ESCALADE INC
Form 10-Q
April 16, 2010

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

x Quarterly report pursuant to Section 13 OR 15 (d) of the Securities Exchange Act of 1934
For the quarter ended March 20, 2010 or

o 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 0-6966

ESCALADE, INCORPORATED
(Exact name of registrant as specified in its charter)

Indiana (State of incorporation)	13-2739290 (I.R.S. EIN)
817 Maxwell Ave, Evansville, Indiana (Address of principal executive office)	47711 (Zip Code)

812-467-4449
(Registrant’s Telephone Number)

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 o

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 o No o

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 definition of “accelerated filer, large accelerated filer and smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer o (do not check if a smaller reporting company)	Smaller reporting company x

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12 b-2 of the Exchange Act).
Yes o 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 April 6, 2010
Common, no par value	12,692,759

INDEX

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

ESCALADE, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(All amounts in thousands, except share information)

	March 20, 2010 (Unaudited)	March 21, 2009 (Unaudited)	December 26, 2009 (Audited)
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 3,133	$ 4,562	$ 3,039
Time deposits	750	—	750
Receivables, less allowance of $1,566; $1,275; and $1,485; respectively	20,270	22,915	23,488
Notes receivable	227	—	—
Inventories	23,182	31,010	20,905
Prepaid expenses	1,372	1,461	1,617
Assets held for sale	—	3,325	—
Deferred income tax benefit	387	2,060	1,999
Income tax receivable	1,102	5,155	1,138
TOTAL CURRENT ASSETS	50,423	70,488	52,936
Property, plant and equipment, net	20,584	20,409	21,493
Intangible assets	16,757	18,591	17,181
Goodwill	25,681	25,543	26,215
Investments	9,453	8,897	9,156
Deferred income tax benefit	342	723	—
Other assets	—	952	257
	$ 123,240	$ 145,603	$ 127,238
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Notes payable	$ 24,007	$ —	$ 27,644
Trade accounts payable	2,878	3,144	1,578
Accrued liabilities	12,128	15,251	12,738
Deferred compensation	1,315	—	1,288
Income tax payable	—	992	—
TOTAL CURRENT LIABILITIES	40,328	19,387	43,248
Other Liabilities:			
Long-term debt	—	46,244	—
Deferred income tax liability	—	—	1,226
Deferred compensation	—	1,203	—
TOTAL LIABILITIES	40,328	66,834	44,474
Stockholders' Equity:			

Preferred stock:						
Authorized 1,000,000 shares; no par value, none issued						
Common stock:						
Authorized 30,000,000 shares; no par value, issued and outstanding – 12,692,759; 12,616,042; and 12,656,737; shares respectively		12,693		12,616		12,657
Retained earnings		66,276		62,726		65,341
Accumulated other comprehensive income		3,943		3,427		4,766
		82,912		78,769		82,764
	$	123,240	$	145,603	$	127,238

See notes to Consolidated Condensed Financial Statements.

ESCALADE, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)
(All amounts in thousands, except per share amounts)

	Three Months Ended	
	March 20, 2010	March 21, 2009
Net sales	$ 25,169	$ 24,958
Costs, expenses and other income:		
Cost of products sold	16,616	17,096
Selling, general and administrative expenses	6,861	8,023
Amortization	283	467
Operating income (loss)	1,409	(628)
Interest expense, net	(360)	(242)
Other income	258	184
Income (loss) before income taxes	1,307	(686)
Provision (benefit) for income tax	505	(247)
Net income (loss)	$ 802	$ (439)
Per share data:		
Basic earnings (loss) per share	$ 0.06	$ (0.03)
Diluted earnings (loss) per share	$ 0.06	$ (0.03)

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)(UNAUDITED)

Net income (loss)	$802	$(439)
Unrealized loss on marketable equity securities available for sale, net of tax benefit of $0 and $20, respectively	—	(30)
Foreign currency translation adjustment	(823)	333
Comprehensive loss	$(21)	$(136)

See notes to Consolidated Condensed Financial Statements.

ESCALADE, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)
(All amounts in thousands)

	Three Months Ended	
	March 20, 2010	March 21, 2009
Operating Activities:		
Net income (loss)	$ 802	$ (439)
Depreciation and amortization	992	1,194
Loss on disposal of property and equipment	7	13
Stock-based compensation	129	115
Adjustments necessary to reconcile net income (loss) to net cash used by operating activities	1,596	1,201
Net cash provided by operating activities	3,526	2,084
Investing Activities:		
Purchase of property and equipment	(54)	(1,054)
Net cash used by investing activities	(54)	(1,054)
Financing Activities:		
Net increase (decrease) in notes payable	(3,637)	(281)
Proceeds from exercise of stock options	6	—
Director stock compensation	33	—
Net cash used by financing activities	(3,598)	(281)
Effect of exchange rate changes on cash	220	196
Net increase in cash and cash equivalents	94	945
Cash and cash equivalents, beginning of period	3,039	3,617
Cash and cash equivalents, end of period	$ 3,133	$ 4,562

See notes to Consolidated Condensed Financial Statements.

ESCALADE, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

Note A – Summary of Significant Accounting Policies

Presentation of Consolidated Condensed Financial Statements – The significant accounting policies followed by the Company and its wholly owned subsidiaries for interim financial reporting are consistent with the accounting policies followed for annual financial reporting. All adjustments that are of a normal recurring nature and are in the opinion of management necessary for a fair statement of the results for the periods reported have been included in the accompanying consolidated condensed financial statements. The consolidated condensed balance sheet of the Company as of December 26, 2009 has been derived from the audited consolidated balance sheet of the Company as of that date. Certain information and note disclosures normally included in the Company's annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Form 10-K annual report for 2009 filed with the Securities and Exchange Commission.

Note B - Reclassifications

Certain reclassifications have been made to prior year financial statements to conform to the current year financial statement presentation. These reclassifications had no effect on net earnings.

Note C - Seasonal Aspects

The results of operations for the three month periods ended March 20, 2010 and March 21, 2009 are not necessarily indicative of the results to be expected for the full year.

Note D - Inventories

In thousands	March 20, 2010	March 21, 2009	December 26, 2009
Raw materials	$ 6,750	$ 11,148	$ 6,357
Work in progress	2,969	2,599	1,142
Finished goods	13,463	17,263	13,406
	$ 23,182	$ 31,010	$ 20,905

Note E – Equity Interest Investments

The Company has a 50% interest in two joint ventures, Stiga Sports AB (Stiga) and Escalade International, Ltd. These 50% owned joint ventures are accounted for under the equity method of accounting. Stiga Sports AB, located in Sweden, is a global sporting goods company producing table tennis equipment and game products. Escalade International Ltd., located in the United Kingdom, is a sporting goods wholesaler, specializing in fitness and exercise equipment and game tables. Financial information for these two entities reflected in the table below has been translated from local currency to U.S. dollar using exchange rates in effect at the respective period-end for balance sheet amounts and using average exchange rates for income statement amounts. Certain differences exist between U.S. GAAP and local GAAP in Sweden and the United Kingdom, and the impact of these differences is not reflected in the summarized information reflected in the table below. The most significant difference relates to the accounting for goodwill for Stiga which is amortized over eight years in Sweden but is not amortized for U.S. GAAP reporting purposes. The effect on Stiga's net assets resulting from the amortization of goodwill for the periods ended March 20, 2010 and March 21, 2009 are addbacks to Stiga's consolidated financial information of $6.0 million and $4.0 million, respectively. These net differences are comprised of cumulative goodwill adjustments of $8.4 million offset by the related cumulative tax effect of $2.4 million as of March 20, 2010 and cumulative goodwill adjustments of $5.6 million offset by the related cumulative tax effect of $1.6 million as of March 21, 2009. The income statement impact of these goodwill and tax adjustments and other individually insignificant U.S. GAAP adjustments for the periods ended March 20, 2010, and March 21, 2009 are to increase Stiga's net income by approximately $0.3 million and $0.4 million, respectively. In addition, Escalade has a 49.9% interest in a joint venture in Taiwan which is reporting no income and for which its assets have no material impact on the Company's financial reporting. Information regarding this entity is considered immaterial and has not been included in the combined totals listed below.

