COMMSCOPE INC
Form 10-Q
August 11, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______

Commission file number 001-12929

COMMSCOPE, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	36-4135495
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1100 COMMSCOPE PLACE, SE
P.O. BOX 339
HICKORY, NORTH CAROLINA
(Address of principal executive offices)
28602
(Zip Code)

(828) 324-2200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No

As of July 31, 2003 there were 59,219,567 shares of Common Stock outstanding.

COMMSCOPE, INC.
FORM 10-Q
JUNE 30, 2003
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COMMSCOPE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED -- IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net sales	$ 141,422	$ 155,014	$ 270,790	$ 314,
Operating costs and expenses:				
Cost of sales	112,623	123,291	217,874	247,
Selling, general and administrative	21,811	41,060	41,881	62,

Research and development	1,455	1,783	3,044	3,
Impairment charges for fixed assets	31,728	-	31,728	
Total operating costs and expenses	167,617	166,134	294,527	313,
Operating income (loss)	(26,195)	(11,120)	(23,737)	1,
Other income (expense), net	(4)	746	205	
Interest expense	(2,183)	(2,259)	(4,341)	(4,
Interest income	715	566	1,332	1,
Loss before income taxes and equity in losses of OFS BrightWave, LLC	(27,667)	(12,067)	(26,541)	(1,
Provision for income tax benefit	10,237	4,465	9,820	
Loss before equity in losses of OFS BrightWave, LLC	(17,430)	(7,602)	(16,721)	(1,
Equity in losses of OFS BrightWave, LLC	(33,945)	(34,889)	(37,727)	(42,
Net loss	$ (51,375)	$ (42,491)	$ (54,448)	$ (44,
Net loss per share:				
Basic	$ (0.87)	$ (0.69)	$ (0.92)	$ (0
Assuming dilution	$ (0.87)	$ (0.69)	$ (0.92)	$ (0
Weighted average shares outstanding:				
Basic	59,220	61,758	59,220	61,
Assuming dilution	59,220	61,758	59,220	61,

See notes to condensed consolidated financial statements.

COMMSCOPE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	(Unaudited) June 30, 2003	December 31, 2002
ASSETS		
Cash and cash equivalents	$ 140,281	$ 120,102
Accounts receivable, less allowance for doubtful accounts of $14,605 and $11,811, respectively	71,471	64,787
Inventories	37,437	36,254
Prepaid expenses and other current assets	25,979	20,737
Deferred income taxes	15,464	16,579
Total current assets	290,632	258,459
Property, plant and equipment, net	189,690	229,515

Goodwill, net of accumulated amortization of $59,561 and $59,520, respectively	151,349	151,334
Other intangibles, net of accumulated amortization of $41,182 and $39,930, respectively	7,583	8,835
Deferred income taxes	33,282	3,572
Investment in and advances to OFS BrightWave, LLC	51,574	111,528
Other assets	8,860	9,425
Total Assets	$ 732,970	$ 772,668

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	$ 18,122	$ 18,483
Other accrued liabilities	29,088	26,005
Total current liabilities	47,210	44,488
Long-term debt	183,300	183,300
Other noncurrent liabilities	32,506	27,345
Total Liabilities	263,016	255,133
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $.01 par value; Authorized shares: 20,000,000; Issued and outstanding shares: None at June 30, 2003 and December 31, 2002	--	--
Common stock, $.01 par value; Authorized shares: 300,000,000; Issued shares, including treasury stock: 61,762,667 at June 30, 2003 and December 31, 2002; Issued and outstanding shares: 59,219,567 at June 30, 2003 and December 31, 2002	618	618
Additional paid-in capital	383,541	383,541
Retained earnings	107,067	161,515
Accumulated other comprehensive loss	(8,048)	(14,915)
Treasury stock, at cost: 2,543,100 shares at June 30, 2003 and December 31, 2002	(13,224)	(13,224)
Total Stockholders' Equity	469,954	517,535
Total Liabilities and Stockholders' Equity	$ 732,970	$ 772,668

See notes to condensed consolidated financial statements.

COMMSCOPE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED -- IN THOUSANDS)

Six Months Ended

	June 30, 2003	June 30, 2002
OPERATING ACTIVITIES:		
Net loss	$ (54,448)	$ (44,139)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	17,433	18,279
Equity in losses of OFS BrightWave, LLC, pretax	59,970	68,146
Impairment charges for fixed assets	31,728	--
Deferred income taxes	(27,463)	(20,688)
Tax benefit from stock option exercises	--	128
Changes in assets and liabilities:		
Accounts receivable	(5,750)	17,061
Inventories	(338)	(2,105)
Prepaid expenses and other current assets	(4,584)	(1,880)
Accounts payable and other accrued liabilities	2,965	7,719
Other noncurrent liabilities	2,609	2,659
Other	478	112
Net cash provided by operating activities	22,600	45,292
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(2,512)	(5,439)
Proceeds from repayment of advance to OFS BrightWave, LLC	--	12,646
Proceeds from disposal of fixed assets	75	164
Net cash (used in) provided by investing activities	(2,437)	7,371
FINANCING ACTIVITIES:		
Principal payments on long-term debt	--	(1,371)
Long-term financing costs	(1,195)	(336)
Proceeds from exercise of stock options	--	1,029
Net cash used in financing activities	(1,195)	(678)
Effect of exchange rate changes on cash	1,211	1,058
Change in cash and cash equivalents	20,179	53,043
Cash and cash equivalents, beginning of period	120,102	61,929
Cash and cash equivalents, end of period	$ 140,281	$ 114,972

See notes to condensed consolidated financial statements.

