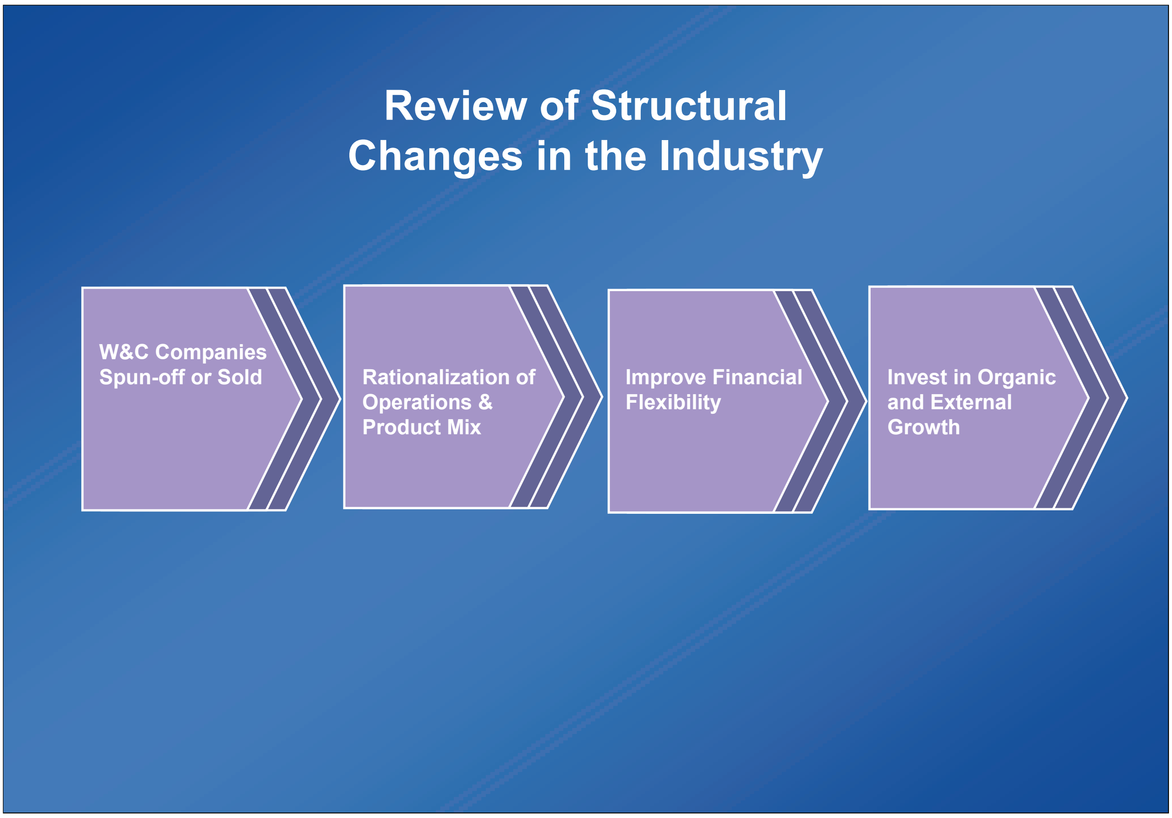
Mr. David Garza, Session Chairman:
Mr. Christopher Striedter is our third speaker this afternoon. He is a familiar face to this audience. His educational background includes a business degree from the University of Michigan in 1988 and an MBA degree from the Wharton School of Business in 1993 in Philadelphia. He is the Executive Director of the UBS Investment Bank in New York and heads the firms electronics group. Out of this group he covers a number of sectors and spends a lot of time with wire & cable companies. His role includes raising financial assets and in executing strategic transactions. He has been with UBS since 2001 and has spent the last fifteen years on Wall Street and a total of sixteen years in the finance world. Please welcome Mr. Chris Striedter.

Mr. Chris Striedter:
Thank you David. As some of you who miraculously managed to stay awake during my presentation last year might remember, at the end of the presentation I had exactly zero questions. I think, you can thank me later on that we have a new and hopefully improved format this afternoon, with much shorter presentations and hopefully a bit of interaction after this presentation.

I will focus on some key things which have happened in the industry from my perspective. One of them is what structural changes have taken place in the industry over the last 20 odd years, the financial impact of those particular structural changes and what are the expected future trends and their implications for the future.

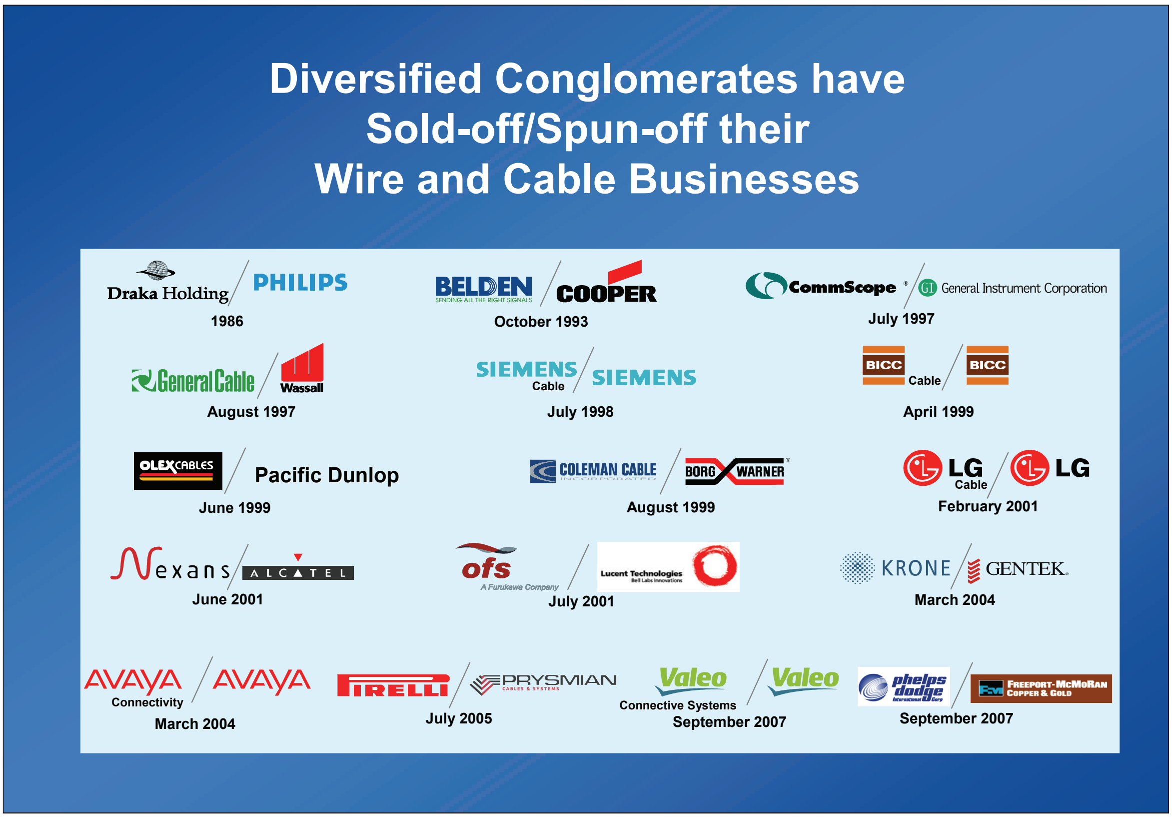


I have tried to simplify this overview of structural changes which have taken place over the last 20 plus years by identifying four different phases. I would characterize the first phase as being the phase where various diversified companies and conglomerates decided to either sell off or spin off their wire & cable operations. They did this primarily because there was pressure on these diversified companies to define their core area themselves. So they decided on what they felt would be their best area to create profits. In addition they rightly or wrongly viewed the wire & cable business as being very commoditized. At the same time the wire & cable companies they owned typically were generating very poor profitability. So it was an easy decision for these companies to say, we are going to sell our wire & cable operations and focus on other areas.