Summarized financial information for combined Stiga Sports AB and Escalade International, Ltd. balance sheets as of March 20, 2010, March 21, 2009, and December 26, 2009 and statements of operations for the periods ended March 20, 2010, and March 21, 2009, of which Escalade, Incorporated is a 50% owner, is as follows:

In thousands			March 20, 2010				March 21, 2009		December 26, 2009
Current assets		$	15,224		$		12,851	$	19,113
Non-current assets			11,782				11,244		11,939
Total assets			27,006				24,095		31,052
Robert J. Siverd	DCP	0	1,204,724	2,288,143	0	7,193,007			
Executive Vice President, General Counsel and Secretary									
Roderick Macdonald	DCP	0	523,082	183,086	0	1,088,325			
Executive Vice President Global Sales and Business Development									
J. Michael Andrews	DCP	0	324,243	373,698	0	1,402,958			
Executive Vice President and Group President, North									

American Energy
Infrastructure and
Technology

(1)

Registrant contributions listed include the amount of the Company s contribution in 2007 to the DCP for the BEP component of $91,292 for Mr. Kenny; $11,756 for Mr. Robinson; $25,483 for Mr. Siverd; $13,814 for Mr. Macdonald; and $16,876 for Mr. Andrews, and the amount of the Company s contribution in 2007 to the DCP upon amendment and merger of the former SERP of $3,125,170 for Mr. Kenny; $125,525 for Mr. Robinson; $1,179,241 for Mr. Siverd; $509,268 for Mr. Macdonald; and $307,367 for Mr. Andrews.

(2)

Each of the executive officers participates in the DCP with the balances shown above. Of the DCP balances shown, 76% for Mr. Kenny, 77% for Mr. Siverd, 37% for Mr. Macdonald, and 64% for Mr. Andrews represent the value of General Cable stock awards received by these executives over a period of many years. They have elected to defer these awards into the DCP, and shares in General Cable Stock Fund within the DCP. General Cable s year-end 2007 common stock price was $73.28, which was 68% higher than the year-end 2006 closing share price of $43.71. Mr. Robinson did not elect to defer shares into the DCP in 2007 or prior years.

Narrative Disclosure to Non-Qualified Deferred Compensation Plan Table

The data shown in the Table relate to General Cable s Non-Qualified Executive Deferred Compensation Plan adopted in 1996 (DCP) which includes the BEP and SERP account balances since the plan mergers in 2007 described earlier at page 23.

The DCP permits key executives and Company Directors to elect to defer salary or Director fees into the DCP on an annual basis before the beginning of each plan year and to elect to defer bonus payments at least six months before the end of each year. With regard to salary and bonuses, employee participants are permitted to defer up to 100% of net pay after certain mandatory payroll taxes and preauthorized distributions are deducted. The DCP also permits employee participants and requires outside Directors to defer any stock based awards under the 2005 Stock Incentive Plan (and predecessor plans). Deferrals must be made either until retirement or termination of employment. Cash deferred may be invested in any of the investment vehicles provided under the DCP. Shares of stock representing Director fees or employee stock awards may not be reinvested into other vehicles, but must remain in the DCP as whole shares and will be distributed as such in accord with distribution elections made by each participant. The DCP assets are held in a rabbi trust, and as such, are subject to the claims of general creditors of the Company. Operation of the plan and distributions are also subject to Section 409A of the Internal Revenue Code, which imposes procedural restrictions on the DCP and on any future changes in distribution elections.

In June 2007, the Board of Directors approved the amendment of General Cable s former defined benefit Supplemental Executive Retirement Plan (SERP) and converted that plan to an account balance plan. The SERP was merged into the DCP and the account balance for each SERP participant was contributed to the DCP by the employer.

In September 2007, the BEP was merged into the DCP. The BEP provides excess benefits that make up for certain payments that are not eligible for contribution under federal IRS limitations relating to our Retirement Plans. BEP contributions are made annually by the employer.

Director Compensation Table

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Option Awards ($) (1)	Non-Equity Incentive Plan Compen-sation ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($) (2)	All Other Compen-sation ($)	Total ($)
Gregory E. Lawton	42,500	42,379	16,102	0	23,750	0	124,731
Craig P. Omtvedt	52,500	42,379	16,102	0	58	0	111,039
Robert L. Smialek	42,500	42,379	16,102	0	7,307	0	108,288
John E. Welsh, III	85,000	84,757	32,204	0	17,721	0	219,682

(1)

Represents the fair value of common stock awards and stock option grants made to the outside independent Directors in 2007 as determined in the FAS 123R using assumptions set forth in the footnotes of the financial statements in the Company s Annual Report on Form 10-K for calendar year 2007.

(2)

Represents earnings in General Cable s DCP during 2007 in accounts of each Director listed. As noted in the Narrative Disclosure to the Non-Qualified Deferred Compensation Table, stock awards for Director service are required to be deferred into the DCP.

Narrative Disclosure to Director Compensation Table

The fee schedule for General Cable Directors paid only to Directors who are not officers or employees of General Cable in 2007 was as follows: annual retainer fee of $85,000, payable at least one-half in common stock of General Cable (which must be deferred into the Company s DCP) and up to one-half in cash (which may be deferred into the Company s DCP). The Chairman of the Audit Committee received an additional annual retainer fee of $10,000 in cash. Outside Directors are reimbursed for related out-of-pocket expenses for attendance at Board and Committee meetings. In order to be eligible to receive the retainer, a Director must have attended at least 75% of the Board meetings in the prior year, unless attendance was excused by the Chairman.

Each outside Director was eligible to receive an annual grant of 2,500 options to acquire General Cable common stock at the stock s fair market value when granted. These options generally vest over three years. In February 2007, the Compensation Committee awarded each outside Director 2,500 options on common stock as part of their compensation for services.

In addition, John E. Welsh, III, who has served as Nonexecutive Chairman of the Board since August 2001, was entitled to annual compensation for his services as Chairman. This additional compensation is equal to the amount paid to non-employee Directors for regular Director service. Also, as part of this compensation, the Compensation Committee in February 2007 awarded Mr. Welsh 2,500 options to purchase General Cable common stock.

Effective January 1, 2008, a new fee schedule for director compensation was approved. Under the current fee schedule, the annual retainer fee will continue to be paid as before and the chairs of the Compensation and Corporate Governance Committees each will receive an additional cash retainer for their services as chair of $6,000 per year; the chair of the Audit Committee will continue to receive a cash retainer of $10,000 per year. Further, all Directors will be eligible to receive an annual award of common stock units rather than stock options, as in the prior fee schedule, in the amount of $75,000 in unit value per year. These unit awards will vest at the end of three years and Directors will be entitled to receive in settlement one share of common stock for each unit granted.

General Cable Directors are covered by Share Ownership Guidelines adopted by the Board of Directors on March 28, 2005. Under the approved Share Ownership Guidelines, Directors are required to obtain ownership of shares of common stock equal to three times the amount of the cash retainer paid to non-employee Directors for their service as Directors within five years from adoption or from their date of appointment. All non-employee Directors met these Guidelines at year-end 2007.

Change in Control and Other Post-Employment Payments and Benefits

Payments and Benefits Applicable to Mr. Kenny and Mr. Siverd in 2007

As noted above, Mr. Kenny and Mr. Siverd relinquished their employment and change-in-control agreements effective at the end of 2007. During 2007, upon termination of his employment or a change in control of General Cable, each of Mr. Kenny and Mr. Siverd was entitled in 2007 to receive from us payments and benefits under the following contracts, agreements and arrangements:

.

each executive s amended and restated change-in-control agreement;

.

each executive s amended and restated employment agreement;

.

our 1997 and 2005 Stock Incentive Plans; and

.

our Supplemental Executive Retirement Plan.

Amended and Restated Change-in-Control Agreement. We entered into an amended and restated change-in-control agreement, dated April 28, 2000, with each of Mr. Kenny and Mr. Siverd. Unless otherwise terminated by the parties, the change-in-control agreement would generally have terminated upon the expiration of the executive s employment agreement with us. However, if a change in control occurs during the term of the employment agreement or within six months after any termination of the executive s employment which triggers our obligation to make a change in control payment, the change-in-control agreement would have expired at the end of 36 months (as to Mr. Kenny) or 24 months (as to Mr. Siverd) after the month in which the change in control occurs.