COMMSCOPE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
AND COMPREHENSIVE LOSS

(UNAUDITED -- IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
Number of common shares outstanding:		
Balance at beginning of period	59,219,567	61,688,256
Issuance of shares to nonemployee director	-	1,000
Issuance of shares for stock option exercises	-	73,411
Balance at end of period	59,219,567	61,762,667
Common stock:		
Balance at beginning of period	$ 618	$ 617
Issuance of shares for stock option exercises	-	1
Balance at end of period	$ 618	$ 618
Additional paid-in capital:		
Balance at beginning of period	$ 383,541	$ 381,823
Issuance of shares to nonemployee director	-	16
Issuance of shares for stock option exercises	-	1,028
Tax benefit from stock option exercises	-	128
Balance at end of period	$ 383,541	$ 382,995
Retained earnings:		
Balance at beginning of period	$ 161,515	$ 228,667
Net loss	(54,448)	(44,139
Balance at end of period	$ 107,067	$ 184,528
Accumulated other comprehensive loss:		
Balance at beginning of period	$ (14,915)	$ (4,593
Other comprehensive income (loss)	6,867	(4,734
Balance at end of period	$ (8,048)	$ (9,327
Treasury stock, at cost:		
Balance at beginning of period	$ (13,224)	$ -
Treasury shares repurchased	-	-
Balance at end of period	$ (13,224)	$ -
Total stockholders' equity	$ 469,954	$ 558,814

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six 2003

Comprehensive loss:			
Net loss	$(51,375)	$(42,491)	$ (54,4
Other comprehensive income (loss), net of tax:			
Foreign currency translation gain (loss) - foreign subsidiaries	(552)	2,119	(6
Foreign currency transaction gain (loss) on long-term intercompany loans - foreign subsidiaries	6,953	(5,841)	9,1
Hedging loss on nondervative instrument	-	(887)	
Gain (loss) on derivative financial instrument designated as a cash flow hedge	-	(47)	
Loss on derivative financial instrument designated as a net investment hedge	(850)	-	(1,6
Total other comprehensive income (loss), net of tax	5,551	(4,656)	6,8
Total comprehensive loss	$(45,824)	$(47,147)	$ (47,5

See notes to condensed consolidated financial statements.

COMMSCOPE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED - IN THOUSANDS, UNLESS OTHERWISE NOTED)

1. BACKGROUND AND BASIS OF PRESENTATION

BACKGROUND

CommScope, Inc. ("CommScope" or the "Company"), through its wholly owned subsidiaries and equity method investee, operates in the cable manufacturing business, with manufacturing facilities located in the United States, Europe and Latin America. CommScope, Inc. was incorporated in Delaware in January 1997. CommScope is a leading worldwide designer, manufacturer and marketer of a wide array of broadband coaxial cables and other high-performance electronic and fiber optic cable products for cable television, telephony, Internet access, wireless communications and other broadband services. Management believes CommScope is the world's largest manufacturer of coaxial cable for hybrid fiber coaxial (HFC) broadband networks. CommScope is also a leading supplier of coaxial, twisted pair, and fiber optic cables for premise wiring (local area networks), wireless and other communication applications. In late 2001, CommScope acquired an equity interest in an optical fiber and fiber optic cable manufacturing business (see Note 5).

BASIS OF PRESENTATION

The condensed consolidated balance sheet as of June 30, 2003, and the condensed consolidated statements of operations, cash flows, stockholders' equity and comprehensive loss for the three and six month periods ended June 30, 2003 and 2002 are unaudited and reflect all adjustments of a normal recurring nature which are, in the opinion of management, necessary for a fair presentation of the interim period financial statements. The results of operations for the interim period are not necessarily indicative of the results of operations to be expected for the full year.

The unaudited interim condensed consolidated financial statements of CommScope have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These interim condensed consolidated financial statements should be read in conjunction with the Company's December 31, 2002 audited consolidated financial statements and notes thereto included in the Company's 2002 Annual Report on Form 10-K.

CONCENTRATIONS OF RISK

Net sales to Comcast Corporation ("Comcast"), which merged with AT&T Broadband in November 2002, accounted for 17% and 20% of the Company's total net sales during the three and six months ended June 30, 2003, respectively. During the three and six months ended June 30, 2002, net sales to Comcast, as if combined with AT&T Broadband during the period, accounted for 16% of the Company's total net sales. No other customer accounted for 10% or more of the Company's total net sales for the three and six months ended June 30, 2003 and 2002.

Accounts receivable from Comcast comprised approximately 17% of the Company's net accounts receivable as of June 30, 2003, compared to 23% as of December 31, 2002. Accounts receivable from another customer represented approximately 11% of net accounts receivable as of June 30, 2003, compared to 14% as of December 31, 2002.

GOODWILL AND OTHER INTANGIBLE ASSETS

The carrying value of other intangible assets as of June 30, 2003 in the amount of $7.6 million, net of accumulated amortization of $41.2 million, represents patented technology, with a carrying value of $0.1 million, and customer relationship assets, with a carrying value of $7.5 million. Amortization expense associated with these intangible assets was $0.6 million and $1.3 million for the three and six months ended June 30, 2003 and $0.6 million and $1.3 million for the three and six months ended June 30, 2002. Annual amortization expense for these other intangible assets is expected to be $2.5 million in 2003, $2.4 million in 2004, $2.4 million in 2005 and $1.5 million in 2006.

The slight change in goodwill from December 31, 2002 to June 30, 2003 was due to the impact of translating the euro-denominated goodwill on the balance sheet of the Company's Belgian subsidiary into CommScope's US dollar reporting currency.