The second phase is that these newly independent companies started to focus on rationalizing and optimizing their operations, both in terms of their production footprint as well as focusing on their overall product mix.

The next phase, which was really concurrent with the rationalization and optimization phase, was the one in which companies focused on improving their financial flexibility and strengthened their balance sheet. That was done primarily by improving financial results as well as using the public markets to raise much needed capital.

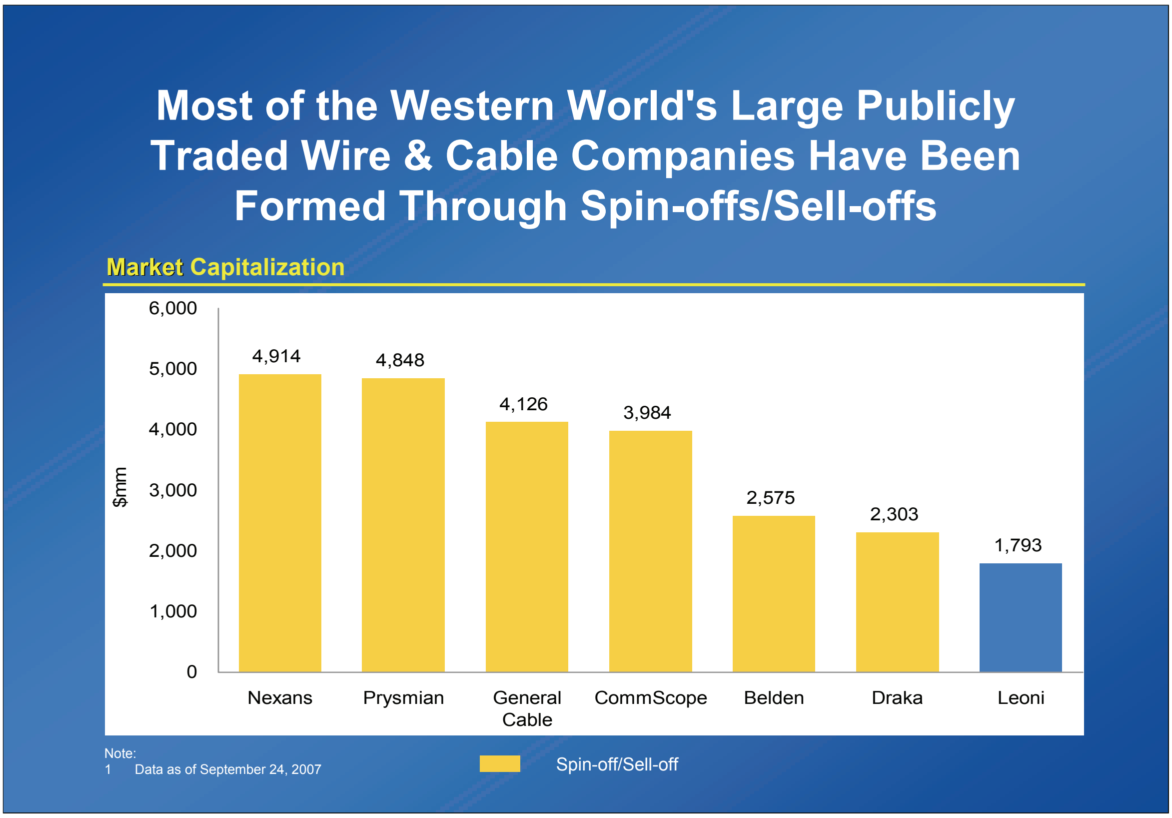
We are now starting to get into the fourth phase which is the expansion phase which is organic expansion as well as external expansion. I will go through each of these phases in detail during the rest of my presentation and give a bit more color on them.



Sorry about all these logos, but my presentation needed a bit of color, so I thought what I could do on this page is give you a little bit of the history of some of the companies which used to be in the wire & cable business and for various reasons either spun off or sold off their business. Starting on the top left hand side, going back about 20 years or so, the first major transaction which was Philips getting out of the business by spinning off the Draka business. Most recently, I am sure you know Freeport McMoRan sold the old Phelps Dodge wire & cable business. So, you can see a lot of significant transactions over the last 20 years or so.

That being said, there are still a few diversified companies that do have wire & cable activities. I am certainly not suggesting that these are businesses that will be spun off at some point soon by these business entities, but there certainly is always the possibility of that.

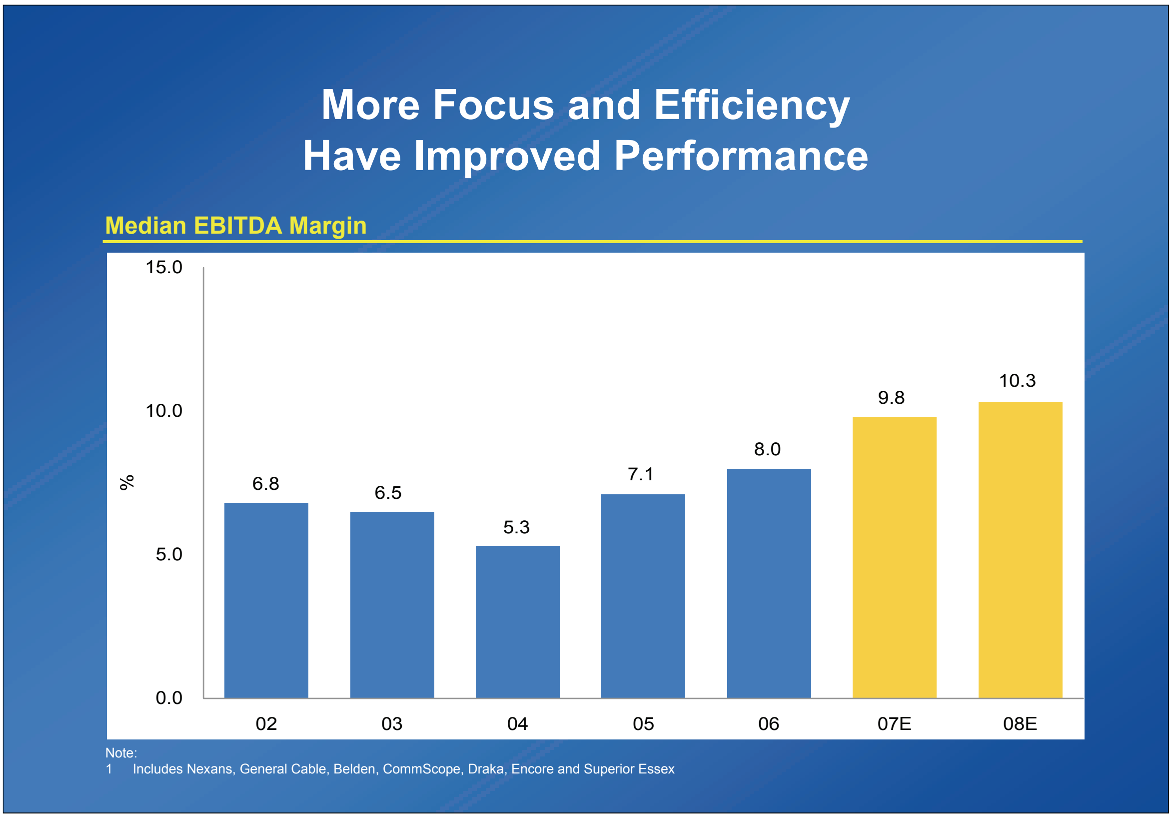
I would generally characterize this first stage of the structural evolution as being roughly 80% complete in the sense that those diversified companies who have wanted to get out of the wire & cable industry have done that by now.



