,473 | -34.8% | 192,711 | 312,290 | -38.3% |
| Selling, general and administrative expenses | 67,579 | 86,913 | -22.2% | 144,276 | 182,076 | -20.8% |
| Research and development | 14,122 | 11,093 | 27.3% | 30,677 | 20,164 | 52.1% |
| Operating income (loss) | 4,269 | 65,858 | -93.5% | (33,378) | 92,456 | -136.1% |
| Income (loss) before taxes | (3,693) | 58,653 | -106.3% | (48,550) | 79,033 | -161.4% |
| Net income (loss) | (4,886) | 41,805 | -111.7% | (37,340) | 54,690 | -168.3% |

Revenues decreased in the three- and six-month periods ended June 28, 2009 for the following reasons:

- A decrease in unit sales volume due to broad-based market declines resulted in a revenue decrease of $161.0 million and $304.8 million, respectively.

Table of Contents

A decrease in copper prices resulted in sales price decreases totaling $32.5 million and $61.4 million, respectively.

Unfavorable currency translation of $19.4 million and $38.4 million, respectively, due to the U.S. dollar strengthening against many foreign currencies including the euro and Canadian dollar.

Lost sales from the disposal of two businesses in Europe resulted in a revenue decrease of $12.8 million and $16.4 million, respectively.

The negative impact that the factors listed above had on the revenue comparison was partially offset by $13.2 million and $25.2 million, respectively, of revenues from Trapeze Networks, Inc. (Trapeze), which we acquired on July 16, 2008.

Gross profit decreased in the three- and six-month periods ended June 28, 2009 from the comparable periods in 2008 due to the decreases in revenue as discussed above and increases in severance and other restructuring costs. In the three- and six-month periods ended June 28, 2009, cost of sales included $4.8 million and $22.7 million, respectively, of severance and other restructuring costs compared to $2.3 million and $6.2 million, respectively, in the comparable periods of 2008. These increases were due to global restructuring actions to further streamline our manufacturing functions worldwide in an effort to reduce costs and mitigate the weakening demand experienced throughout the global economy. Excluding the impact of the severance and other restructuring costs, gross profit margin in the three- and six-month periods ended June 28, 2009 increased 280 basis points and 230 basis points, respectively, due to cost reductions from our Lean enterprise strategies and global restructuring actions.

Selling, general and administrative expenses decreased more than 20% in each of the three- and six-month periods ended June 28, 2009 from the comparable periods in 2008. These decreases are primarily due to lower payroll costs associated with a decrease in sales and administration employees and lower discretionary spending for items such as consulting fees, travel costs, and advertising.

The increase in research and development costs in the three- and six-month periods ended June 28, 2009 is primarily due to the acquisition of Trapeze in July 2008. Trapeze incurred $5.4 million and $11.2 million of research and development costs in the three- and six-month periods ended June 28, 2009, respectively.

During the first six months of 2009, we recognized asset impairment losses totaling $26.2 million primarily related to a German cable business that we sold in the second quarter of 2009. In the first six months of 2008, we recognized an impairment loss of $7.3 million due to the decision to close our manufacturing facility in Manchester, Connecticut. We also recognized an impairment loss of $4.2 million in 2008 related to our decision to consolidate capacity and dispose of excess machinery and equipment.

During the second quarter of 2009, we sold a 95% ownership interest in a German cable business that sells primarily to the automotive industry. The sales price was $0.4 million, and we recognized a loss of $17.2 million on the transaction. We did not have any significant gains or losses on the sale of assets in 2008.

We recognized income tax expense of $1.2 million in the second quarter of 2009 despite incurring a loss before taxes because the income tax benefit associated with the loss on sale of a German cable business was based on a lower statutory tax rate than the average rate applied to the rest of our income before taxes. Our effective tax rate for the six-month period ended June 28, 2009 was a 23.1% benefit compared to an expense of 30.8% in 2008. This change is primarily attributable to the decrease in income before taxes as well as the impact of the income tax benefit associated with the loss on sale of a German cable business.

