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BELDEN INC
Form 425
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Filed by Belden Inc.
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Under the Securities Act of 1933, as amended
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Subject Company: Belden Inc.
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This filing relates to a planned merger between Belden Inc. ("Belden") and Cable Design Technologies Corporation ("CDT") pursuant to the terms of an Agreement and Plan of Merger, dated as of February 4, 2004 (the "Merger Agreement"), among CDT, BC Merger Corp. and Belden. The Merger Agreement is on file with the U.S. Securities and Exchange Commission (the "SEC") as an exhibit to the Current Report on Form 8-K filed by Belden on February 5, 2004, and is incorporated by reference into this filing.

FEBRUARY 5, 2004
FOURTH QUARTER 2003
EARNINGS CONFERENCE CALL

NOTE: The following script contains several corrections to the version spoken during the conference call on February 5, 2004.

The corrected numbers are indicated by an asterisk (*), and the previous numbers are indicated in brackets.

RICKY:

Thank you, _____. Good morning, and welcome to Belden CDT's fourth quarter 2003 conference call.

With me here in St. Louis today [are]

- Baker Cunningham, Belden's Chairman, President, and CEO
- Bryan Cressey, CDT's Chairman
- Fred Kuznik, CDT's CEO
- George Graeber, CDT's COO and
- Larrie Rose, Belden's President of European Operations

I will briefly discuss Belden's 4th quarter and year-end results, then we will have a presentation on the planned merger of Belden and CDT. There are some slides on the Belden and CDT websites which you might want to follow when we get to that portion of the presentation. After our prepared remarks we will be happy to answer your questions.

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If you need a copy of our 4th quarter press release or the merger press release, please check our website, belden.com, or www.cdtc.com. If you need to have a copy of the press release faxed to you, please phone us at 314-854-8000.

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I need to remind you that any forward-looking statements we provide are made in reliance upon the safe harbor provision of the Private Securities Litigation Reform Act of 1995. The comments we will make today are management's best judgment, based on information currently available. Our actual results could differ materially from any forward-looking statements that we might make. However, the Companies do not intend to update this information to reflect developments after today, and disclaims any legal obligation to do so.

Please review today's press releases and the 2002 annual report on Form 10-K for Belden and CDT for a more complete discussion of factors that could have an impact on the Company's actual results.

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Now let's quickly review Belden's 4th quarter and year-end results.

I'd like to begin with the North American Communications business and the noncash impairment charge of \$92.4 million that we recognized in the fourth quarter. Demand has fallen significantly over the last three years in this business for a number of reasons. The growth in subscriber lines slowed and has, in fact, declined with major carriers. The investment activity of the hard-line telecom service providers has been cut dramatically. This has resulted in industry demand in North America being off by half from the peak in 2000.

We did what we could to bring more volume into our operation, but, with a lot of excess capacity in the industry, and the law of supply and demand, pricing dropped. The industry, including us, were able to cut less efficient plants, but our Phoenix operation is probably the largest plant in the world for telecom cable and there are limits to how low we can go and still have a viable operation. While we have reduced plant output and significantly cut costs, we have not been able to achieve satisfactory results at the current level of demand.

Shareholders have been patient with us through two years of losses in this business. We can't allow 2004 to be a repetition of 2003. Therefore, we have acknowledged that the time has come to figure out what to do differently. Our people have worked very hard and have accomplished a lot, but we can see that incremental cost reductions are not going to get us where we need to be in this very depressed market. While we might see demand improve slightly during the year, there's not enough recovery soon enough to permit us to wait it out. We are looking at a range of alternatives, and we have yet to determine what the most appropriate outcome will be.

The asset impairment charge is a non-cash adjustment in the carrying value of the assets. It is recognition that we are not likely to realize all of our past investment.

I know this announcement causes anxiety among our employees and customers, and we're telling them we'll move just as fast as we can to sort out the future of the business.

In addition to the asset impairment, which was \$92.4 million, or \$2.36* (corrected from \$2.29) in the quarter, and \$92.8 or \$2.38* (corrected from \$2.30) for the year, we have several other unusual items that are affecting our results for the quarter and the year that makes it somewhat difficult to fully understand and analyze our performance.

These items include:

- Severance costs of \$1.6 million, or four cents in the quarter, and \$6.5 million, or 16 cents for the year.
- Unusual bad debt due to the failure of an Asia distribution of \$.6 million, or two cents per share for the year.
- Special income from the sales incentive agreement with a private label customer of \$3 million, or seven cents per share in the quarter

These items are properly reflected in the GAAP financial statement accompanying our press release. As I have said in previous calls, the costs and charges are real, and I don't mean to diminish their significance by isolating them. But, I do believe if we analyze our results by excluding these items, you will have a better understanding of the underlying performance of the company and our markets.

Accordingly, the amounts used in my following comments will be after excluding these items from the current year numbers and, where applicable, I have excluded the comparable items out of the prior year comparative amounts.