STOCK OPTIONS

As of June 30, 2003, the Company had one stock-based employee compensation plan, the Amended and Restated CommScope, Inc. 1997 Long-Term Incentive Plan. The Company accounts for this plan under the intrinsic value method recognition and measurement principles of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related Interpretations. No stock-based employee compensation cost is reflected in net loss, as all options granted under this plan had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net loss and net loss per share as if the Company had applied the fair value recognition provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation using the Black-Scholes option pricing model:

(UNAUDITED - IN THOUSANDS, UNLESS OTHERWISE NOTED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net loss, as reported	$(51,375)	$(42,491)	$(54,448)	$(44,139)
Add: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	1,718	2,069	3,439	3,784
Pro forma net loss	$(53,093)	$(44,560)	$(57,887)	$(47,923)
Net loss per share:				
Basic--as reported	$(0.87)	$(0.69)	$(0.92)	$(0.71)
Basic--pro forma	$(0.90)	$(0.72)	$(0.98)	$(0.78)
Diluted--as reported	$(0.87)	$(0.69)	$(0.92)	$(0.71)
Diluted--pro forma	$(0.90)	$(0.72)	$(0.98)	$(0.78)

RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform to 2003 presentation.

IMPACT OF NEWLY ISSUED ACCOUNTING STANDARDS

In December 2002, the Financial Accounting Standards Board ("FASB") issued SFAS No. 148, "Accounting for Stock-Based Compensation--Transition and Disclosure--an amendment of FASB Statement No. 123." SFAS No. 148 amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide three alternative methods of transition for an entity that voluntarily adopts the fair value based method of accounting for stock-based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. Finally, SFAS No. 148 amends APB Opinion No. 28, "Interim Financial Reporting," to require disclosure about those effects in interim financial information. The provisions related to the alternative transition methods and the new disclosure requirements were effective for the Company as of December 31, 2002. There was no impact on the Company's financial condition or results of operations as a result of the adoption of SFAS No. 148, but the Company's disclosures related to stock-based compensation have been modified in accordance with the new requirements. The interim reporting provisions of SFAS No. 148 were effective for the Company as of March 31, 2003, and management has modified the Company's quarterly disclosures in accordance with the new requirements.

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities," which is an interpretation of ARB No. 51, "Consolidated Financial Statements." FIN 46 addresses how to identify a variable interest entity and provides guidance on when such an entity should be consolidated by an enterprise. The Company does not currently hold an interest in a variable interest entity, thus the initial application of this Interpretation did not affect the Company's results of operations, financial position or disclosures.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This Statement amends and clarifies financial accounting and reporting for derivative instruments and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 149 clarifies the conditions under which a contract with an initial net investment meets the characteristic of a derivative; clarifies when a derivative contains a financing component; amends the definition of an underlying to conform it to language used in FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others;" and amends certain other existing pronouncements. This Statement is effective for contracts entered into or modified by the Company after June 30, 2003 and for hedging relationships designated by the Company after June 30, 2003. All provisions of this Statement will be applied prospectively. The application of this Statement is not expected to have a material effect on the Company's results of operations or financial position.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This Statement establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. It clarifies when an issuer must classify certain financial instruments as liabilities (or as assets, in some circumstances), rather than including them within stockholders' equity or separately classifying them as mezzanine equity. This Statement was effective for CommScope for financial instruments entered into or modified after May 31, 2003, and otherwise is effective for the Company in the third quarter of 2003. The Company has not issued any financial instruments within the scope of SFAS No. 150; therefore, the application of SFAS No. 150 is not expected to affect the Company's results of operations, financial position or disclosures.

(UNAUDITED - IN THOUSANDS, UNLESS OTHERWISE NOTED)

2. INVENTORIES

	June 30, 2003	December 31, 2002
Raw materials	$ 11,654	$ 12,402
Work in process	10,733	11,160
Finished goods	15,050	12,692
	$ 37,437	$ 36,254

3. LONG-TERM DEBT

	June 30, 2003	December 31, 2002
Convertible Notes	$ 172,500	$ 172,500
IDA Notes	10,800	10,800
	$ 183,300	$ 183,300

The Company entered into a $100 million senior secured revolving credit facility, which closed January 10, 2003. The facility, which was established for future liquidity, working capital needs and other general corporate purposes, was not drawn at closing and has not been drawn in any amount from that date through June 30, 2003. The facility is secured by substantially all of the Company's domestic assets and can have a maximum availability of up to $100 million over its three and a half year expected term, subject to certain covenants and conditions contained in the agreement. As of June 30, 2003, the Company had availability of approximately $70 million and no outstanding borrowings under this senior secured revolving credit facility.

4. NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the applicable periods. Diluted net loss per share is based on net loss adjusted for after-tax interest and amortization of debt issuance costs related to convertible debt, if dilutive, divided by the weighted average number of common shares outstanding adjusted for the dilutive effect of stock options and convertible securities.

On December 15, 1999, the Company issued $172.5 million in convertible notes, which are convertible into shares of common stock at a conversion rate of 20.7512 shares per $1,000 principal amount. The effect of the assumed conversion of these notes was excluded from the calculation of net loss per share, assuming dilution, for the three and six month periods ended June 30, 2003 and 2002 because it would have been antidilutive in all periods.

Additionally, options to purchase approximately 6 million common shares were excluded from the computation of net loss per share, assuming dilution, for the three and six months ended June 30, 2003 because they would have been antidilutive in both periods. Options to purchase approximately 3.5 million and 2 million common shares were excluded from the computation of net loss per share, assuming dilution, for the three and six months ended June 30, 2002, respectively, because they would have been antidilutive in both periods.