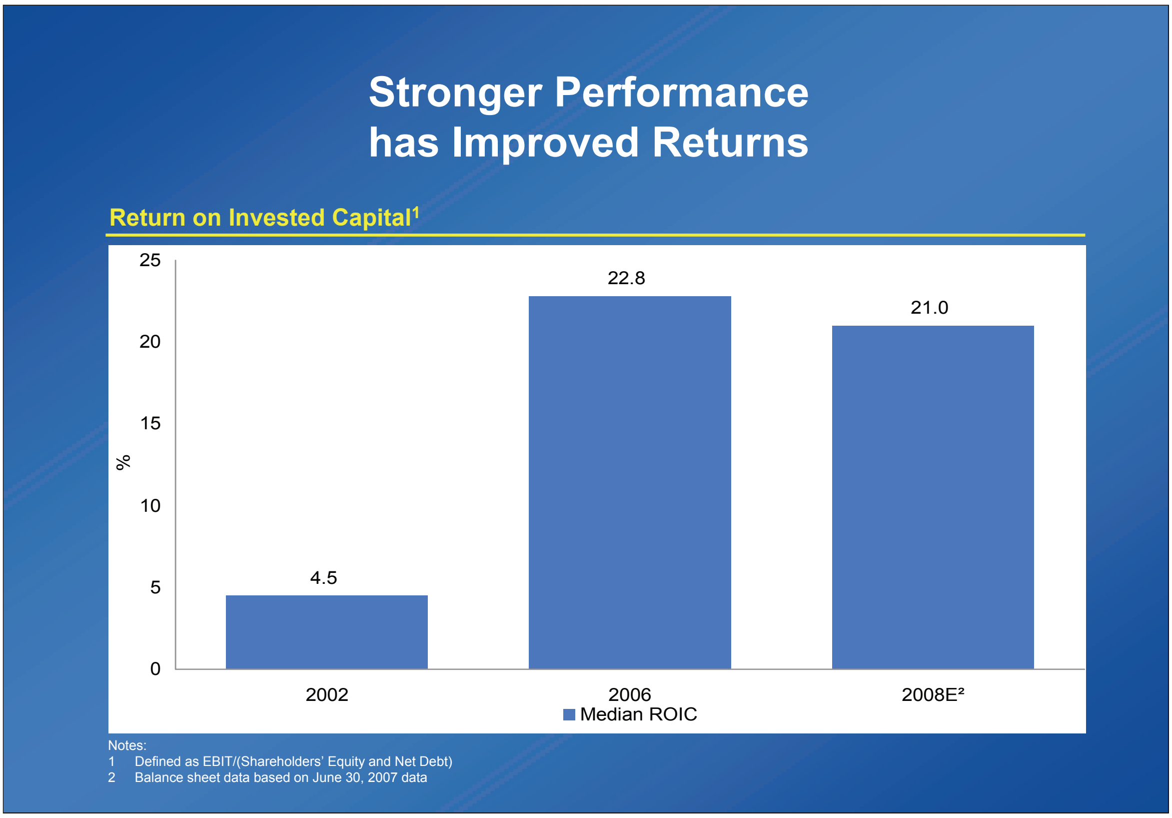
What is interesting, if you look at the top seven wire & cable companies in the western world, i.e. in Europe and the US, six of them, the ones in the yellow bars, were created either as spun off or sold off entities. It is very rare in wire & cable industry to actually see a company which is created from the ground up. It is not like the technology area or some other industries, where you can develop a concept and grow a company very quickly.

The second phase in the development of the industry, as I mentioned, is the focus or optimization stage. This is the time in the evolution when a lot of these newly independent companies started to focus on their profitability, because all of a sudden they found themselves reporting to new shareholders who had their own set of demands or were no longer able to rely on their parent companies to provide them with financing or bail them out of difficult situations. Of course, as many of you have been through, it has been a difficult stage and a long phase, in which companies have focused on shutting down facilities, optimizing their manufacturing footprint, reducing their work force through often painful layoffs and exiting certain non-core businesses. Some of them are named here, but I won't go through that. They really were trying to figure out what areas of the wire & cable world they wanted to focus on and where they saw the best opportunities.

Most of this drive on efficiency and optimization has really taken place in the US and in Europe and I would characterize Asia and particular Japan as lagging this trend, primarily because of cultural and structural limitations. In those parts of the world a lot of the time you saw companies go more on the joint venture route, where they would take businesses that they were not necessarily all that focused on and put them into joint ventures in order to focus on the rest of their business. I think the jury is still out on whether that will be a successful strategy. A lot of times joint ventures are more difficult to manage than certainly businesses which are 100% under control. I would say in general within the western world, this optimization process and phase is probably 75% complete, although it is clear to everyone in this room that this is an ongoing initiative as well. So when I say it is 75% complete I refer to the heavy lifting and now it is more the maintenance type process that companies are going through.