**Table of Contents**

Americas Segment

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | % Change | June 28, 2009 | June 29, 2008 | % Change |
| | (in thousands, except percentages) | | | | | |
| Total revenues | $197,622 | $295,595 | -33.1% | $387,823 | $572,549 | -32.3% |
| Operating income | 33,521 | 48,819 | -31.3% | 58,179 | 70,480 | -17.5% |
| *as a percent of total revenues* | *17.0%* | *16.5%* | | *15.0%* | *12.3%* | |

Americas total revenues, which include affiliate revenues, decreased in the three- and six-month periods ended June 28, 2009 from the comparable periods in 2008 due to lower unit sales volume of $67.9 million and $120.4 million, respectively. Lower demand in the United States contributed to lower volume across all vertical markets as more than 75% of the segment s external customer revenues are generated from customers located in the United States. Similarly, lower demand in Europe and Asia resulted in a decrease in affiliate revenues in the three- and six-month periods ended June 28, 2009 of $6.1 million and $18.5 million, respectively. A decrease in copper prices resulted in lower selling prices that contributed $19.1 million and $35.5 million, respectively, to the decrease in revenues. The remaining decrease in revenues was due to unfavorable currency translation, which was primarily a result of the U.S. dollar strengthening against the Canadian dollar.

Operating income decreased in the three- and six-month periods ended June 28, 2009 due to the decrease in revenues as discussed above. However, operating margins improved in 2009 due to manufacturing cost savings resulting from the benefits of our restructuring actions and the successful execution of our regional manufacturing and Lean enterprise strategies. Operating margins were also affected by asset impairment and restructuring charges. In the second quarter of 2009, the segment recognized $0.7 million of asset impairment losses and $4.0 million of severance and other restructuring charges primarily related to our global restructuring actions. In the second quarter of 2008, the segment recognized severance and other restructuring charges of $3.6 million. Excluding the impact of these charges, operating margins for the second quarter increased from 17.7% in 2008 to 19.3% in 2009.

Wireless Segment

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | % Change | June 28, 2009 | June 29, 2008 | % Change |
| | (in thousands, except percentages) | | | | | |
| Total revenues | $13,234 | $ | n/a | $ 25,237 | $ | n/a |
| Operating loss | (7,978) | | n/a | (16,300) | | n/a |
| *as a percent of total revenues* | *-60.3%* | *n/a* | | *-64.6%* | *n/a* | |

The Wireless segment consists of Trapeze, which we acquired on July 16, 2008. Sales transactions from our Wireless segment often involve multiple elements in which the sales proceeds are deferred and recognized ratably over the period related to the last delivered element. As of June 28, 2009, total deferred revenue and deferred cost of sales were $20.9 million and $7.2 million, respectively. The deferred revenue and deferred cost of sales are expected to be amortized over various periods ranging from one to three years.

Table of Contents

The changes in the deferred revenue and deferred cost of sales balances are as follows (in thousands):

| | Deferred Revenue | Deferred Cost of Sales | Deferred Gross Profit |
|---|---|---|---|
| Balance, December 31, 2008 | $ 20,166 | $ 7,270 | $ 12,896 |
| Balance, June 28, 2009 | 20,948 | 7,235 | 13,713 |
| Increase (decrease) | $ 782 | $ (35) | $ 817 |

In January 2009, one of Trapeze s significant OEM customers, Nortel Networks (Nortel), filed for bankruptcy protection. As part of its bankruptcy restructuring activities, Nortel is in the process of selling its various business units. Our relationship with Nortel may be affected by the outcome of this process. The financial difficulty of Nortel has resulted in lower than expected revenues for Trapeze and has contributed to the segment s operating loss.

EMEA Segment

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | % Change | June 28, 2009 | June 29, 2008 | % Change |
| | (in thousands, except percentages) | | | | | |
| Total revenues | $ 99,346 | $195,455 | -49.2% | $199,880 | $377,883 | -47.1% |
| Operating income (loss) | (13,380) | 24,398 | -154.8% | (56,625) | 41,229 | -237.3% |
| *as a percent of total revenues* | *-13.5%* | *12.5%* | | *-28.3%* | *10.9%* | |