(UNAUDITED - IN THOUSANDS, UNLESS OTHERWISE NOTED)

5. EQUITY IN LOSSES OF OFS BRIGHTWAVE, LLC

Effective November 16, 2001, CommScope acquired an approximate 18.4% ownership interest in OFS BrightWave, LLC ("OFS BrightWave"), an optical fiber and fiber cable venture between CommScope and The Furukawa Electric Co., Ltd. of Japan. CommScope's portion of the losses of OFS BrightWave for the three and six month periods ended June 30, 2003 and 2002 has been included in the condensed consolidated financial statements of CommScope for the respective periods. These results are net of elimination of intercompany profit in the amount of $27 and $54, net of tax, for the three and six month periods ended June 30, 2003, respectively, and $21 and $52, net of tax, for the three and six month periods ended June 30, 2002, respectively, related to interest payments received from OFS BrightWave under a $30 million revolving note. OFS BrightWave has elected to be taxed as a partnership, therefore, the Company's income tax benefit from flow through losses has been recorded based on the Company's tax rates. Income tax expense or benefit provided by OFS BrightWave for income or losses generated by its c-corporation subsidiary does not flow through to CommScope and, therefore, does not impact CommScope's income tax benefit from flow-through losses of OFS BrightWave. However, the income tax expense or benefit provided for the income or loss generated by OFS BrightWave's c-corporation subsidiary does impact CommScope's equity in the net assets of OFS BrightWave, as shown in the reconciliation below.

OFS BrightWave incurred significant charges during the three months ended June 30, 2003 primarily related to fixed asset impairment, restructuring and cost reduction efforts. The total of these charges recognized by OFS BrightWave in the second quarter of 2003 was $257.9 million. CommScope's equity method share of these charges resulted in an increase of $17.3 million in CommScope's noncurrent deferred tax asset during the three months ended June 30, 2003. OFS BrightWave also incurred charges of $211.0 million in the second quarter of 2002, primarily for the write off of goodwill and certain fixed assets, in addition to restructuring and cost reduction efforts.

The following table provides summary financial information for OFS BrightWave for the three and six month periods ended June 30, 2003 and 2002 and as of June 30, 2003 and December 31, 2002:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002

Income Statement Data:				
Net revenues	$ 21,781	$ 22,039	$ 50,046	$ 48,836
Gross profit	(41,839)	(63,378)	(62,392)	(111,811)
Loss from continuing operations	(292,553)	(269,560)	(325,357)	(338,643)
Net loss	(292,553)	(269,560)	(325,357)	(338,643)

	As of	
	June 30, 2003	December 31, 2002
Balance Sheet Data:		
Current assets	$79,113	$83,876
Noncurrent assets	385,962	655,265
Current liabilities	69,372	57,353
Other noncurrent liabilities	225,222	182,297
Minority interests	41,595	45,338

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED - IN THOUSANDS, UNLESS OTHERWISE NOTED)

The reconciliation of CommScope's investment in and advances to OFS BrightWave compared to CommScope's equity in the net assets of OFS BrightWave as of June 30, 2003 and December 31, 2002 was as follows:

	As of	
	June 30, 2003	December 31, 2002
Net assets of OFS BrightWave, LLC	$128,886	$454,153
CommScope ownership percentage	18.43225 %	18.43225 %
CommScope equity in net assets of OFS BrightWave, LLC	23,757	83,711
Plus:		
Notes receivable from OFS BrightWave, LLC	30,000	30,000
Direct costs of acquisition	4,763	4,763
Pushdown and other adjustments by majority member in OFS BrightWave, LLC	(1,036)	(1,036)
Less:		

(UNAUDITED - IN THOUSANDS, UNLESS OTHERWISE NOTED)

Income tax benefit related to CommScope's share of losses generated by OFS BrightWave, LLC's domestic c-corporation subsidiary	(5,910)	(5,910)
Investment in and advances to OFS BrightWave, LLC	$ 51,574	$111,528

6. IMPAIRMENT CHARGES FOR FIXED ASSETS

During the three months ended June 30, 2003, management concluded that certain manufacturing assets had no future use to the Company and initiated a formal impairment review of these assets based on this change in circumstances. Most of these assets were used in or acquired for use in the manufacture of the Company's broadband and video distribution products ("Broadband/Video Products"), which have been adversely affected by the difficult global business environment in telecommunications and an ongoing decline in demand both domestically and internationally. These assets were either uninstalled, underutilized, or idle, generating no current operating cash flows. In addition, based on management's conclusion that these assets had no future use to the Company, there were no expected future operating cash flows for these assets. This absence of operating cash flows indicated that the carrying amounts of these assets may not be recoverable as of June 30, 2003. Accordingly, management obtained third party appraisals of the majority of these specifically-identified assets to determine their fair values and the resulting amount of impairment losses to be recognized. Based on these appraisals, CommScope recognized pretax impairment charges in the amount of $23 million, or $0.25 per share, net of tax, related to these specifically-identified assets. Management had not made a final decision as to the disposition of these assets as of June 30, 2003, and therefore, they have been classified as assets to be held and used, as required by SFAS. No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets."

In addition, the Company's Brazilian operation, which primarily manufactures Broadband/Video Products, has experienced declining local demand in addition to reduced export sales and profitability resulting from pricing and competitive pressures primarily due to the recent impact of unfavorable local currency fluctuations. As a result of this change in circumstances, management performed a test of recoverability for the Brazilian manufacturing assets during the second quarter of 2003. The Company's long-term undiscounted cash flow forecasts for its Brazilian

operation indicated that the carrying amounts of the manufacturing assets at this facility may not be recoverable as of June 30, 2003. Accordingly, management obtained third party appraisals of the Brazilian manufacturing assets to determine their fair values and the resulting amount of impairment losses to be recognized. Based on these appraisals, CommScope recognized pretax impairment charges in the amount of $8.7 million, or $0.09 per share, net of tax, of which $6.4 million were related to broadband cable manufacturing assets and $2.3 million were related to wireless cable manufacturing assets. Management intended to continue to use these assets in production as of June 30, 2003, and therefore, they have been classified as assets to be held and used.