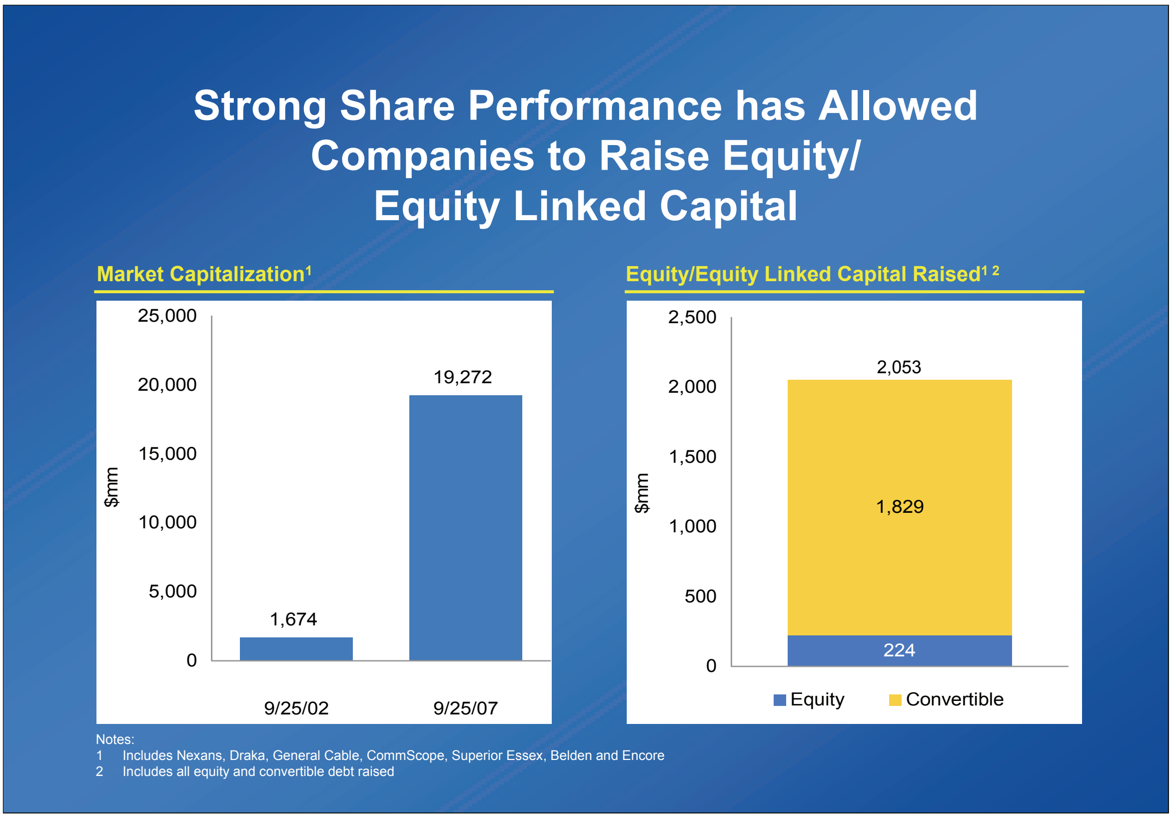
The result of this process has been very positive. You can see on this page the EBITDA margins from 2002 to 2008 expected. You can see that EBITDA margins have improved quite significantly, up 3% from 2002 to 2007 expected levels and up almost 5% from the trough in 2004. Many of you might say, that this is clearly helped by what is going on in the market in terms of demand and the strong economic growth, which is certainly true. At the same time I would point out that particularly in the last couple of years, copper has gone up tremendously and that all things being equal, would certainly depress margins. If you looked at these numbers on a constant metal basis, which unfortunately not all these companies report, you would see a significantly higher and more significant margin improvement than you see here. Overall, in my experience working with many of you in this room, I find that companies have become much more focused and much more efficient and certainly realize that even in these good times, this continues to be a really high priority.



Not surprisingly, as the financial performance has improved in the industry so have the returns. Here we show you return on invested capital for a couple of different points. Return on invested capital, as I have defined it here, is operating income divided by a company's book shareholder equity plus net debt. You can see back in 2002 that the median for the industry was only about 5% return on invested capital. Out of the seven companies in our sample, there was one single company that was above 10 % at that time and that was only slightly above 10%.

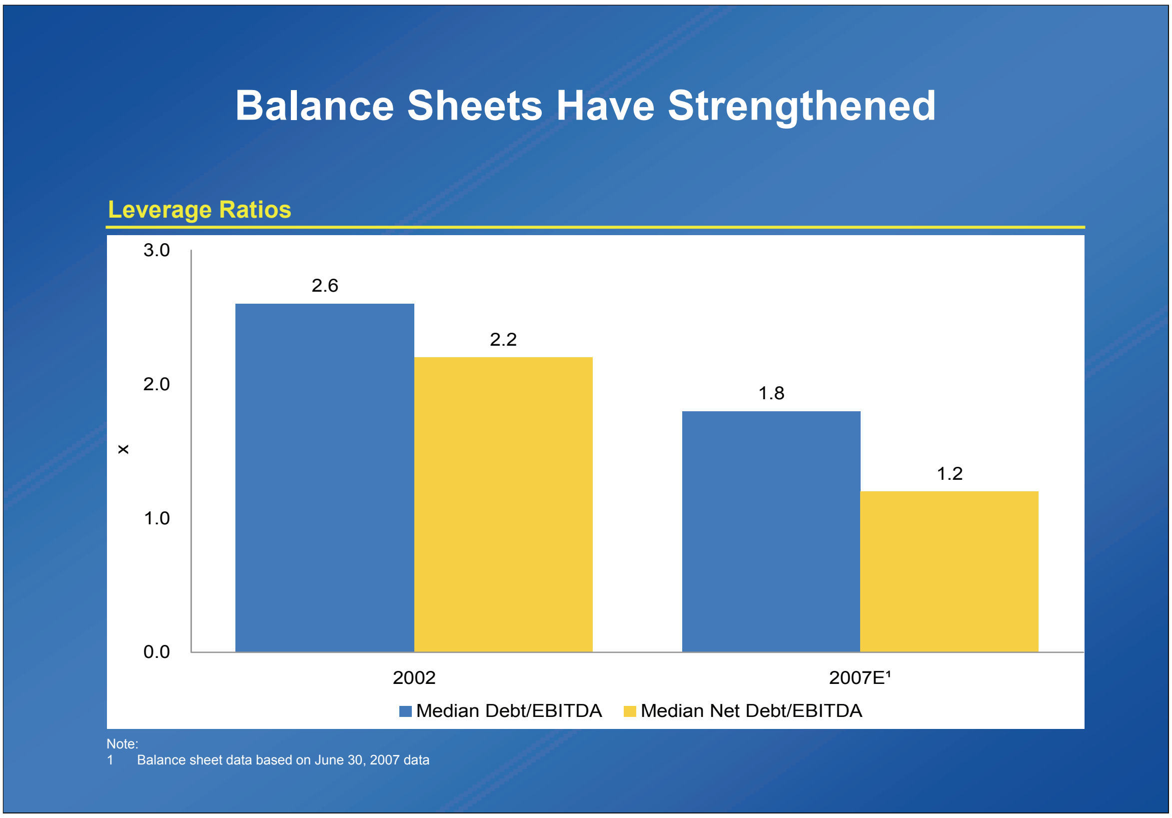
Turn the clock forward to 2006 and all of a sudden six out of seven of the companies were generating a return on invested capital above 10% and four of them were generating returns above 20%. As you can see, the median for the industry was about 23%. So these are very impressive figures, even when you take into account that with copper having run up so much, a lot of these companies have had to invest significantly more in both inventory and other working capital.

So you have had improved financial performance, improved returns, what does this all lead to? This is similar to the slide Patrick put up. It leads to very strong share price returns. The chart I am showing you here is for roughly the last 5 1/2 years and is an equal-weighted index so the seven companies you see on it are treated all equally. It is not market cap based. Suffice it to say that even with the recent decline you saw in the sector over the last few months, it has been a very impressive performance with the wire & cable sector up about 425%, vs. the European index up about 100% and the S&P index up about 32%.