EMEA total revenues, which include affiliate revenues, decreased in the three- and six-month periods ended June 28, 2009 from the comparable periods in 2008 due to lower unit sales volume of $56.6 million and $111.1 million, respectively. The broad-based market declines have continued in Europe resulting in lower volume across all vertical markets. Similarly, lower demand in the United States and Asia resulted in a decrease in affiliate revenues in the three- and six-month periods ended June 28, 2009 of $10.7 million and $19.1 million, respectively. The decrease in revenues was also due to $13.6 million and $27.2 million, respectively, of unfavorable currency translation, primarily from the U.S. dollar strengthening against the euro. A decrease in copper prices resulted in lower selling prices that contributed $2.4 million and $4.2 million, respectively, to the decrease in revenues. The remaining decrease in revenues was due to lost sales from the disposal of two businesses.

Operating income decreased in the three- and six-month periods ended June 28, 2009 due to the decrease in revenues as discussed above, a loss on sale of assets, and an increase in asset impairment and severance charges. In the second quarter of 2009, the segment recognized a $17.2 million loss on the sale of a German cable business. It also recognized $0.7 million of asset impairment losses and $2.6 million of severance and other restructuring charges primarily related to our global restructuring actions. In the second quarter of 2008, the segment recognized severance and other restructuring charges of $0.6 million. Excluding the impact of these charges, operating margins for the second quarter decreased from 12.8% in 2008 to 7.1% in 2009 as the decrease in revenues more than offset the cost savings from our various restructuring actions.

Asia Pacific Segment

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | % Change | June 28, 2009 | June 29, 2008 | % Change |
| | (in thousands, except percentages) | | | | | |
| Total revenues | $57,616 | $106,148 | -45.7% | $103,854 | $199,850 | -48.0% |
| Operating income | 8,262 | 15,775 | -47.6% | 11,596 | 27,062 | -57.2% |
| *as a percent of total revenues* | *14.3%* | *14.9%* | | *11.2%* | *13.5%* | |

Asia Pacific total revenues decreased in the three- and six-month periods ended June 28, 2009 from the comparable periods in 2008 due to lower unit sales volume of $36.5 million and $73.3 million, respectively. The broad-based market declines have continued in Asia resulting in lower volume across most vertical markets. A decrease in copper prices resulted in lower selling prices that contributed $11.0 million and $21.7 million, respectively, to the decrease in revenues. The remaining decrease in revenues was due to unfavorable currency translation.

Operating income decreased in the three- and six-month periods ended June 28, 2009 due to the decrease in revenues as discussed above. Despite the significant decrease in revenues, operating margins remained above 10.0% in 2009 due to gross profit margin improvement from our product portfolio management actions and cost savings from our restructuring actions.

Corporate Expenses

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | June 28, 2009 | June 29, 2008 | % Change | June 28, 2009 | June 29, 2008 | % Change |
| | (in thousands, except percentages) | | | | | |
| Total corporate expenses | $(9,310) | $(12,327) | -24.5% | $(17,667) | $(26,223) | -32.6% |

Corporate expenses include administrative and other costs that are not allocated to the segments. These expenses decreased in the three- and six-month periods ended June 28, 2009 from the comparable periods in 2008 due to lower payroll costs, consulting fees, and other discretionary items such as travel costs.

**Liquidity and Capital Resources**

Significant factors that have affected or may affect our cash liquidity include (1) cash provided by operating activities, (2) disposals of tangible assets, (3) exercises of stock options, (4) cash used for business acquisitions, restructuring actions, capital expenditures, share repurchases and dividends, and (5) our available credit facilities and other borrowing arrangements. We expect our operating activities to generate cash throughout 2009 and believe our sources of liquidity are sufficient to fund current working capital requirements, capital expenditures, contributions for our retirement plans, quarterly dividend payments, severance payments from our restructuring actions, and our short-term operating strategies. Customer demand, competitive market forces, commodities pricing, customer acceptance of our product mix and economic conditions worldwide could affect our ability to continue to fund our future needs from business operations.