The Company recognized total pretax impairment charges for fixed assets in the amount of $31.7 million, or $0.34 per share, net of tax, during the three months ended June 30, 2003. These impairment charges resulted in an increase of $8.5 million in CommScope's noncurrent deferred tax asset during the three months ended June 30, 2003. The breakdown of these impairment charges was as follows (in millions):

Domestic broadband cable manufacturing assets	$ 21.4
Brazilian manufacturing assets	8.7
Other domestic manufacturing assets	1.6
Total impairment charges	$ 31.7

7. INCOME TAXES RELATED TO OTHER COMPREHENSIVE INCOME/LOSS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Income tax benefit for components of other comprehensive income/loss:				
Hedging loss on nonderivative instrument	$ -	$ 521	$ -	$ 464
Gain/loss on derivative financial instrument designated as a cash flow hedge	-	28	-	(7)
Loss on derivative instrument designated as a net investment hedge	499	-	976	-
Total income tax benefit for components of other comprehensive income/loss	$ 499	$ 549	$ 976	$ 457

8. DERIVATIVES AND HEDGING ACTIVITIES

As of June 30, 2003, the only derivative financial instrument outstanding was a cross currency swap, which was designated and documented at inception as a net investment hedge of a portion of the Company's net investment in its Belgian subsidiary. The notional amount of this derivative financial instrument, which is a cross currency swap of US dollars for euros, was $20 million at inception of the hedging relationship and as of June 30, 2003. This hedging instrument was effective at inception of the hedging relationship and at June 30, 2003 and is expected to continue to be effective for the duration of the agreement, resulting in no anticipated hedge ineffectiveness. The fair value of this derivative instrument, reflected in other noncurrent liabilities, was approximately

$3.7 million as of June 30, 2003, compared to $1.3 million as of December 31, 2002.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED - IN THOUSANDS, UNLESS OTHERWISE NOTED)

The only derivative instrument outstanding for the three months ended June 30, 2002 was an interest rate swap, which effectively converted the variable-rate Eurodollar Credit Agreement to a fixed-rate basis. As of December 2, 2002, the Company terminated both the Eurodollar Credit Agreement and the related interest rate swap agreement, which were both scheduled to expire on March 1, 2006. This interest rate swap was designated and documented as a cash flow hedge of the changes in the cash flows attributable to fluctuations in the variable benchmark interest rate associated with the underlying debt being hedged.

There were no material reclassifications from other comprehensive income (loss) to earnings during the three and six month periods ending June 30, 2003 and 2002.

Activity in the accumulated net gain (loss) on derivative instruments included in accumulated other comprehensive loss for the three and six month periods ended June 30, 2003 and 2002 consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Accumulated net gain (loss) on derivative instruments, beginning of period	$(1,613)	$87	$ (802)	$27
Net gain (loss) on derivative financial instrument designated as a cash flow hedge	-	(47)	-	13
Net loss on derivative financial instrument designated as a net investment hedge	(850)	-	(1,661)	-
Accumulated net gain (loss) on derivative instruments, end of period	$(2,463)	$40	$(2,463)	$40

9. SUPPLEMENTAL CASH FLOW INFORMATION

Six Months Ended

	June 30, 2003	June 30, 2002
Cash paid during the period for:		
Income taxes	$ 355	$ 454
Interest (net of capitalized amounts)	3,612	4,143

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is provided to increase the understanding of, and should be read in conjunction with, the unaudited condensed consolidated financial statements and accompanying notes included in this document as well as the audited consolidated financial statements, related notes thereto and management's discussion and analysis of financial condition and results of operations, including management's discussion and analysis about the application of critical accounting policies, for the year ended December 31, 2002 included in our 2002 Annual Report on Form 10-K.

HIGHLIGHTS

For the quarter ended June 30, 2003, we incurred a net loss of $51.4 million, or $0.87 per share, compared to a net loss of $42.5 million, or $0.69 per share, for the quarter ended June 30, 2002. Included in these net losses were after-tax equity method losses in OFS BrightWave, LLC ("OFS BrightWave") of $33.9 million, or $0.57 per share, during the three months ended June 30, 2003, compared to $34.9 million, or $0.56 per share, during the three months ended June 30, 2002. The net loss for the quarter ended June 30, 2003 also reflected after-tax impairment charges of $20.0 million, or $0.34 per share, primarily related to our broadband cable manufacturing assets. In addition, the net loss for the quarter ended June 30, 2002 included after-tax charges of $12.9 million, or $0.21 per share, related to the write off of Adelphia Communications Corporation ("Adelphia") receivables.

For the six months ended June 30, 2003, we incurred a net loss of $54.4 million, or $0.92 per share, compared to a net loss of $44.1 million, or $0.71 per share, for the six months ended June 30, 2002. Included in these net losses were after-tax equity method losses in OFS BrightWave of $37.7 million, or $0.62 per share, during the six months ended June 30, 2003, compared to $42.9 million, or $0.69 per share, during the six months ended June 30, 2002. The net loss for the six months ended June 30, 2003 also reflected after-tax impairment charges of $20.0 million, or $0.34 per share, primarily related to our broadband cable manufacturing assets. In addition, the net loss for the six months ended June 30, 2002 included after-tax charges of $13.5 million, or $0.22 per share, related to the write off of Adelphia receivables.

COMPARISON OF RESULTS OF OPERATIONS FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2003 WITH THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2002

Net sales

Net sales for the quarter ended June 30, 2003 decreased $13.6 million, or 8.8%, to $141.4 million, compared to the quarter ended June 30, 2002. Net sales for the six months ended June 30, 2003 decreased $44.0 million, or 14.0%, to $270.8 million, compared to the six months ended June 30, 2002. The decrease in net sales was due to lower sales of broadband and other video distribution products ("Broadband/Video Products").