The change-in-control agreement operated using what is commonly called a double trigger. This means that for the executive to receive payments or benefits under this agreement, both a change in control and a triggering event must occur. A change in control was deemed to occur if:

.

any outside person or other entity beneficially owns more than 50% of all classes of our capital stock that are normally entitled to vote upon the election of our Directors;

.

we sell all or substantially all of our property or assets;

.

we consolidate or merge with a third party whereby persons who were our stockholders immediately before the consolidation or merger together own less than 60% of the voting stock of the surviving entity; or

.

the Directors who served as such on April 28, 2000 (the incumbent Directors) no longer constitute a majority of the board of Directors; however, a subsequently elected Director will also be an incumbent Director if that Director was not elected as a result of an election contest by at least two-thirds of the then incumbent Directors.

Unless there is a circumstance of ineligibility, we had to provide each executive with specified benefits upon the following triggering events:

.

if we or our successor terminates the executive s employment without cause within six months before, or within three years (as to Mr. Kenny) or two years (as to Mr. Siverd) after, a change in control;

.

if the executive terminates his employment for good reason within six months before, or within three years (as to Mr. Kenny) or two years (as to Mr. Siverd) after, a change in control.

For purposes of each change-in-control agreement:

.

cause was generally defined to mean:

the executive s gross neglect or willful failure to perform his duties and responsibilities in all material respects;

any act of fraud by the executive;

the executive s conviction or entry into a plea of nolo contendere to any felony or misdemeanor, other than a traffic offense that does not result in imprisonment;

the executive s willfully or intentionally injuring our reputation or business relationships; and

any willful and material breach by the executive of the employment agreement.

.

good reason was generally defined to mean the occurrence of any of the following without the executive s consent:

removal of the executive from his officer positions;

the assignment of duties or responsibilities materially inconsistent with those customarily associated with such positions;

any diminution in the executive s position, authority, duties or responsibilities;

a reduction in the executive s annual base salary or material benefits;

notice by us not to extend the employment agreement;

a significant relocation of the executive s principal place of employment; and

a successor s failure to perform our obligations under the change-in-control agreement.

.

a circumstance of ineligibility was defined as:

the death or disability of the executive;

the executive terminating his employment with us voluntarily, except for any termination for good reason; and

any termination of the executive by us or our successor for cause.

In the event of a change in control followed by a triggering event (and assuming that a circumstance of ineligibility has not occurred), we (or our successor) would have been required to pay each of Mr. Kenny and Mr. Siverd a lump sum cash payment equal to three and two times, respectively, the sum of:

.

the executive s annual base salary at the time of termination (or in the event of a termination for good reason due to a reduction in annual base salary, the amount of annual base salary in effect immediately prior to the reduction), plus

.

the executive s target annual incentive bonus under a bonus plan in effect for the year in which the executive s employment is terminated or the year in which the change in control occurs, whichever is greater.

Furthermore, all stock awards, including stock options and shares of restricted stock, granted to each executive under the 1997 and 2005 Stock Incentive Plans would have immediately vested in full. These awards would have been fully exercisable until they expire in accordance with the terms of that plan. The executive would continue his participation as if the executive was still an employee, in our medical, dental, hospitalization and life insurance plans, programs or arrangements in which the executive was participating on the date of termination of his employment or, if more favorable to the executive, the 181st day prior to the change in control, on the same terms and conditions as other executives under such plans, programs and arrangements. This participation would have lasted for approximately 36 months as to Mr. Kenny (30 months with respect to life insurance programs) and for approximately 24 months as to Mr. Siverd, or until the executive receives equivalent coverage and benefits under the plans, programs or arrangements of a subsequent employer. The determination of whether such coverage and benefits are equivalent was to be made on a coverage-by-coverage and benefit-by-benefit basis.

Regardless of whether Mr. Kenny or Mr. Siverd was eligible to receive the lump-sum change in control payment described above, if any payments or benefits that could potentially be received by the executive in connection with a change in control or the termination of the executive s employment under any plan, arrangement or agreement with us or any person who triggers a change in control of General Cable (or any of its affiliates) would be subject to the excess parachute payment excise tax imposed under Section 4999 of the Internal Revenue Code. We must pay the executive an amount equal to the amount of such excise tax imposed, plus related federal, state and local income, excise and employment taxes. The intent of this payment is to ensure that neither Mr. Kenny nor Mr. Siverd bears the cost of this excise tax or any tax associated with our reimbursement of the excise tax.

The Table below quantifies the estimated maximum amount of payments and benefits that would have been provided by us (or our successor) to Mr. Kenny and Mr. Siverd under each change-in-control agreement assuming that a change in control and triggering event had both occurred as of December 31, 2007:

Executive	**Change in Control Payment**	**Estimated Amount of Change in Control Payment ($)**
Gregory B. Kenny	Lump-sum cash change in control payment	4,950,000
	Vesting in full of unvested stock option awards	4,760,866 (1)
	Vesting in full of unvested restricted stock awards	9,448,503 (2)
	Continued coverage under our medical, dental, hospitalization and life insurance plans	36,000 (3)
	Excess parachute payment excise tax on all change in control compensation and related gross-up tax payment	0 (4)
Robert J. Siverd	Lump-sum cash change in control payment	1,384,591
	Vesting in full of unvested stock option awards	1,183,740 (1)
	Vesting in full of unvested restricted stock awards	2,563,628 (2)
	Continued coverage under our medical, dental, hospitalization and life insurance plans	24,000 (3)
	Excess parachute payment excise tax on all change in control compensation and related gross-up tax payment	0 (4)

(1)

This amount represents the unrealized value of the unvested portion, or 100,952 and 24,652, of stock options granted to Mr. Kenny and Mr. Siverd, respectively, under our 1997 and 2005 Stock Incentive Plans as of December 31, 2007. The unrealized value of unvested options was calculated by multiplying (a) the number of shares underlying the unvested options by (b) the difference between $73.28, the closing price of a share of our common stock on December 31, 2007 and the applicable per share exercise price of the options.

(2)

This amount represents the unrealized value of the unvested portion of Mr. Kenny s and Mr. Siverd s restricted stock granted under our 1997 and 2005 Stock Incentive Plans and subject to restrictions, or 128,937 and 34,984 shares, respectively, based upon the closing price of our common stock on December 31, 2007.

(3)

This amount represents the cost to us to provide the executive with the same coverage he had as of December 31, 2007 under all of these plans as they existed on that date on a non-employee basis for the full stated period of time required by the executive s change-in-control agreement and assuming no acquisition of equivalent benefits or coverage under the plans, programs or arrangements of a subsequent employer during that period.

(4)

The amount of the gross-up payment assumes that a change in control involving General Cable and triggering event each occurred on December 31, 2007. The amount of the tax liability shown is calculated in accordance with Sections 280G and 4999 of the Internal Revenue Code, as determined by the relevant provisions of each executive s change-in-control agreement. See Change in Control and Other Post-Employment Payments and Benefits -- Payments and Benefits Applicable to Mr. Kenny and Mr. Siverd Amended and Restated Change-in-Control Agreement at page 35.

Amended and Restated Employment Agreement. We entered into an amended and restated employment agreement, dated April 28, 2000, with each of Mr. Kenny and Mr. Siverd. Each employment agreement specified our obligations to each of Mr. Kenny and Mr. Siverd upon termination of his employment under various circumstances. For a summary of the terms of these agreements and our termination obligations under them, see Employment Agreements at page 28.

The receipt of the payments and benefits to Mr. Kenny and Mr. Siverd under their employment agreements were conditioned upon their complying with customary non-solicitation, non-competition, confidentiality and assignment of invention and development agreements. The assignment of invention and development provision expires upon termination of employment. The non-solicitation and non-competition provisions with respect to Mr. Kenny and Mr. Siverd expired two years, and one and one-half years, respectively, after the termination of the employment agreement. The confidentiality provision was of infinite duration. The executives acknowledged that any breach or threatened breach by either of them of any of the covenants described above would have entitled us to injunctive relief restraining the commission or continuance of any breach or threatened breach, with minimal bond, in addition to any other available remedies.