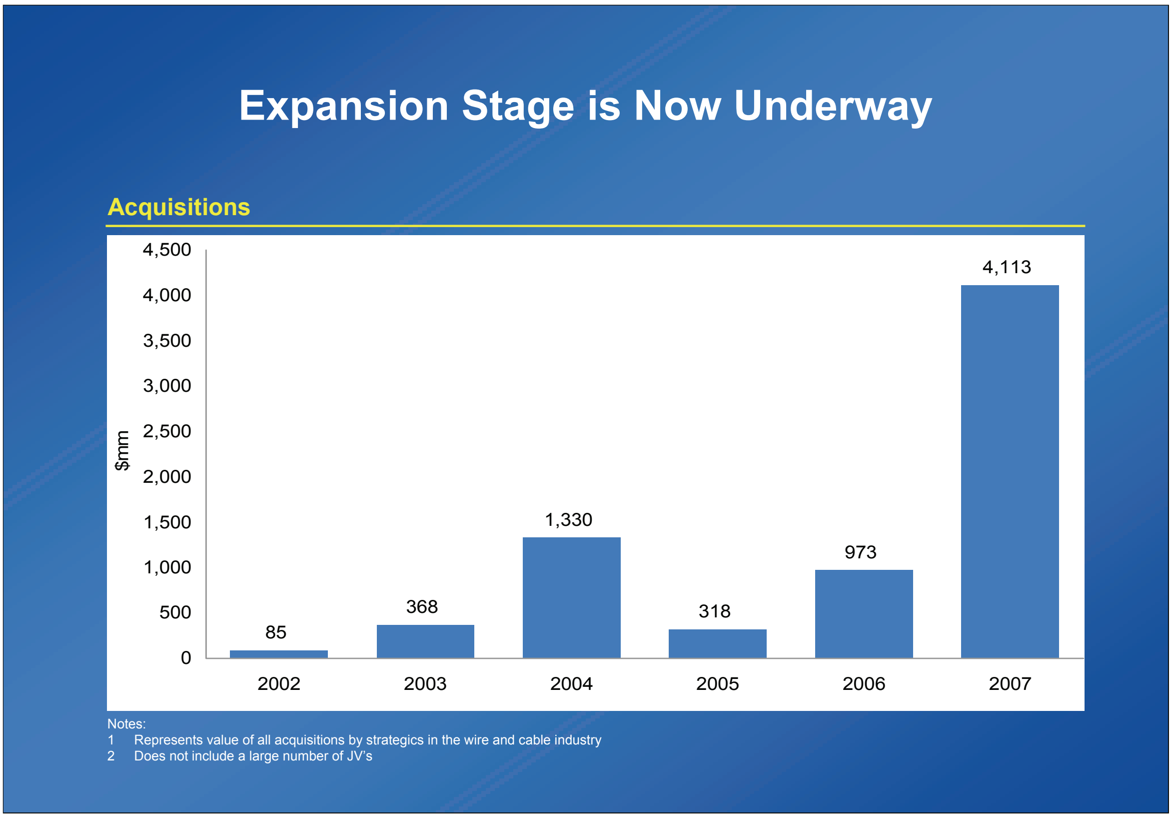


What is even more impressive is, if you look at the graph on the left hand side which shows you the market capitalization of those seven companies both five years ago and today. That number has gone from a little less than $2 billion in 2002 to now close to $20 billion in terms of market capitalization. So that has gone up by a factor of more than 10 times. You might ask, why is that a higher percentage than on the previous slide? That is because the companies have issued a lot of shares in terms of acquisition currency, stock options and also from the conversion of various convertible instruments.

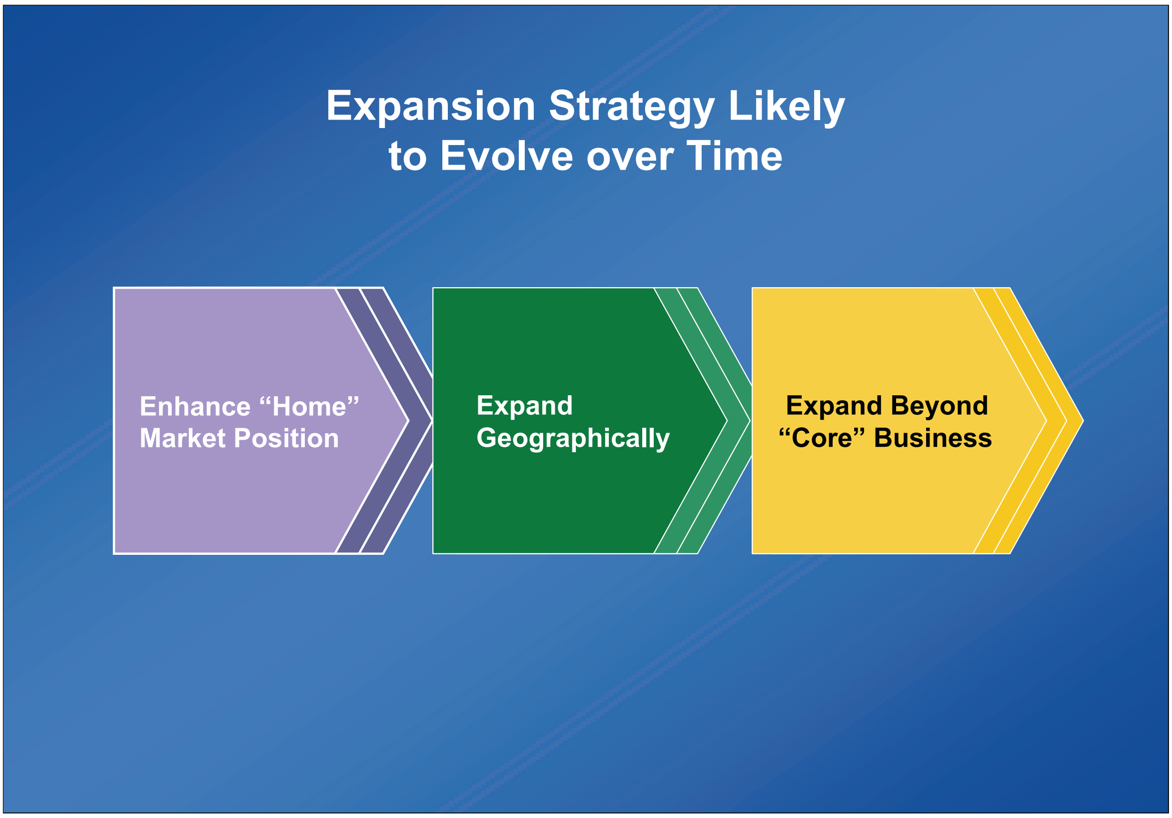
On the right hand side, what we show you there, is the amount of capital both equity, i.e. common stock, or converts, that have been raised by the various companies over the last five years. That by the way only includes what I call primary issuance, so that does not include financial sponsors selling equity to the markets with none of the proceeds going to the company. As you can see from the chart, over the last five years there has been over $2 billion of equity raised by the various wire & cable companies. That number is actually greater than what the total market capitalization of the seven companies which I showed you was for 2002. So that is a pretty remarkable achievement, when you think about where this industry was five years ago.