Domestic sales decreased 5.7% to $114.2 million in the second quarter of 2003 and 14.7% to $218.4 million in the six months ended June 30, 2003 compared to the same periods in 2002. The decrease was due to lower Broadband/Video Product sales. International sales decreased 19.8% to $27.2 million in the second quarter of 2003 and 11.0% to $52.4 million in the six months ended June 30, 2003 compared to the same periods in 2002.

Net sales of Broadband/Video Products for the second quarter of 2003 decreased $16.7 million, or 13.3%, to $108.5 million, compared to the same period in 2002. This decrease primarily resulted from a lower

year-over-year volume of sales to Charter Communications, Inc. ("Charter"), volume and pricing declines in fiber optic cable sales and a decline in international sales volumes. For the six months ended June 30, 2003, net sales of Broadband/Video Products decreased $48.5 million, or 18.8% to $209.8 million, compared to the same period in 2002. This decrease primarily resulted from a lower year-over-year volume of sales to Charter and Adelphia, in addition to a decline in international sales volumes. Despite lower sales to Comcast Corporation ("Comcast"), net sales of Broadband/Video Products increased by $7.2 million, or 7.1%, from the first quarter to the second quarter of 2003, primarily due to stronger sales to other domestic broadband service providers. Sales to Comcast declined $6 million from the first quarter to the second quarter of 2003 and declined from 23% of total quarterly net sales in the first quarter of 2003 to 17% in the second quarter. Sales to Comcast were materially unchanged in the second quarter of 2003, compared to the same period in 2002.

Pricing for coaxial cable remained relatively stable during the three and six months ended June 30, 2003, compared to the same periods last year. In contrast, sales of fiber optic cable, which represented more than 10% of total net sales during the three and six month periods ended June 30, 2003 and 2002, continued to experience significant pricing pressure. Fiber optic cable sales declined by more than 20% year over year in the three and six month periods ended June 30, 2003 compared to the same periods in 2002. We expect ongoing pricing pressure and weak demand industry wide for fiber optic cable products at least through 2003.

Net sales of local area network and other data applications products ("LAN Products") for the second quarter of 2003 increased by $1.7 million, or 7.4%, to $24.6 million, compared to the same period in 2002. For the six months ended June 30, 2003, sales of LAN Products increased $4.7 million, or 11.0%, to $47.6 million compared to the same period in 2002. In addition, LAN Product sales increased $1.6 million, or 7.0%, in the second quarter, compared to the first quarter of 2003. Sales of LAN Products benefited from strengthening project business and increasing fiber optic cable and apparatus sales volumes.

Net sales of wireless and other telecommunications products ("Wireless and Other Telecom Products") for the second quarter of 2003 increased by $1.4 million, or 20.3%, to $8.3 million, compared to the same period in 2002. For the six months ended June 30, 2003, sales of Wireless and Other Telecom Products were stable as compared to the same period last year with sales of $13.4 million and $13.6 million, respectively. We expect ongoing aggressive competition for Wireless and Other Telecom Products. Although wireless telecommunications capital spending remains weak, we believe that we have made steady progress communicating the Cell Reach(R) value proposition to customers and remain optimistic about long-term wireless opportunities.

Gross profit (net sales less cost of sales)

Gross profit for the second quarter ended June 30, 2003 decreased to $28.8 million, compared to second quarter 2002 gross profit of $31.7 million. Second quarter 2003 gross profit margin declined only slightly to 20.4% from 20.5% in the second quarter of 2002. For the six months ended June 30, 2003, gross profit decreased to $52.9 million, compared to $67.1 million for the same period in 2002, with gross profit margins of 19.5% and 21.3%, respectively. The decreases in gross profit and gross profit margin were primarily due to competitive pricing pressure primarily for fiber optic cable products, in addition to lower Broadband/Video Product sales volume. The combined impact of price decreases and lower sales volumes, which resulted in lower overhead absorption rates for many products, more than offset the year-over-year gross profit improvement resulting from workforce reductions and asset impairments. Additionally, we continue to experience rising costs of certain raw materials, primarily polyethylene and other plastics, and expect these cost increases to pressure our gross profit margin in the near term.

Selling, general and administrative

Selling, general and administrative ("SG&A") expense for the second quarter ended June 30, 2003 was $21.8 million, or 15.4% of net sales, compared to $41.1 million, or 26.5% of net sales, for the same period in 2002. For the six months ended June 30, 2003, SG&A expense was $41.9 million, or 15.5% of net sales, compared to $62.3 million or 19.8% of net sales in the same period last year. The year-over-year decreases in SG&A expense were primarily due to the bad debt expense related to the write off of Adelphia receivables in 2002, which totaled $20.5 million in the second quarter of 2002 and $21.4 million for the six months ended June 30, 2002.

Excluding the Adelphia write off, SG&A expense was $20.6 million, or 13.3% of net sales, for the three months ended June 30, 2002 and $40.9 million, or 13.0% of net sales, for the six months ended June 30, 2002. The year-over-year increases in SG&A expense and SG&A expense as a percentage of net sales, excluding the Adelphia write off, were primarily due to an increase in bad debt expense. We believe we have taken appropriate charges for doubtful accounts as a result of the difficult market environment based on our analysis of customer financial difficulties, age of receivable balances and other relevant factors.

Research and development

Research and development ("R&D") expense decreased to $1.5 million, or 1% of net sales, for the second quarter ended June 30, 2003 from $1.8 million, or 1.1% of net sales, for the same period in 2002. For the six months ended June 30, 2003, R&D expense decreased to $3.0 million, or 1.1% of net sales, compared with $3.8 million, or 1.2% of net sales, for the same period in 2002. We expect R&D expense to remain at approximately 1% of net sales in the near term.