In addition, we entered into a severance arrangement with Mr. Robinson by letter of September 14, 2003, which is summarized at page 29.

The Table below includes a description and the amount of estimated payments and benefits that would have been provided by us (or our successor) to Mr. Kenny and Mr. Siverd under each employment agreement, assuming that a termination circumstance occurred as of December 31, 2007:

		Estimated Amount of Termination Payment to:	
		Gregory B. Kenny	**Robert J. Siverd**
Termination Payment	**Termination Circumstance**	**($)**	**($)**
Base salary earned but not paid prior to death or termination of employment due to disability. (1)	All	17,308	8,408
Payment for all accrued but unused vacation time up to the date of death or termination of employment due to disability. (2)	All	0	0
Payment for bonuses deferred for any year prior to the year in which death or termination of employment due to disability occurs. (3)	All	0	0
Unpaid but earned bonuses under any applicable bonus plan to the extent earned. (4)	Death, disability, termination by us without cause and termination by the executive for good reason	750,000	200,401
A pro rata portion of bonuses payable in the year in which death or termination due to disability occurs, assuming all performance goals for such year are met.	Death or disability	0	0

(5)			
Immediate vesting and lapsing of restrictions on all unvested stock awards held on the date of death or termination. (6)	Death, disability, termination by us without cause and termination by the executive for good reason	9,448,503	2,563,628
Immediate vesting of all stock options held on the date of death or termination, which options will remain exercisable for 12 months. (7)	Death, disability, termination by us without cause and termination by the executive for good reason	4,760,866	1,183,740

		Estimated Amount of Termination Payment to:	
		Gregory B. Kenny	Robert J. Siverd
Termination Payment	**Termination Circumstance**	**($)**	**($)**
A lump sum amount equal to three times, with respect to Mr. Kenny, and two times, with respect to Mr. Siverd, the sum of the executive s base salary and the target annual bonus under any bonus plan for the year of termination. (8)	Termination by us without cause and termination by the executive with good reason	4,950,000	1,384,590
Continued coverage under medical, dental, hospitalization and life insurance plans. (9)	Termination by us without cause and termination by the executive with good reason	36,000	24,000
Outplacement services consistent with our existing or past practices.	Termination by us without cause and termination by the executive with good reason	20,000	10,000
Other benefit amounts provided for officers are consistent with Company practice including a Company-provided vehicle and tax advisory services.	All	35,000	25,000

(1)

The value of base salary earned but not paid for each executive is estimated to be (a) six days in the event of a termination due to disability and (b) six days of annual base salary in the event of all other termination events.

(2)

Vacation time accrued but not taken for each executive was assumed to have been fully used up at year-end 2007.

(3)

The amount of bonus deferred by each executive prior to termination is estimated to be the total amount of bonuses previously deferred by each executive in prior years.

(4)

The amount of bonus payable to each executive is equal to the Target Level bonus under the AIP.

(5)

The relevant performance goals and target award percentages related to this award are set forth in the Compensation Discussion and Analysis at page 21.

(6)

This amount represents the unrealized value of the portion of Mr. Kenny and Mr. Siverd s restricted stock that is either unvested or subject to restrictions, or 128,937 and 34,984 shares, respectively, based upon the closing price of our common stock on December 31, 2007.

(7)

This amount represents the unrealized value of the unvested portion, or 100,952 and 24,652, of stock options granted to Mr. Kenny and Mr. Siverd, respectively, as of December 31, 2007. The unrealized value of unvested options was calculated by multiplying (a) the number of shares underlying the unvested options by (b) the difference between $73.28, the closing price of a share of our common stock on December 31, 2007 and the applicable per share exercise price of the options.

(8)

The lump sum payment was calculated using a base salary for 2007 of $750,000 for Mr. Kenny and $364,366 for Mr. Siverd, and a performance-based target annual bonus for 2007 of $900,000 for Mr. Kenny and $327,929 for Mr. Siverd.

(9)

This amount represents the cost to us to provide the executive with the same coverage he had as of December 31, 2007 under all of these plans as they existed on that date on a non-employee basis for a period of 36 months (30 months with respect to life insurance plans) as to Mr. Kenny and 24 months as to Mr. Siverd.

Payments Applicable to Messrs. Robinson, Macdonald, and Andrews under General Cable Severance Pay Plan for Salaried Employees in 2007

Messrs. Robinson, Macdonald, and Andrews were eligible in 2007 to participate under the General Cable Severance Pay Plan for Salaried Employees as amended January 1, 1996 (Severance Pay Plan). Eligible employees under the Severance Pay Plan are full time employees who have given one year of continuous service to General Cable. Under this Plan, an eligible employee such as Messrs. Robinson, Macdonald, and Andrews would have been entitled to receive severance pay in the amount of a specified multiple of his base salary in the year of termination (specifically, 1.5 times base salary plus benefit continuation payments in accord with existing Company policy) in case of an involuntary termination which results from a reduction in the workforce from a plant relocation or closing or otherwise. To receive a benefit, the employee must also have been a salaried employee and not entitled to severance pay under any other plan, contract or arrangement with General Cable and not waived coverage under the Severance Pay Plan. Finally, the termination of employment must not have been for cause as defined in the Severance Pay Plan. For purposes of calculating Mr. Robinson s severance pay, we applied the benefits under the Severance Pay Plan rather than the terms of his severance arrangement.

Under the Severance Pay Plan, cause was generally defined to mean (i) willful and continuous neglect of duty; (ii) violation of a local, state or federal criminal statute; (iii) intentional provision of services to a competitor of General Cable; and (iv) similar conduct which the Company determined in its discretion was such that severance pay would not be in the best interest of General Cable. The Company conditioned the right to receive severance pay under the Plan to general and customary conditions, including providing a release of obligations and reimbursing the Company for obligations due.

Estimated payments to Messrs. Robinson, Macdonald, and Andrews under the Severance Pay Plan are set forth below:

	Brian Robinson	Roderick Macdonald	J. Michael Andrews
	($)	($)	($)
Severance Payment	382,500	450,000	472,500
Benefit Continuation	18,000	18,000	18,000

Effective January 1, 2008, Messrs. Robinson, Macdonald, and Andrews became eligible to participate under the General Cable Executive Severance Benefit Plan described below on page 43 and they will not be eligible to participate under the Severance Pay Plan.

Potential Benefits to Executive Officers under General Cable Stock Incentive and Stock Option Plans

1997 and 2005 Stock Incentive Plans and the 2000 Stock Option Plan. Our 1997 and 2005 Stock Incentive Plans and our 2000 Stock Option Plan provide for specified benefits to our executives who hold awards granted under these plans, either upon a change in control or a termination of their employment.

Change in Control Payments and Benefits. Under the 1997 Stock Incentive Plan, upon a change in control, our Compensation Committee or the Chief Executive Officer (presently Mr. Kenny), in their discretion, may take such actions as they deem appropriate with respect to outstanding awards, including without limitation, accelerating the exercisability, vesting or payout of the awards. They may, in their discretion, also determine that, upon the occurrence of a change in control, each stock option and stock appreciation right outstanding under the 1997 Stock Incentive Plan may be terminated and automatically exchanged for an amount of cash, other property, or a combination thereof, equal to the excess of the fair market value of such shares of common stock immediately prior to the change in control over the exercise price per share of such option or stock appreciation right.

Under the 2005 Stock Incentive Plan, upon a change in control, all unvested awards granted under the 2005 Stock Incentive Plan will become fully vested immediately upon the occurrence of the change in control and such awards shall be paid out or settled, as applicable, within 60 days after the occurrence of the change in control, subject to applicable law. Our Compensation Committee may, in its discretion, also determine that, upon a change in control, each stock option and stock appreciation right outstanding under the 2005 Stock Incentive Plan may be terminated and automatically exchanged for an amount of cash, other property, or a combination thereof, equal to the excess of the fair market value of such shares of common stock immediately prior to the change in control over the exercise price per share of such option or stock appreciation right.