What the companies have done with that capital as well as the improved financial performance and the improved cash flow is, they have improved very significantly their financial flexibility and have improved their balance sheets. As you can see from this graph, as we show you for 2002 and 2007, one measure of financial flexibility which we call the ratio of net debt to EBITDA. You can see that on a net debt to EBITDA basis these companies were at a median number of 2.2 back in 2002 and today that number is about 1.2 times even with some of the recent M&A activities. A number of companies back in 2002, as you might remember, were close to bankruptcy or in bankruptcy. I would say that today all the companies I look at are relatively healthy and in pretty good shape. The process of improving the financial health of the wire & cable companies is pretty much complete, so now companies can focus on the next stage of the evolution of the industry which is the expansion stage.



As you can see on this slide, that phase of structural evolution in the industry is really starting to take off here in 2007. Clearly a lot of you in today's environment are spending a lot of money on capital expenditures, improving your plant and equipment. What is interesting about this chart is, this is just the total acquisition activity by wire & cable companies. It does not account for financial buyers making investments to buy wire & cable companies, because in my mind that is not consolidation. If you look at these numbers, there has been $4 billion spent year to date in 2007, we are not even done with the year yet. That amount corresponds to the total of all the acquisitions in the industry in the previous five years combined. Clearly, companies are out there making acquisitions. I can tell you from my discussions, they are certainly continuing to look for other opportunities as well.

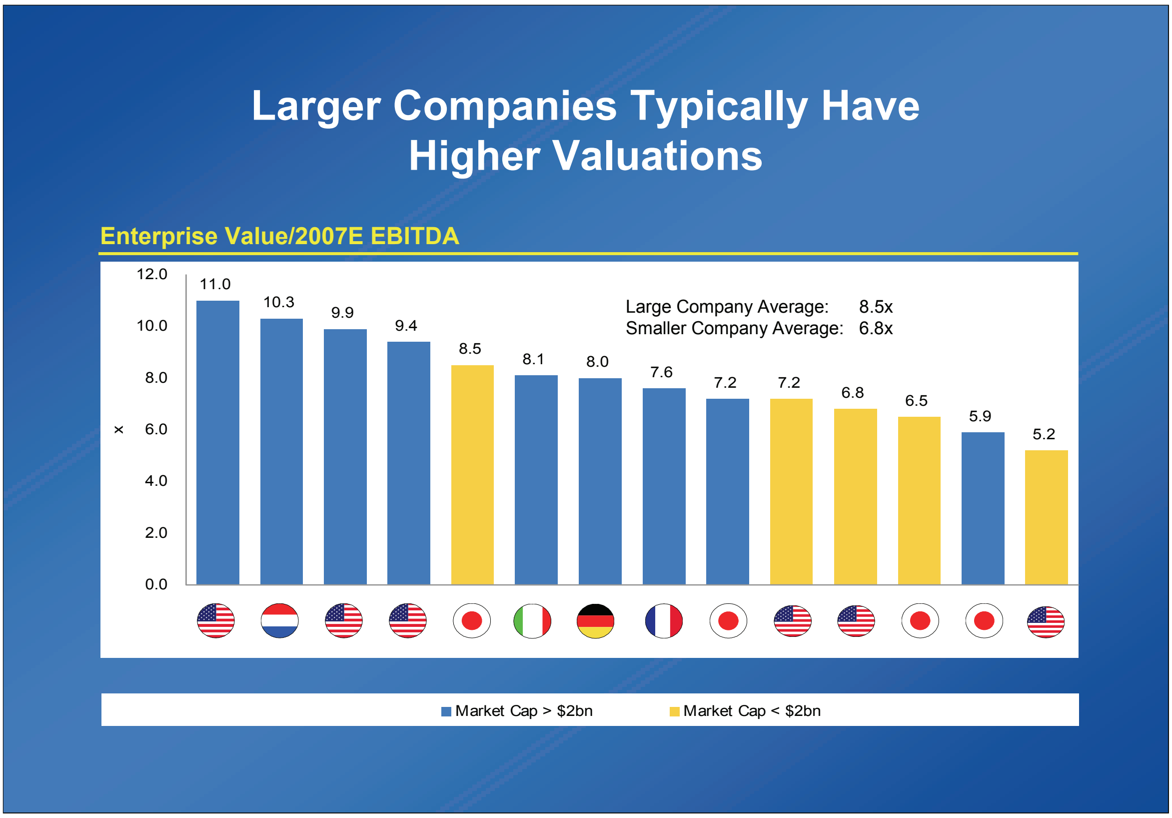


If you think about how this expansion stage might play out over time, which is similar to what Piero talked about a little bit. I think it could very well follow three distinct phases. Obviously different companies may be at different phases in the evolution. The first and easiest stage whenever making acquisitions will clearly be to focus on a company’s home market. Where you are already familiar with the market, it is easier to absorb acquisitions, you know the economies etc. What I am seeing now is, that it is becoming much more challenging for companies to find good opportunities in their home market. Because most of those have been bought up by themselves or other competitors. So now companies are looking for opportunities to expand geographically within their core businesses, i.e. if it is utility cable or telecom cable, they are looking to take that much more global. They are doing that, because they feel they can take some of the expertise they have learned in their home market and apply it to businesses in foreign economies. They also feel that by having a little bit more of economic diversity, that will help them. I will show you some interesting figures on that in a little bit. I think that the next phase which some companies are already into and others will get into later is the idea of expanding into new products. That could be either within wire & cable, so for instance someone who has only focused on telecom will decide, I want to get into energy cables as well. Or it could be someone saying, I am very good in cables, but now I want to get into connectivity or services or other things. I personally am not suggesting that this is necessarily the right strategy for everyone, but as you will see on the next slides, investors in the public companies are certainly very receptive and enthusiastic about companies that are pursuing acquisition strategies.