Impairment charges for fixed assets

We recognized total pretax impairment charges for fixed assets in the amount of $31.7 million, or $0.34 per share, net of tax, during the three months ended June 30, 2003. The breakdown of these impairment charges was as follows (in millions):

Domestic broadband cable manufacturing assets	$ 21.4
Brazilian manufacturing assets	8.7
Other domestic manufacturing assets	1.6
Total impairment charges	$ 31.7

During the three months ended June 30, 2003, we concluded that certain manufacturing assets had no future use to us and initiated a formal impairment review of these assets. Most of these assets were used in or acquired for use in the manufacture of our Broadband/Video Products, which have been adversely affected by the difficult global business environment in telecommunications and an ongoing decline in demand both domestically and internationally. Based primarily on third party appraisals, we recognized pretax impairment charges in the amount of $23 million, or $0.25 per share, net of tax, related to these specifically-identified assets.

In addition, our Brazilian operation, which primarily manufactures Broadband/Video Products, has experienced declining local demand in addition to reduced export sales and profitability resulting from pricing and competitive pressures primarily due to the recent impact of unfavorable local currency fluctuations. As a result, we performed a test of recoverability for the Brazilian manufacturing assets during the second quarter of 2003. Based on third party appraisals, we recognized pretax impairment charges in the amount of $8.7 million, or $0.09 per share, net of tax, related to Brazilian manufacturing assets.

Net interest expense

Net interest expense for the quarter ended June 30, 2003 was $1.5 million, compared to $1.7 million for the same period in 2002. For the six months ended June 30, 2003, net interest expense decreased to $3.0 million compared with $3.4 million for the same period in 2002. The decrease in net interest expense was primarily due to an increase in interest income earned on a higher level of cash and cash equivalents.

Income taxes

Our effective income tax rate was 37% for the three and six months ended June 30, 2003 and 2002.

Equity in losses of OFS BrightWave, LLC

For the three months ended June 30, 2003 and 2002, our 18.4% equity interest in the losses of OFS BrightWave was approximately $53.9 million and $55.4 million, pretax, respectively. For the six months ended June 30, 2003 and 2002 our 18.4% equity interest in the losses of OFS BrightWave was approximately $60.0 million and $68.2 million, pretax, respectively. Since OFS BrightWave has elected to be taxed as a partnership, we recorded a tax benefit related to our 18.4% equity interest in the flow-through losses of approximately $20.0 million and $20.5 million for the three months ended June 30, 2003 and 2002, respectively. For the six months ended June 30, 2003 and 2002 we recorded a tax benefit related the flow-through losses of approximately $22.2 million and $25.2 million, respectively. OFS BrightWave operates in some of the same markets we do and its financial results were also adversely affected by the difficult market environment in telecommunications and the challenging global business environment. Due to these conditions, OFS BrightWave incurred significant charges during the second quarter of 2003 primarily related to fixed asset impairments, restructuring and cost reduction efforts. The total of these charges recognized by OFS BrightWave in the second quarter of 2003 was $257.9 million. OFS BrightWave also incurred charges of $211.0 million in the second quarter of 2002, primarily for the write off of goodwill and certain fixed assets, in addition to restructuring and cost reduction efforts.

We expect ongoing pricing pressure and weak demand industry wide for fiber optic cable products at least through 2003. Therefore, we believe OFS BrightWave will incur losses at least through 2003, and as a result we will continue to recognize noncash equity method losses from our investment in OFS BrightWave.

Liquidity and capital resources

Our principal sources of liquidity both on a short-term and long-term basis are cash and cash equivalents, cash flows provided by operations and availability under our senior secured revolving credit facility ("secured credit facility"). Reduced sales and profitability could reduce cash provided by operations and limit availability under the secured credit facility. In addition, increases in working capital, due to seasonal fluctuations in sales and collections, among other things, could reduce our operating cash flows in the short term.

Cash provided by operating activities was $22.6 million for the six months ended June 30, 2003, compared to $45.3 million for the same period in 2002. This year-over-year decrease in operating cash flow primarily resulted from lower sales and profitability. Excluding the write off of Adelphia receivables in 2002, the change in accounts receivable for the six months ended June 30 was consistent year over year.

Working capital was $240.1 million at June 30, 2003, compared to $214.0 million at December 31, 2002. This increase in working capital during the six months ended June 30, 2003 primarily related to an increase in cash of $20.2 million over the same period to $140.3 million as of June 30, 2003. An increase in accounts receivable, driven by increasing sequential sales, also impacted working capital by $6.7 million during the six months ended June 30, 2003.

During the six months ended June 30, 2003, we invested $2.5 million in property, plant and equipment compared to $5.4 million during the same period in 2002. While we may place additional production capability in certain international markets, we expect capital expenditures to remain at a level below depreciation and amortization expense for the next several years. We currently expect capital expenditures to be approximately $10 million in 2003, primarily for cost reduction efforts and information technology initiatives, depending upon business conditions.

We owed total long-term debt of $183.3 million, or 28% of our book capital structure, defined as long-term debt and total stockholders' equity, as of June 30, 2003, compared to $183.3 million, or 26% of our book capital structure as of December 31, 2002.

We entered into a $100 million senior secured revolving credit facility, which closed January 10, 2003. The facility, which was established for future liquidity, working capital needs and other general corporate purposes, was not drawn at closing and has not been drawn in any amount from that date through June 30, 2003. The facility is secured by substantially all of our domestic assets and can have a maximum availability of up to $100 million over its three and a half year expected term, subject to certain covenants and conditions contained in the agreement. As of June 30, 2003, we had availability of approximately $70 million and no outstanding borrowings under this secured credit facility.