Under the 2000 Stock Option Plan, upon a change in control, our Compensation Committee or the Chief Executive Officer (Mr. Kenny), in their discretion, may take such actions as they deem appropriate with respect to outstanding awards, including without limitation, accelerating the exercisability, vesting or payout of the awards. They may, in their discretion, also determine that, upon the occurrence of a change in control, each stock option and stock appreciation right outstanding under the 2000 Stock Option Plan may be terminated and automatically exchanged for an amount of cash, other property, or a combination thereof, equal to the excess of the fair market value of such shares of common stock immediately prior to the change in control over the exercise price per share of such option or stock appreciation right.

The change in control provisions under these plans operate using a single trigger. This means that any change in control will permit the executive to receive payments or benefits under these plans, even if the executive s employment is unaffected as a result of the change in control. For purposes of each Stock Incentive Plan and the 2000 Stock Option Plan, the term change in control is defined as set forth in the executive s change-in-control agreement if an agreement was in place, and, if not, as set forth in the Plan document. See Change in Control and Other Post-Employment Payments and Benefits Payments and Benefits Applicable to Mr. Kenny and Mr. Siverd in 2007 Amended and Restated Change-in-Control Agreement at page 35.

The Table below provides an estimate of the value of the potential benefits that each executive might be entitled to receive upon a change in control under these plans as if the change in control had occurred on December 31, 2007.

Potential Benefit	Estimated Value of Potential Benefit Under 1997 Stock Incentive Plan, 2000 Stock Option Plan, and 2005 Stock Incentive Plan Upon Change in Control to: ($) Gregory B. Kenny	Brian J. Robinson	Robert J. Siverd	Roderick Macdonald	J. Michael Andrews
Acceleration and settlement of previously unvested stock options granted under these Stock Incentive Plans (1) (2)	4,760,866	470,650	1,183,740	510,720	666,939
Acceleration and settlement of the unvested portion of restricted stock and other stock awards granted under these Stock Incentive Plans (1) (3)	9,448,503	1,185,451	2,563,628	1,689,617	2,194,076
Cash-out of previously vested stock options granted under these Stock Incentive Plans (1) (4) (5)	11,263,040	0	6,978,320	327,850	0

(1)

Assumes that our Compensation Committee or our Chief Executive Officer approved the grant of this benefit as required under the terms of the 1997 Stock Incentive Plan and the 2000 Stock Option Plan.

(2)

This amount represents the unrealized value of the unvested portion of stock options under our three stock plans as of December 31, 2007: 100,952 for Mr. Kenny; 5,615 for Mr. Robinson; 24,652 for Mr. Siverd; 29,838 for Mr. Macdonald; and, 32,586 for Mr. Andrews. The unrealized value of unvested options was calculated by multiplying (a) the number of shares underlying the unvested options by (b) the difference between $73.28, the closing price of a share of our common stock on December 31, 2007 and the applicable per share exercise price of the options.

(3)

This amount represents the unrealized value of the unvested portion restricted stock granted under our 1997 Stock Incentive Plan that are subject to restrictions: 128,937 for Mr. Kenny; 16,177 for Mr. Robinson; 34,984 for Mr. Siverd; 23,057 for Mr. Macdonald; and 29,941 for Mr. Andrews, based upon the closing price of our common stock on December 31, 2007.

(4)

Assumes that our Compensation Committee approved the granting of this benefit as required under the terms of the stock plans.

(5)

This amount represents the unrealized value of the aggregate vested portion of stock options under our stock plans as of December 31, 2007: 168,000 for Mr. Kenny; 114,000 for Mr. Siverd; and 5,000 for Mr. Macdonald. The unrealized value of vested options was calculated by multiplying (a) the number of shares underlying the unvested options by (b) the difference between $73.28, the closing price of a share of our common stock on December 31, 2007 and the applicable per share exercise price of the options.

General Cable Executive Severance Benefit Plan

General Cable s Board of Directors adopted the Executive Severance Benefit Plan effective January 1, 2008 (Severance Plan). The Severance Plan, which did not apply to the Named Executive Officers in 2007, provides for cash severance payments in case of involuntary termination of employment and for cash severance and certain benefit continuation for eligible employees in case of termination of employment by the employer or termination by the employee for good reason resulting from a change of control as we define these terms in the Severance Plan. Full-time employees who have the position of Executive Vice President or above, Named Executive Officers in a Company Proxy Statement and the

-43-

Company s Chief Financial Officer are eligible to participate in the Severance Plan. Benefits payable in case of involuntary termination of employment of an eligible employee are as follows:

.

2 years of base pay and target level bonus under General Cable s applicable Annual Incentive Plan;

.

a bonus for the year of termination based on relevant performance, and continued participation in employer health and life insurance plans or the equivalent premium cost of the employer for 2 years for the President; and

.

1.5 years of base pay, target level bonus, bonus for the year of termination and health and life insurance participation for 1.5 years for all other participants, plus limited outplacement assistance.

Benefits payable in case of an involuntary termination, including for good reason, in connection with a change in control of General Cable, are as follows:

.

3 years of base pay and target level bonus and bonus for the year of termination based on relevant performance, and continued participation in employer s health and life insurance plans or the premium value to participate for the employer for three years, immediate vesting on termination in all unvested stock options and stock awards under the 1997 and 2000 Stock Plans for the President; and

.

2 years of base pay and target level bonus and bonus for the year of termination based on relevant performance and continued participation in employer s health and life insurance plans or the premium value to participate for the employer for two years for all other participants, plus limited outplacement assistance.

The Severance Plan may be amended or terminated at any time with the approval of the Compensation Committee of General Cable s Board of Directors. However, any amendment or termination following a change in control as defined in the Severance Plan requires consent of a majority of the eligible employees at that time.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

In 2007, all compensation determinations and awards were made by the independent Directors who make up the Compensation Committee who are identified on page 11. There were no interlocking relationships between executive officers of the Company and the Compensation Committee members or other Directors of the Company during 2007.

TRANSACTIONS WITH RELATED PERSONS

The Company has adopted policies and procedures for review and approval of any related party transactions that meet the minimum threshold for disclosure in the proxy statement under the applicable Securities and Exchange Commission rules (generally, transactions involving amounts exceeding $120,000 in which a related person has a direct or indirect material interest). The Company has not entered into any transactions since the beginning of its last fiscal year with any related person.

Under the Company s policies and procedures, related parties are expected to seek Audit Committee approval of related party transactions before the transaction is entered into or amended. The

Audit Committee may ratify a transaction after it has been entered into, in which case the transaction will be evaluated on the same standards as a transaction being pre-approved. In certain circumstances, the Audit Committee Chairman may act on behalf of the Audit Committee. The policy specifically requires approval or ratification if the Company hires a family member of a director (including a director nominee), executive officer or significant stockholder for total compensation in excess of $120,000 or, after initial approval of the hire, makes any material changes to employment arrangement.

When seeking approval, the related party will provide the Company s General Counsel with information about the transaction for the General Counsel s evaluation and submission to the Audit Committee. The evaluation information includes:

.

the related person s relationship to the Company and interest in the transaction;

.

material facts of the proposed transaction, including the proposed aggregate value of the transaction;

.

benefits to the Company of the proposed transaction;

.

availability of other sources of comparable products or services;

.

an assessment of whether the proposed transaction is on terms that are comparable to terms available to an unrelated third party or to employees generally; and

.

any effect on a director s independence if the transaction involves a director.

After considering the evaluation information, the Audit Committee will approve or ratify only those transactions that are not opposed to the interests of the Company and that are on terms that are fair to the Company. The Committee may make its approval conditional upon revisions to the terms of the transaction.

RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP, AN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM, TO AUDIT GENERAL CABLE S 2008 CONSOLIDATED

FINANCIAL STATEMENTS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

(Proposal 2)

On February 5, 2008, the Audit Committee of General Cable appointed Deloitte & Touche LLP, along with the member firm of Deloitte & Touche Tohmatsu and their respective affiliates (Deloitte), independent registered public accounting firm, to audit the consolidated financial statements of General Cable and its subsidiaries for 2008 and its internal control over financial reporting as of December 31, 2008. The Board of Directors ratified that appointment and is submitting it to stockholders for a vote at the Annual Meeting.