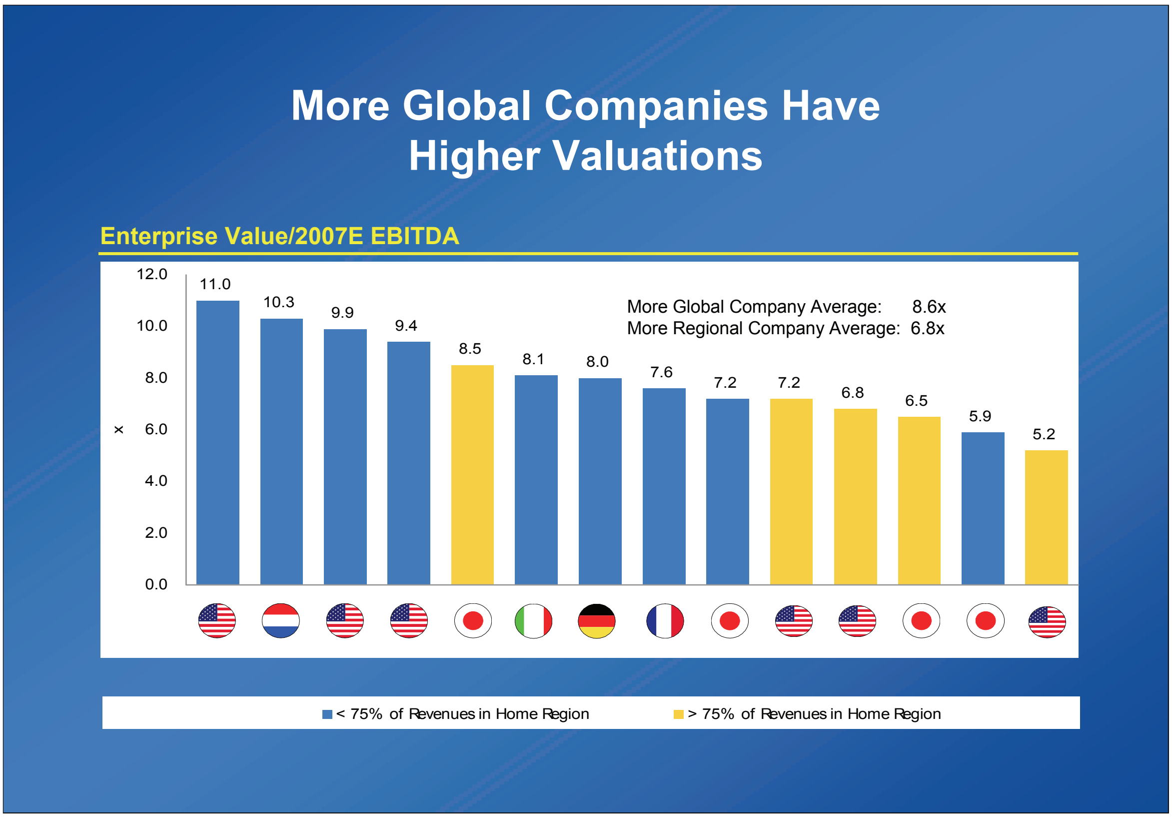
Acquisitions are Well Received

				Stock Announcement Increase/(Decrease) (%)					
				Day of Announcement			30 Days after Announcement		
Date of Announcement	Acquiror	Target	Transaction Size ($mm)	Acquiror	Local Index	% Difference	Acquiror	Local Index	% Difference
9/12/2007	General Cable	PDIC	735	7.2	0.0	7.2	28.1	3.1	24.9
9/5/2007	Leoni	Valeo Connective Systems	na	4.2	1.0	3.2	9.8	1.8	8.0
6/27/2007	CommScope	Andrew	2,610	1.3	0.9	0.4	2.8	(2.3)	5.1
3/11/2007	Coleman	Copperfield	213	0.2	0.3	(0.1)	40.2	2.6	37.7
2/07/2007	Belden	LTK	195	1.2	0.1	1.0	5.8	(3.9)	9.7
1/30/2007	Belden	Hirschmann	318	0.1	0.6	(0.4)	8.0	(2.4)	10.4
11/08/2006	Nexans	Olex	397	0.3	0.1	0.3	9.3	(0.8)	10.2
Average				**2.1**		**1.7**	**14.9**		**15.1**

Sorry about all the numbers on this page. What I wanted to show you is, how investors have been reacting to recent acquisition announcements. What you see on this list is, the last seven major transactions which have taken place in the last year. These are transactions which range from about $200 million to over $2 billion, obviously all announced within the last 12 months. What we did, was to look at the performance of the stock price of the acquiring companies vs. a local stock index in order to see how the companies would perform vs. their local benchmark. What is interesting is that we found that the acquiring company outperformed its local index by almost 2% on the day that they made the announcement of the acquisition. That is pretty significant. What is interesting is that if we expand that time frame a little bit and look at the 30 days from announcement to 30 days post announcement, you actually will find that the out-performance is up to a pretty staggering 15%. Every single transaction on this list has had a positive reaction. I think the worst one was about 5%. That is pretty significant when you think about how we calculated this data. One word of caution I would clearly say, this does not necessarily mean that all of these transactions will ultimately work out. This depends on management teams and how they integrate these businesses, but it certainly does mean that investors really like the fact that companies are finally consolidating and increasing in size.



That is an interesting transition to this next slide, which is a snap shot of how some of the investors out there look at companies and how they value size in wire & cable companies. What we have done here is to show you some of the top wire & cable companies across the globe and decided that any company which has a market capitalization of over $2 billion would be classified as a large company, any company that has a market capitalization of less than $2 billion would be deemed a smaller one. Out of the nine large companies on the screen which are shown in the blue bars you'll note that the average enterprise value/EBITDA trading levels were about 8.5 times whereas they were only about 6.8 for the smaller ones. So almost a two multiple point difference from large to small which I think is very significant when you are talking about companies in the same industry.



What is also interesting, we try to look at this in the same way when you divide the companies into more global companies vs. less global companies. The way I defined that was to say, any company that does more than 25% of its sales outside of its home region we would define as a more global company and vice versa. You can see that again the numbers are virtually the same as on the last page. Again the larger more global companies traded at almost 2 multiple premium to any of the smaller more regionally focused companies.

Issues About Making Acquisitions

> My business is better than yours

> I can build it cheaper than I can buy it

> I don't want to go out of my home market

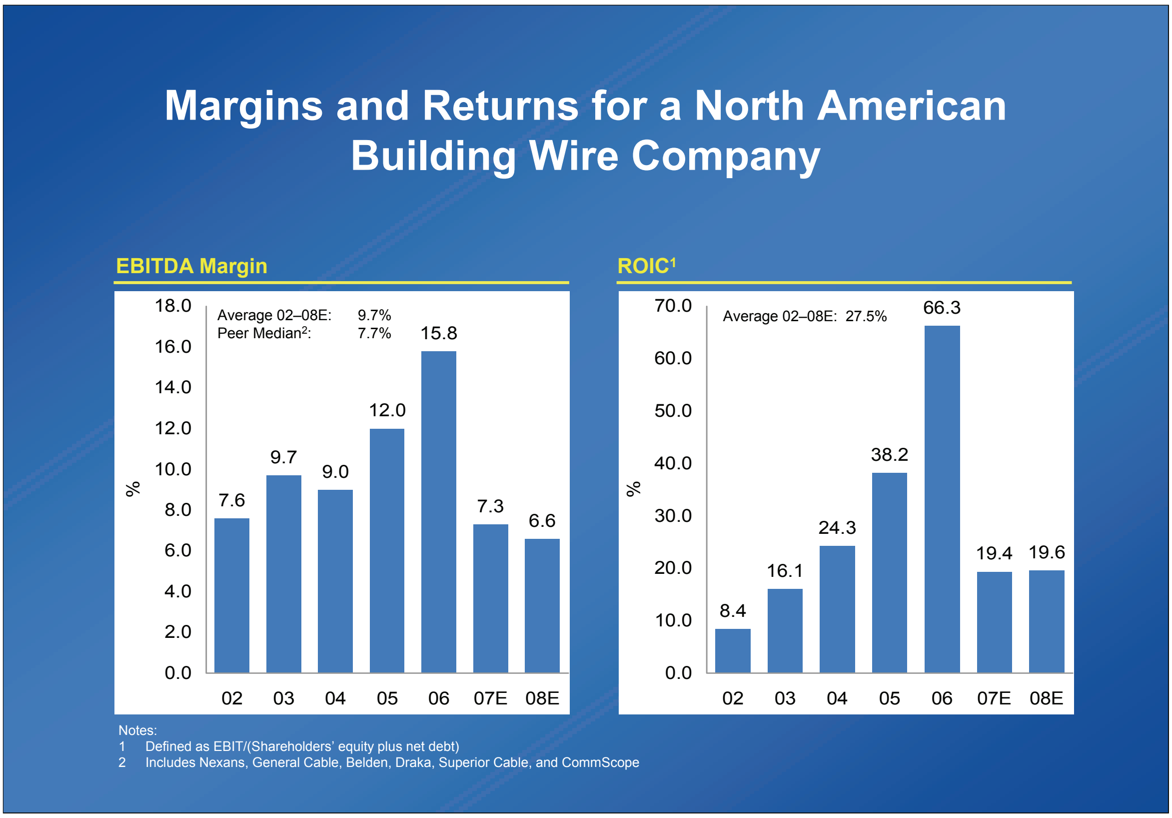
> A declining end market is automatically bad