The following table is derived from our Consolidated Cash Flow Statements:

| | Six Months Ended | |
|---|---|---|
| | June 28, 2009 | June 29, 2008 |
| | (In thousands) | |
| Net cash provided by (used for): | | |
| Operating activities | $ 69,334 | $ 74,575 |
| Investing activities | (17,975) | 14,173 |
| Financing activities | (7,694) | (66,482) |
| Effects of currency exchange rate changes on cash and cash equivalents | 3,562 | 7,436 |
| Increase in cash and cash equivalents | 47,227 | 29,702 |
| Cash and cash equivalents, beginning of period | 227,413 | 159,964 |
| Cash and cash equivalents, end of period | $ 274,640 | $ 189,666 |

Net cash provided by operating activities, a key source of our liquidity, decreased by $5.2 million in the six-month period ended June 28, 2009 from the comparable period in 2008 primarily due to a decrease in income partially offset by a favorable net change in operating assets and liabilities. This favorable change was primarily due to improvements in receivables and inventories as we reduced production and inventory levels consistent with the decrease in customer demand. These improvements were partially offset by unfavorable changes in accounts payable and accrued liabilities, which included $35.6 million of total severance payments during the six months ended June 28, 2009 related to our restructuring actions. Total severance payments during the six months ended June 29, 2008 were $3.8 million.

Net cash used for investing activities totaled $18.0 million in the first six months of 2009 compared to cash provided by investing activities of $14.2 million in the first six months of 2008. Investing activities in the first six months of 2009 primarily related to capital expenditures for enterprise resource planning software and capacity enhancements at certain locations. Net cash provided by investing activities in the first six months of 2008 included $24.4 million of net proceeds received from the sale of certain real estate in Mexico, $15.0 million received from the sale and collection of a receivable related to the sale of our assembly and telecommunications cable operations in the Czech Republic, and $0.7 million received from the collection of a receivable related to our sale of certain real estate in the Netherlands. These proceeds were partially offset by capital expenditures of $18.2 million that included payments for construction of a new manufacturing facility in China. We anticipate that future capital expenditures will be funded with available cash.

Net cash used for financing activities in the first six months of 2009 totaled $7.7 million compared to $66.5 million in the first six months of 2008. This change is primarily due to a decrease in payments under our share repurchase program, which we completed in 2008, and a decrease in proceeds from the exercise of stock options.

Our outstanding debt obligations as of June 28, 2009 consisted of $350.0 million aggregate principal of 7.0% senior subordinated notes due 2017 and $240.0 million of outstanding borrowings under our senior secured credit facility, which matures in 2011 and has a variable interest rate based on LIBOR or the prime rate. During the six months ended June 28, 2009, we amended the facility and changed the definition of EBITDA used in the computation of the 3.5 gross debt-to-EBITDA leverage ratio covenant. Although the amendment increased the cost of borrowings under the facility by 100 basis points, it provides us with additional flexibility in managing liquidity through the weaker global demand in our served markets. As of June 28, 2009, we had $100.7 million in available borrowing capacity under our senior secured credit facility, and we were in compliance with all of its covenants.

Table of Contents

In our fiscal third quarter of 2009, we issued $200.0 million in senior subordinated notes due 2019 and amended and extended our senior secured credit facility. Additional discussion regarding these subsequent events is included in Note 11 to the Consolidated Financial Statements and the Overview section of Management s Discussion and Analysis of Financial Condition and Results of Operations.

**Forward-Looking Statements**

Statements in this report other than historical facts are forward-looking statements made in reliance upon the safe harbor of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on forecasts and projections about the industries which we serve and about general economic conditions. They reflect management s beliefs and assumptions. They are not guarantees of future performance and they involve risk and uncertainty. Our actual results may differ materially from these expectations. Some of the factors that may cause actual results to differ from our expectations include:

- The current global economic slowdown may adversely impact our results;
- Turbulence in financial markets may increase our borrowing costs;
- The availability of credit for our customers and distributors;
- Our ability to successfully integrate acquired businesses;
- Demand and acceptance of our products by customers and end users;
- Worldwide economic conditions, which could impact demand for our products;
- Changes in the cost and availability of raw materials (specifically, copper, commodities derived from petrochemical feedstocks, and other materials);
- The degree to which we will be able to respond to raw materials cost fluctuations through the pricing of our products;
- Our ability to meet customer demand successfully as we also reduce working capital;
- Our ability to implement successfully our announced restructuring plans (for which we may incur additional costs); and
- Other factors noted in this report and our other Securities Exchange Act of 1934 filings.