Principal Accounting Firm Fees. Aggregate fees billed to the Company for the fiscal years ended December 31, 2007 and 2006 by Deloitte and its affiliates were as follows:

	Fiscal Year Ended	
	2007	**2006**
Audit Fees(1)	$4,273,000	$2,911,000
Audit-related Fees(2)	415,000	103,000
Tax Fees(3)	464,000	305,000
All Other Fees	0	0
	$5,152,000	$3,319,000

-45-

(1)

Includes reviews of registration statements, and related consents and comfort letters.

(2)

Includes employee benefit plan audits and assistance with due diligence activities on the acquisition of Phelps Dodge International Corporation in 2007.

(3)

Includes fees for tax compliance, consultation and planning.

General Cable expects representatives of Deloitte to attend the Annual Meeting and be available to respond to appropriate questions from stockholders. The Deloitte representatives will also have the opportunity to make a statement if they so desire.

The Board of Directors recommends that stockholders vote FOR the proposal to ratify the appointment of Deloitte & Touche LLP to audit General Cable s 2008 consolidated financial statements and internal control over financial reporting.

APPROVAL OF THE GENERAL CABLE CORPORATION 2008 ANNUAL INCENTIVE PLAN

(Proposal 3)

General Cable maintains a competitive compensation program to motivate executives and key employees to act to promote the growth and profitability of the Company for the benefit of stockholders. The Board of Directors adopted the General Cable Corporation 2008 Annual Incentive Plan effective as of January 1, 2008 (the Annual Incentive Plan), subject to stockholder approval, to provide opportunity for executives and key employees to earn awards (Awards) for achieving corporate and individual performance objectives.

The Annual Incentive Plan is intended to replace the 1998 Annual Incentive Plan, as amended (1998 Incentive Plan), which was approved by stockholders at the 1998 Annual Meeting and expired by its terms in 2008. Material features of performance goals of the 1998 Incentive Plan were reapproved by stockholders in 2003.

Set forth below is a summary of the principal features of the Annual Incentive Plan, including material terms of performance goals submitted for stockholder approval. The summary is qualified in its entirety by reference to the full text of the Annual Incentive Plan, which is attached to this Proxy Statement as Appendix A. Please see Appendix A for a complete copy of the Annual Incentive Plan.

The affirmative vote of a majority of the shares of Common Stock present in person or by proxy and entitled to vote at the Annual Meeting is required for approval of the Annual Incentive Plan.

Purpose of the Annual Incentive Plan. The purpose of the Annual Incentive Plan is to provide Awards in order to motivate certain executive officers and key employees of General Cable to put forth maximum efforts toward the growth, profitability and success of the Company and to encourage such individuals to remain in the employ of the Company.

Administration of the Annual Incentive Plan. The Annual Incentive Plan is generally administered by the Compensation Committee which is comprised of four outside directors, none of whom is an officer or employee of General Cable. It is the Board s policy that the Compensation Committee be composed of outside directors for the purpose of the performance-based compensation exception under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code).

Under the Annual Incentive Plan, the Compensation Committee is authorized to make Awards to executive officers of General Cable (Executive Officers) and to determine the terms, conditions and limitations of each Award. The Compensation Committee may delegate to the Chief Executive Officer or other Executive Officer the authority to determine and grant Awards to key employees who are not Executive Officers. In addition, the Compensation Committee has the power to interpret the Annual Incentive Plan and to adopt such rules and regulations as it considers necessary or appropriate to administer the Annual Incentive Plan.

Limits on Plan Awards. Awards will be settled in cash. The maximum incentive Award payable to any Executive Officer or key employee under the Annual Incentive Plan for one year is $3.0 million.

Eligibility and Participation. Participants under the Annual Incentive Plan (Participants) are either Executive Officers or key employees who are significantly responsible for the success and future growth and profitability of the Company as determined by the Compensation Committee in the case of Executive Officers and by the designated Executive Officer in the case of key employees. As of the date of this Proxy Statement, eight Executive Officers and approximately 275 key employees are eligible to participate under the 1998 Incentive Plan, and these individuals will be eligible under the Annual Incentive Plan. A Participant s right, if any, to continue to serve as an Executive Officer or employee will not be affected by his or her designation as a Participant under the Annual Incentive Plan.

Awards and Performance Goals. Awards are made to eligible Participants based on attainment of performance goals established by the Compensation Committee for Executive Officers and the designated Executive Officer for other Participants at the beginning of each calendar year. Awards are generally determined by multiplying a Participant s target percentage of base salary for a calendar year award by applicable factors and percentages based on accomplishment of the performance objectives. Awards are payable in cash. Payment of Awards is made after the end of the year in which performance is being measured, subject to all applicable withholding taxes or deductions.

Performance objectives under the Annual Incentive Plan may include one or more or a combination of objectives, including the following: cash flow; cash flow from operations; earnings per share, diluted or basic; earnings per share from continuing operations, diluted or basic; earnings from continuing operations; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; net asset turnover; inventory turnover; capital expenditures; operating earnings; gross or operating margin; profit margin; gross profit; assets; debt; working capital; return on assets; return on net assets; return on total assets; return on capital; return on investment; return on stockholders equity; return on sales; net or gross sales; cost of capital; total shareholder return; pretax income before allocation of corporate overhead and bonus; net income; appreciation in or maintenance of the price of the Common Stock or any other publicly-traded securities of the Company; market share; economic value-added models; comparisons with various stock market indices; or reduction in costs. The Compensation Committee and the designated Executive Officer may select the same or different performance objectives in any future annual award period. In applying performance objectives under the Annual Incentive Plan, the Compensation Committee may not increase Awards that would be payable upon attainment of goals; the Compensation Committee may, however, reduce Awards in its discretion.

Termination of Employment. Subject to any written employment or other agreement between a Participant and the Company, if a Participant s employment with General Cable is terminated for any reason before an Award is determined or paid out, the Award will be forfeited. However, the Compensation Committee and the designated

Executive Officer have the discretion to pay all or part of any Award to a Participant for an annual award period that the Participant would have otherwise received.

Term and Amendment of the Plan. The Annual Incentive Plan was approved by the Board of Directors and has a term of ten years from January 1, 2008. The Board may amend or terminate the Annual Incentive Plan at any time, subject to stockholder approval if required by law or regulation.

Compensation Limitation Deduction. As noted above, under Code Section 162(m), General Cable s income tax deduction for certain compensation to the Chief Executive Officer or any one of the next four most highly compensated officers is limited to $1 million per year. Section 162(m) provides an exception to this limitation for performance-based compensation approved by a committee consisting of at least two outside Directors, provided that the material terms of performance goals are approved by the stockholders. As described above, the Annual Incentive Plan is generally designed to satisfy the statutory requirements for the Awards that may be made under the Plan.

New Plan Benefits. Because Awards are made in the sole discretion of the Compensation Committee and depend on achievement of performance objectives, it cannot be determined at this time what benefits or amounts, if any, will be received by or allocated to any person or group of persons under the Annual Incentive Plan. The following table discloses the dollar value of Awards under the 1998 Incentive Plan for 2007 performance, but such Awards are not necessarily representative of Awards that may become payable under the new Annual Incentive Plan.

NEW PLAN BENEFITS

2008 ANNUAL INCENTIVE PLAN

Name and Position	Dollar Value $ (1)
Gregory B. Kenny	1,123,557
President and Chief Executive Officer	
Brian J. Robinson	209,503
Executive Vice President, Chief Financial Officer and Treasurer	
Robert J. Siverd	300,353
Executive Vice President, General Counsel and Secretary	
Roderick Macdonald	178,823
Executive Vice President Global Sales and Business Development	
J. Michael Andrews	190,263
Executive Vice President and Group President, North American Energy Infrastructure and Technology	
Executive Group	2,002,499
Non-Executive Director Group	0
Non-Executive Officer Employee Group	8,430,867

(1) The amounts to be paid for 2008 are undeterminable. The disclosed dollar values represent amounts awarded for 2007 under the 1998 Incentive Plan.

The Board of Directors recommends that stockholders vote FOR the proposal to approve the Annual Incentive Plan.