In April 2003, Standard & Poor's Rating Services ("S&P") announced that it lowered its corporate credit rating on CommScope to "BB" from "BB+" and its subordinated debt rating to "B+" from "BB-." Although S&P indicated that the outlook for CommScope is stable, the downgrade was mainly based on reduced sales and profitability forecasts. The lower ratings do not affect interest rates or covenant compliance under the Company's existing debt agreements. As a result, we believe the lower ratings do not have a material impact on our financial position, cash flows or results of operations.

Forward-looking Statements

Certain statements in this Form 10-Q that are other than historical facts are intended to be "forward-looking statements" within the meaning of the Securities Exchange Act of 1934, the Private Securities Litigation Reform Act of 1995 and other related laws and include but are not limited to those statements relating to sales and earnings expectations, expected demand, cost and availability of key raw materials, internal production capacity and expansion, competitive pricing, relative market position and outlook. While we believe such statements are reasonable, the actual results and effects could differ materially from those currently anticipated. These forward-looking statements are identified, including, without limitation, by their use of such terms and phrases as "intends," "intend," "intended," "goal," "estimate," "estimates," "expects," "expect," "expected," "project," "projects," "projected," "projections," "plans," "anticipates," "anticipated," "should," "designed to," "foreseeable future," "believe," "believes," "think," "thinks" and "scheduled" and similar expressions.

These statements are subject to various risks and uncertainties, many of which are outside our control, including, without limitation, expected demand from Comcast Corporation and other major domestic MSOs; ability of our customers to secure adequate financing to fund their infrastructure projects or to pay us; product demand and industry excess capacity; changes or fluctuations in global business conditions; financial performance of OFS BrightWave; competitive pricing and acceptance of our products; changes in cost and availability of key raw materials (including without limitation polyethylene and other plastics, bimetallic center conductors, optical fibers, fine aluminum wire and fluorinated-ethylene-propylene which are available only from limited sources); our ability to recover higher material and transportation costs from our customers through price increases; possible future impairment charges for goodwill and other long-lived assets; industry competition and our ability to retain customers and negotiate contract renewals on acceptable terms; possible disruption due to customer or supplier bankruptcy, reorganization, restructuring or consolidation; our ability to obtain financing and capital on commercially reasonable terms; covenant restrictions and our ability to comply with covenants in our debt agreements; successful operation of bimetal manufacturing and other vertical integration activities; successful expansion and related operation of our facilities; achievement of sales, growth, and earnings goals; our ability to achieve reductions in costs; margin improvement; our ability to retain and attract key personnel; developments in technology; intellectual property protection; product or raw material performance issues; adequacy and availability of insurance; litigation or regulatory developments, including future or pending tax legislation; stock price fluctuations; foreign currency fluctuations; technological obsolescence; acquisition and divestiture activities and our ability to integrate acquisitions; environmental issues; our participation in joint ventures; international economic and political uncertainties; possible disruption due to terrorist activity or armed conflict; political

instability; major health concerns and other factors discussed. Actual results may also differ due to changes in telecommunications industry capital spending, which is affected by a variety of factors, including, without limitation, general business conditions; acquisitions of telecommunications companies by others; consolidation within the telecommunications industry; the financial condition of telecommunications companies and their access to financing; competition among telecommunications companies; technological developments and new legislation and regulation of telecommunications companies. These and other factors are discussed in greater detail in Exhibit 99.1 to this Form 10-Q. The information contained in this Form 10-Q represents our best judgment at the date of this report based on information currently available. However, we do not intend, and are not undertaking any duty or obligation, to update this information to reflect developments or information obtained after the date of this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As disclosed in our Annual Report on Form 10-K for the year ended December 31, 2002, our major market risk exposure relates to adverse fluctuations in commodity prices, interest rates and foreign currency exchange rates. We have established a risk management strategy that includes the reasonable use of derivative and nonderivative financial instruments primarily to manage our exposure to these market risks. We believe our exposure associated with these market risks has not materially changed since December 31, 2002. We have not acquired any new derivative financial instruments since December 31, 2002 or terminated any derivative financial instruments that existed at that date.

ITEM 4. CONTROLS AND PROCEDURES

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Our Chief Executive Officer and our Chief Financial Officer have reviewed the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report and have concluded that the disclosure controls and procedures are effective.

PART II - OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held its Annual Meeting of Stockholders (the "Meeting") on May 2, 2003. Proxies for the Meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. A total of 59,219,567 shares of Common Stock with one vote each were entitled to vote at the Meeting and holders of 54,599,750 shares voted in person or by proxy, constituting a quorum.

At the Meeting, two of the Company's directors were elected for three-year terms ending at the 2006 Annual Meeting of Stockholders by the vote set forth below:

Name of Director	Votes For	Votes Withheld
Frank M. Drendel	53,084,600	1,515,150
Duncan M. Faircloth	52,050,972	2,548,778

The Company's other four directors, whose terms of office continue after the Meeting with terms expiring at the annual meetings in parentheses after their names, are Boyd L. George (2004), George N. Hutton (2004), James N. Whitson (2005) and June E. Travis (2005).

A proposal to ratify the appointment by the board of directors of the Company of Deloitte & Touche LLP as independent auditors for the Company for the 2003 fiscal year was approved by 52,502,188 votes cast in favor, 1,972,664 votes cast against and 124,898 votes abstaining.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a).

31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a).

32 Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished pursuant to Item 601(b)(32)(ii) of Regulation S-K).

99.1 Forward-Looking Information

(b) Reports on Form 8-K filed during the three months ended June 30, 2003:

On April 29, 2003, we filed a current report on Form 8-K announcing our financial results for the first quarter of 2003.

SIGNATURES

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

COMMSCOPE, INC.

August 11, 2003	/s/ Jearld L. Leonhardt
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Date	Jearld L. Leonhardt Executive Vice President and Chief Financial Officer signing both in his capacity as Executive Vice President on behalf of the Registrant and as Chief Financial Officer of the Registrant