For a more complete discussion of risk factors, please see our 2008 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 27, 2009. We disclaim any duty to update any forward-looking statements as a result of new information, future developments, or otherwise.

**Item 3: Quantitative and Qualitative Disclosures about Market Risks**

Item 7A of our 2008 Annual Report on Form 10-K provides more information as to the practices and instruments that we use to manage market risks. There were no material changes in our exposure to market risks since December 31, 2008.

**Item 4: Controls and Procedures**

As of the end of the period covered by this report, we conducted an evaluation, under the supervision and with the participation of the principal executive officer and principal financial officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, the principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Table of Contents

There was no change in our internal control over financial reporting during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II OTHER INFORMATION

### Item 1: Legal Proceedings

We are a party to various legal proceedings and administrative actions that are incidental to our operations. These proceedings include personal injury cases, about 96 of which we were aware at July 22, 2009, in which we are one of many defendants. Electricians have filed a majority of these cases, primarily in New Jersey and Pennsylvania, generally seeking compensatory, special and punitive damages. Typically in these cases, the claimant alleges injury from alleged exposure to a heat-resistant fiber. Our alleged predecessors had a small number of products that contained the fiber, but ceased production of such products more than 20 years ago. Through July 22, 2009, we have been dismissed, or reached agreement to be dismissed, in approximately 313 similar cases without any going to trial, and with only 38 of these involving any payment to the claimant. In our opinion, the proceedings and actions in which we are involved should not, individually or in the aggregate, have a material adverse effect on our financial condition, operating results, or cash flows.

### Item 1A: Risk Factors

There have been no material changes with respect to risk factors as previously disclosed in our 2008 Annual Report on Form 10-K.

### Item 4: Submission of Matters to a Vote of Security Holders

On May 20, 2009, the Company held its regular Annual Meeting of Stockholders. The stockholders considered two proposals. Both proposals were approved.

Proposal 1: Election of 10 directors for a one-year term.

| | Shares Voted For | Shares Withheld |
|---|---|---|
| David Aldrich | 38,831,495 | 5,584,695 |
| Lorne D. Bain | 39,940,910 | 4,475,280 |
| Lance C. Balk | 40,937,797 | 3,478,393 |
| Judy L. Brown | 40,136,206 | 4,279,984 |
| Bryan C. Cressey | 40,704,421 | 3,711,769 |
| Glenn Kalnasy | 38,493,804 | 5,922,386 |
| Mary S. McLeod | 38,844,861 | 5,571,329 |
| John M. Monter | 38,858,398 | 5,557,792 |
| Bernard G. Rethore | 37,459,237 | 6,956,953 |
| John S. Stroup | 41,046,315 | 3,369,875 |

Proposal 2: To authorize an additional 2,200,000 shares for the Cable Design Technologies Corporation 2001 Long-Term Performance Incentive Plan and approve other Plan amendments.

| Shares Voted For | Shares Voted Against | Abstentions | Broker Non-Votes |
|---|---|---|---|
| 30,351,776 | 10,464,662 | 54,399 | 3,545,353 |

Table of Contents

**Item 6: Exhibits**

*Exhibits*

| | |
|---|---|
| Exhibit 31.1 | Certificate of the Chief Executive Officer pursuant to § 302 of the Sarbanes-Oxley Act of 2002. |
| Exhibit 31.2 | Certificate of the Chief Financial Officer pursuant to § 302 of the Sarbanes-Oxley Act of 2002. |
| Exhibit 32.1 | Certificate of the Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002. |
| Exhibit 32.2 | Certificate of the Chief Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002. |

**Table of Contents**

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

| | BELDEN INC. |
|---|---|
| Date: August 4, 2009 | By: /s/ John S. Stroup<br>John S. Stroup<br>President, Chief Executive Officer and Director |
| Date: August 4, 2009 | By: /s/ Gray G. Benoist<br>Gray G. Benoist<br>Senior Vice President, Finance and Chief Financial Officer |
| Date: August 4, 2009 | By: /s/ John S. Norman<br>John S. Norman<br>Vice President, Controller and Chief Accounting Officer |