OTHER INFORMATION

Solicitation of Proxies

Solicitation of proxies is being made by management at the direction of General Cable s Board of Directors, without additional compensation, through the mail, in person or by telephone. The cost will be borne by General Cable. In addition, General Cable will request brokers and other custodians, nominees and fiduciaries to forward proxy soliciting material to the beneficial owners of shares held of record and General Cable will reimburse them for their expenses in so doing. General Cable has retained D. F. King & Co., Inc. to aid in the solicitation of proxies for a fee of $6,000.00 plus out-of-pocket expenses.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires General Cable s Directors and executive officers, and persons who own more than 10% of a registered class of equity securities, to file initial reports of ownership and reports of changes in ownership of General Cable common stock with the SEC. These persons are required by SEC regulations to furnish General Cable with copies of all Section 16(a) forms which they file. Based on review of the copies of forms furnished to General Cable and filed with the SEC, General Cable believes that all such SEC filings during 2007 complied with the reporting requirements.

Stockholder Proposals for 2009 Annual Meeting

Stockholder proposals under Rule 14a-8 of the Securities Exchange Act of 1934 for the 2009 Annual Meeting of Stockholders must be received by General Cable no later than December 1, 2008, in order to be considered for inclusion in General Cable s proxy statement and a form of proxy for that meeting. Stockholder proposals not made under Rule 14a-8 must be made in accordance with the sixty (60) day advance notice procedure described on page 12. All proposals must be communicated in writing to the Secretary of General Cable at its World Headquarters at 4 Tesseneer Drive, Highland Heights, Kentucky 41076.

By Order of the Board of Directors,

/s/ Robert J. Siverd

ROBERT J. SIVERD

Secretary

Highland Heights, Kentucky

March 28, 2008

-49-

APPENDIX A

GENERAL CABLE CORPORATION

2008 ANNUAL INCENTIVE PLAN

1.

Purpose

The purpose of the General Cable Corporation 2008 Annual Incentive Plan (the Plan) is to provide annual incentive awards (Awards) in order to motivate certain executive officers and key employees of General Cable Corporation, a Delaware corporation, and its subsidiaries (the Company) to put forth maximum efforts toward the growth, profitability and success of the Company and to encourage such individuals to remain in the employ of the Company or the applicable subsidiary.

2.

Administration

a.

The Plan shall be administered by a committee (the Committee), which shall be a committee or subcommittee of the Board of Directors of the Company (the Board) appointed by the Board from among its members. Initially, the Committee shall be the Board s Compensation Committee. Unless the Board otherwise determines, the Committee shall be comprised solely of not less than two members who each shall qualify, at the time of appointment, as an outside director within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code) and the regulations thereunder.

b.

The Committee shall have all the powers vested in it by the terms of the Plan, such powers to include authority (within the limitations described herein) to select the persons to be granted Awards under the Plan, to determine the time when Awards will be granted, to determine whether performance objectives and other conditions for earning Awards have been met, to determine whether a payment shall be required to be made with regard to an Award and, if so determined, when such payment shall be made, and to determine whether an Award or payment of an Award should be reduced or eliminated. The Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan and to make such determinations and interpretations and to take such action in connection with the Plan and any Awards granted hereunder as it deems necessary or advisable. All determinations and interpretations made by the Committee shall be binding and conclusive on all persons participating in the Plan and their legal representatives. No member of the Committee and no employee of the Company shall be liable for any act or failure to act hereunder, except in circumstances involving his or her bad faith, gross negligence or willful misconduct, or for any act or failure to act hereunder by any other member or employee or by any agent to whom duties in connection with the administration of this Plan have been delegated. The Company shall indemnify members of the Committee and any agent of the Committee who is an employee of the Company against any and all liabilities or expenses to which they may be subjected by reason of any act or failure to act with respect to their duties on behalf of the Plan.

c.

The Committee may delegate to one or more of its members, or to one or more executive officers of the Company (Executive Officers), including to the Chief Executive Officer of the Company, authority to select key employees other than Executive Officers to be granted Awards under the Plan and to make all other determinations in respect of such Awards. In addition, the Committee may delegate to such persons such administrative duties as it deems advisable. References herein to Committee shall include any such delegatee, except where the context otherwise requires. The Committee, or any person to whom it has delegated duties as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan including such legal or other

APPENDIX A

counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion or computation received from any such counsel, consultant or agent. Expenses incurred in the engagement of such counsel, consultant or agent shall be paid by the Company.

3.

Eligibility

Awards may be granted under the Plan to such Executive Officers and key employees of the Company as shall be selected for participation pursuant to Section 2 above.

4.

Awards and Award Pool; Limitations on Awards

a.

Each Award granted under the Plan shall represent an amount payable in cash by the Company to the Executive Officer or key employee (a Participant) upon accomplishment of one or more or a combination of performance objectives (Performance Objectives) in a specified fiscal year (a Performance Year), subject to all other terms and conditions of the Plan and such other terms and conditions as may be specified by the Committee. The Performance Objectives for an Award to an Executive Officer shall consist of specific Performance Objectives approved by the Committee. Performance Objectives for an Award to a key employee other than an Executive Officer may consist of any measure of performance the Committee may determine in its discretion. The grant of Awards under the Plan shall be evidenced by Award letters in a form approved by the Committee from time to time which shall contain the terms and conditions, as determined by the Committee, of a Participant s Award; *provided, however*, that in the event of any conflict between the provisions of the Plan and any Award letters, the provisions of the Plan shall prevail. An Award shall be determined by multiplying the Participant s target percentage of base salary with respect to a Performance Year by applicable factors and percentages based on the achievement of Performance Objectives.

b.

Awards payable in respect of a given Performance Year may be settled only if and to the extent the total amount of Awards (the Award Pool) has been accrued on the books of the Company as of the end of such Performance Year. The Award Pool is designated only for purposes of accounting within the Plan and does not authorize any segregation of assets or the creation of a trust. The maximum amount of an Award granted to any one Participant in respect of a Performance Year shall not exceed $3.0 million. This maximum amount limitation shall be measured at the time of settlement of an Award under Section 6.

c.

Annual Performance Objectives shall be based on the performance of the Company, one or more of its subsidiaries or affiliates, one or more of its units or divisions and/or the individual for the Performance Year. Performance Objectives shall include the following performance measures individually or in any combination: cash flow; cash flow from operations; earnings per share, diluted or basic; earnings per share from continuing operations, diluted or basic; earnings from continuing operations; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; net asset turnover; inventory turnover; capital expenditures; operating earnings; gross or operating margin; profit margin; gross profits; assets; debt; working capital; return on assets; return on net assets; return on total assets; return on capital; return on investment; return on stockholders equity; return on sales; net or gross sales; cost of capital; total shareholder return; pretax income before allocation of corporate overhead and bonus; net income; appreciation in or maintenance of the price of the Common Stock or any other publicly-traded securities of the Company; market share; economic value-added models; comparisons with various stock market indices; or reduction in costs.

APPENDIX A

5.

Grant of Awards

a)

The Committee shall select those Executive Officers who it determines are to be Participants for a given Performance Year and grant Awards to such Participants not later than 90 days after the commencement of the Performance Year, and shall select other key employees for participation and grant Awards to such Participants at such times as the Committee may determine. In granting an Award, the Committee shall establish the amount of the Award in accordance with Section 4 and other terms of such Award. Other provisions of the Plan notwith−standing, in the case of any Participant who initially becomes employed by the Company as an Executive Officer after the commencement of a Performance Year, the Participant may be granted an Award for that Performance Year prior to the date at which 25% of the period remaining in the year from the date of hiring of such Executive Officer has elapsed.

b)

After the end of each Performance Year, the Committee shall determine the extent to which the Award Pool shall be funded based on achievement of Performance Objectives for such Performance Year. The Committee shall also determine the maximum amount payable to any Participant in respect of an Award for the Performance Year and the amount payable to each Participant in settlement of the Participant s Award for the Performance Year. The Committee, in its discretion, may determine that the amount payable to any Participant in settle−ment of an Award shall be reduced, including a determination that no payment shall be required to be made with regard to the Award, whatsoever, and, in the case of a Participant who is not an Executive Officer, may determine that such amount shall be increased. The Committee shall certify in writing, in a manner conforming to applicable regulations under Section 162(m) of the Code, prior to settlement of each Award granted to an Executive Officer, that the Performance Objectives and other material terms of the Award upon which settlement of the Award was conditioned have been satisfied.

c)

The Committee may adjust or modify Awards or terms of Awards (1) in recognition of unusual or nonrecurring events affecting the Company or any business unit, or the financial statements or results thereof, or in response to changes in applicable laws (including tax, disclo−sure, and other laws), regulations, accounting principles, or other circumstances deemed relevant by the Committee, (2) with respect to any Participant whose position or duties with the Company change during a Performance Year, or (3) with respect to any person who first becomes a Participant after the first day of the Performance Year; *provided, however*, that no adjustment to an Award granted to an Executive Officer shall be authorized or made if and to the extent that such authorization or the making of such adjustment would contravene the requirements applicable to performance-based compensation under Section 162(m) of the Code and regulations thereunder.