> Consolidation does not create benefits

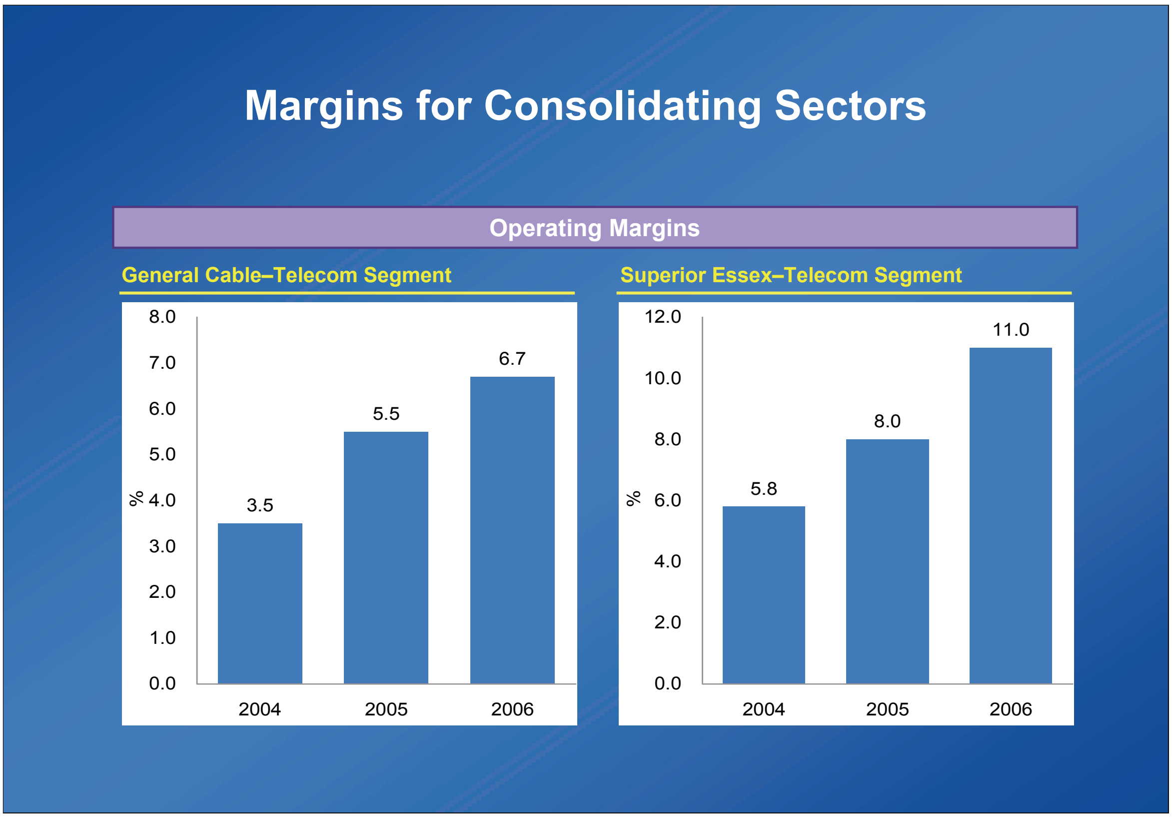
> More commoditized sectors can't provide returns

So you might ask yourselves, if acquisitions are being so well received in the market, why isn’t everyone out there making them? What I have tried to give you here are some of the issues that I hear from my clients all the time when it comes to acquisitions and why a particular target might not make that much sense to them. I am not going to go through each one of these, but a couple of these just to highlight. One of these is the idea, why should I buy that company, when I could build that company for a little bit cheaper. Now that may be true, but when you think about the logic of that, you are not taking that capacity out of the market. So when companies do that analysis a lot of times, they won’t take into account what they might be able to do in terms of pricing to Piero’s point earlier.

The other point that I would make, a lot of times companies focus on the higher value markets which is great, but there are benefits to consolidating some of the lower value markets, at certain times even markets that have very low growth. And I will show you some interesting examples of that on the next couple of slides.



Most of you could probably guess who this company might be. It is a North American building wire focused company. I thought I would show this, because most of you in this room always view building wire as being a very commoditized industry. I will not debate whether that is right or wrong, but this company as well as its other main competitor over the last three to four years have really consolidated the North American building wire market. As you can see that even though the returns are a little bit all over the map, the returns have been quite good. The return margins on the left hand side of this page, the EBITDA margin for this company over time has been almost 10% which is 2% better than the rest of the industry. If you look at returns on capital for this company, again there is a lot of volatility in the numbers but on average they have done almost 28% versus the rest of the US companies probably closer to the high teens in that same period. So again proving that even in the less attractive sectors, there are opportunities.



Another interesting example, one I mentioned last year, is that people always look at a declining market and say, what are the opportunities there; why should I buy my competitor when it is a dying market, if you will? Certainly most of you who are in the telecom business know that copper OSP cables are a very difficult business, declining demand, certainly in the US it was a very difficult market up until a few years ago, when there were four competitors in that business. Through various consolidation we are now down to two competitors and even though demand for the product hasn't changed, it continues to decline, you can see that the two main companies that compete in that business have actually had improving performance because both these competitors realize, we need to stay tight on price and continue to maximize our profits and cash flow from these businesses. So good returns have been made on the acquisitions in that space.

The last point I would make just in terms of conclusion. What does this all mean? Clearly, I think for all of us it is always focusing on continuing to optimize production and continuing to focus on efficiency. I know most of the western companies do that as a fact of life. I would be hopeful that in the next five to ten years we can see more of that activity taking place in Asia, particularly when it comes to selling off businesses where people no longer want to remain involved. I think we are going to continue to see lots of acquisition opportunities and I think with the financial flexibility we see in the companies, we would expect that to continue even once the industry starts to turn down a little bit. I will tell you that from my personal opinion, I think shareholders will continue to reward M&A activity, because consolidation is something they have been clamouring for, for quite some time.

Thank you very much.