6.

Settlement of Awards

a.

Each Participant shall receive payment of a cash lump sum in settlement of his or her Award, in the amount determined in accordance with Section 5 as promptly as practicable following the time such determina–tion in respect thereof has been reached by the Committee. However, in no event shall such payment be made later than the 15th day of the third month following the calendar year in which the Committee determines to make a payment with regard to that Award.

b.

Each Participant shall have the right to defer his or her receipt of part or all of any payment due in settlement of an Award under and in accordance with the terms and conditions of any deferred compensation plan or arrangement of the Company unless otherwise specified by the Committee.

APPENDIX A

7.

Termination of Employment

Except as otherwise provided in any written agreement between the Company and a Participant, if a Participant ceases to be employed by the Company prior to settlement of an Award for any reason other than death or disability (as determined by the Committee), such Award shall be forfeited.

8.

Status of Awards under Section 162(m)

It is the intent of the Company that Awards granted to Executive Officers shall constitute performance-based compensation within the meaning of Section 162(m) of the Code and regulations thereunder, if at the time of settlement the Participant remains an Executive Officer. Accordingly, the Plan shall be interpreted in a manner consistent with Section 162(m) of the Code and regulations thereunder. If any provision of the Plan relating to Executive Officers or any Award letter evidencing an Award to an Executive Officer does not comply or is inconsistent with the provisions of Section 162(m)(4)(C) of the Code or regulations thereunder (including Treasury Regulation 1.162-27(e)) required to be met in order that compensation (other than post-termination compensation) shall constitute perfor–mance-based compensation, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements, and no post-termination settlement shall be authorized or made under Section 7 if and to the extent that such authorization or settlement would contravene such requirements.

9.

Transferability

Awards and any other benefit payable under, or interest in, this Plan are not transferable by a Participant except upon a Participant s death by will or the laws of descent and distribution, and shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any such attempted action shall be void.

10.

Withholding

All payments relating to an Award, whether at settlement or resulting from any further deferral or issuance of an Award under another plan of the Company in settlement of the Award, shall be net of any amounts required to be withheld pursuant to applicable federal, state and local tax withholding requirements.

11.

Tenure

A Participant s right, if any, to continue to serve the Company as an Executive Officer, officer, employee, or otherwise, shall not be enlarged or otherwise affected by his or her designation as a Participant or any other event under the Plan.

12.

No Rights to Settlement or to Participate

Until the Committee has determined to settle an Award under Section 6, a Participant s selection to participate, the grant of an Award, and other events under the Plan shall not be construed as a commitment that a Participant will have any right to a payment with regard to an Award granted under this Plan. Nothing in the Plan shall be deemed to give any eligible employee any right to participate in the Plan except upon determination of the Committee under Section 4. The foregoing notwithstanding, the Committee may authorize legal commitments with respect to Awards under the terms of an employment agreement or other agreement with a Participant, to the extent of the Committee s authority under the Plan,

APPENDIX A

including commitments that limit the Committee s future discretion under the Plan, but in all cases subject to Section 8.

13.

Unfunded Plan

Participants shall have no right, title, or interest whatsoever in or to any specific assets of the Company or investments which the Company may make to aid in meeting its obligations under the plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, bene−ficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

14.

Other Compensatory Plans and Arrangements

Nothing in the Plan shall preclude any Participant from participation in any other compensation or benefit plan of the Company or its subsidiaries. The adoption of the Plan and the grant of Awards hereunder shall not preclude the Company or any subsidiary from paying any other compensation apart from the Plan, including compensation for services or in respect of performance in a Performance Year for which an Award has been made.

15.

Duration, Amendment and Termination of Plan

No Award may be granted in respect of any Performance Year after 2017. The Board may amend the Plan from time to time or suspend or terminate the Plan at any time, *provided* that any such action shall be subject to stockholder approval if and to the extent required by law or regulation, or to ensure that compensation under the Plan will qualify as performance-based compensation under Section 162(m) and the regulations thereunder.

16.

Governing Law

The Plan, Awards granted hereunder, and actions taken in connection herewith shall be governed and construed in accordance with the laws of the Commonwealth of Kentucky (excluding principles of conflict of laws).

17.

Effective Date

The Plan shall be effective as of January 1, 2008; *provided, however*, that the Plan shall be subject to approval of the stockholders of the Company at an annual meeting or any special meeting of stockholders of the Company before settlement of Awards for the 2008 Performance Year so that compensation will qualify as performance-based compensation under Section 162(m) of the Code and regulations thereunder. In addition, the Board may determine to submit the Plan to stockholders for reapproval at such times, if any, required in order that compensation under the Plan shall qualify as performance-based compensation.

GENERAL CABLE CORPORATION

4 TESSENEER DRIVE

HIGHLAND HEIGHTS, KY 41076

VOTE BY INTERNET www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Daylight Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS

If you would like to reduce the costs incurred by General Cable Corporation in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

VOTE BY PHONE 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Daylight Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to General Cable Corporation, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

GNRC1

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

GENERAL CABLE CORPORATION

Vote On Directors	**For All**	**Withhold All**	**For All Except**	To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.
1. Election of two Directors.	**q**	**q**	**q**	

Nominees:

01) Gregory B. Kenny

02) Robert L. Smialek

Vote On Proposals

		FOR	**AGAINST**	**ABSTAIN**
2.	Ratification of the appointment of Deloitte & Touche LLP, an independent registered public accounting firm, to audit General Cable s 2008 consolidated financial statements and internal control over financial reporting.	q	q	q
3.	Approval of the General Cable Corporation 2008 Annual Incentive Plan.	q	q	q
4.	Such other business as may properly come before the meeting.			

Only stockholders of record at the close of business on March 17, 2008, are entitled to notice of and to vote at the meeting.

For address changes and/or comments, please check this box and write them on the back where indicated

q

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

GENERAL CABLE CORPORATION

4 Tesseneer Drive

Highland Heights, Kentucky 41076

Telephone (859) 572-8000

NOTICE OF THE 2008 ANNUAL MEETING OF STOCKHOLDERS

The 2008 Annual Meeting of Stockholders of General Cable Corporation (General Cable) will be held on Thursday, May 15, 2008, at 9:00 a.m., local Costa Rica time, at the offices of Conducen, S.A. which is part of General Cable s Phelps Dodge International Corporation business. Conducen, S.A. is located at Autopista General Cañas Km 11, San Jose, Costa Rica. Proceedings of the meeting will be simultaneously transmitted to the World Headquarters of General Cable beginning at 11:00 a.m., Eastern Daylight Time at 4 Tesseneer Drive, Highland Heights, Kentucky 41076, to consider and act upon the proposals listed on the reverse side.

Important Notice Regarding Internet Availability of Proxy Materials for the Annual Meeting:

The Meeting Notice and Proxy Statement and the Annual Report are available at www.proxyvote.com.

GENERAL CABLE CORPORATION

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

ANNUAL MEETING OF STOCKHOLDERS

May 15, 2008

The stockholder(s) hereby appoint(s) Robert J. Siverd and Jarrod B. Pontius, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this card, all of the shares of Common Stock of General Cable Corporation that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 9:00 a.m., local Costa Rica time, (11:00 a.m., Eastern Daylight Time) on May 15, 2008, in San Jose, Costa Rica, and any adjournment or postponement thereof.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE STOCKHOLDER(S). IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION TO THE BOARD OF DIRECTORS OF THE NOMINEES LISTED ON THE REVERSE SIDE AND FOR EACH REMAINING PROPOSAL.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE

Address Changes/Comments:

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

CONTINUED AND TO BE SIGNED ON REVERSE SIDE