

COMMSCOPE INC
Form S-3
June 21, 2004

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As filed with the Securities and Exchange Commission on June 21, 2004

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

COMMSCOPE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

36-4135495

(I.R.S. Employer
Identification Number)

1100 CommScope Place, SE
P.O. Box 339
Hickory, North Carolina 28602
(828) 324-2200

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Frank B. Wyatt, II, Esq.
Senior Vice President, General Counsel and Secretary
COMMSCOPE, INC.
1100 CommScope Place, SE
P.O. Box 339
Hickory, North Carolina 28602
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(Name, address, including zip code, and telephone number, including area code, of Agent for Service)

Copies to:

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New York, New York 10004
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Approximate date of commencement of proposed sale to public: As soon as practicable and from time to time after the effective date of this Registration Statement, as the selling securityholders shall determine.

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If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Debenture	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
1.00% Convertible Senior Subordinated Debentures	\$250,000,000(1)	100%(2)(3)	\$250,000,000(2)	\$31,675
Common Stock, \$.01 par value	11,494,250(4)			\$ (5)

- (1) Represents the aggregate principal amount at maturity of the debentures that were originally issued by the Registrant.
- (2) Estimated in accordance with Rule 457 of Regulation C under the Securities Act of 1933, as amended, solely for the purpose of determining the registration fee.
- (3) Exclusive of accrued interest and distributions, if any.
- (4) Represents the number of shares of common stock that are initially issuable upon conversion of the debentures and shall be deemed to register an additional indeterminate number of shares of common stock issuable upon conversion in the future pursuant to Rule 416 of the Securities Act.
- (5) No additional consideration will be received for the common stock and therefore no registration fee is required pursuant to Rule 457(i).

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. The selling securityholders may not sell their securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell the securities and it is not soliciting an offer to buy the securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 21, 2004

PROSPECTUS

COMMSCOPE, INC.

\$250,000,000 Principal Amount of 1.00% Convertible Senior Subordinated Debentures due 2024 and 11,494,250 Shares of Common Stock Issuable upon Conversion of the Debentures

This prospectus relates to 1.00% Convertible Senior Subordinated Debentures due March 15, 2024 of CommScope, Inc., a Delaware corporation, held by certain security holders who may offer for sale the debentures and the shares of our common stock into which the debentures are convertible at any time at market prices prevailing at the time of sale or at privately negotiated prices. The selling security holders may sell the debentures or the common stock directly to purchasers or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions.

The holders of debentures may convert the debentures into shares of our common stock at a conversion rate of 45.9770 shares per \$1,000 principal amount of debentures (representing a conversion price of \$21.75), as follows: during any fiscal quarter commencing after June 30, 2004, if the closing sale price of our common stock exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading day period ending on the last trading day of the preceding fiscal quarter; subject to certain exceptions, during the five business days after any five consecutive trading day period in which the trading price per \$1,000 principal amount of the debentures for each day of such period was less than 98% of the product of the closing sale price of our common stock and the number of shares issuable upon conversion of \$1,000 principal amount of the debentures; if the debentures have been called for redemption; or upon the occurrence of certain corporate transactions. The conversion rate is subject to adjustment in certain circumstances. See "Description of the Debentures Conversion of Debentures."

We may redeem all or any part of the debentures at our option on or after March 20, 2009, at a redemption price equal to 100% of the principal amount of the debentures, plus accrued and unpaid interest and liquidated damages, if any, up to, but excluding the redemption date. See "Description of the Debentures Optional Redemption by CommScope."

The holders of debentures may require us to repurchase all or any portion of the debentures, for cash, on March 20, 2009, March 15, 2014, and March 15, 2019 (each a "repurchase date"), or at any time prior to maturity upon the occurrence of a designated event, at a repurchase price equal to 100% of the principal amount of the debentures to be repurchased, plus accrued and unpaid interest and liquidated damages, if any, up to, but excluding the repurchase date. See "Description of the Debentures Repurchase at Option of the Holder."

The debentures are our unsecured senior subordinated obligations and are subordinated to our senior indebtedness. The debentures will effectively rank junior to our subsidiaries' liabilities. See "Description of the Debentures Subordination of the Debentures."

On June 18, 2004 the last reported sale price of our common stock, listed under the symbol "CTV", on the New York Stock Exchange ("NYSE") was \$18.94 per share.

Our 1.00% Convertible Senior Subordinated Debentures are currently eligible for trading on the PORTAL MarketSM of the Nasdaq Stock Market.

Investing in our debentures or shares of our common stock involves risks that are described in the "Risk Factors" section beginning on page 9 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

	Page
Summary	1
Risk Factors	9
Use of Proceeds	23
Price Range of Common Stock	24
Dividend Policy	24
Ratio of Earnings to Fixed Charges and Deficiency in the Coverage of Earnings to Fixed Charges	25
Description of the Debentures	26
Description of Capital Stock	45
Description of Other Indebtedness	49
Certain United States Federal Tax Consequences	51
Selling Securityholders	60
Plan of Distribution	64
Validity of the Securities	66
Experts	66
Where You Can Find More Information	66
Incorporation of Certain Documents by Reference	66

Forward-Looking Statements

The Securities Exchange Act of 1934 (the "Exchange Act"), the Private Securities Litigation Reform Act of 1995 and other related laws provide a "safe harbor" for forward-looking statements which reflect our current views with respect to future events and financial performance. 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," "think," "thinks," "designed to," "foreseeable future," "believe," "believes" and "scheduled" and similar expressions. All statements other than the statements of historical fact are "Forward-looking Statements" for purposes of federal and state securities laws, including statements regarding potential synergies and strategic opportunities resulting from our acquisition of the Connectivity Solutions business of Avaya Inc.; our ability to complete the acquisition of certain international operations of Connectivity Solutions; the challenges of transition, integration and restructuring associated with the acquisition; the challenges of achieving anticipated synergies and expected cost savings relating to the provision of corporate services by CommScope; the ability to retain qualified employees and existing business alliances; maintaining satisfactory relationships with represented employees; customer demand for Connectivity Solutions products, applications and service; any statements of belief and any statements of assumptions underlying any of the foregoing; expected demand from Comcast Corporation and other major domestic cable television operators; telecommunications industry capital spending; ability to maintain successful relationships with distributors; industry consolidation; 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; competitive pricing and acceptance of our products; changes in cost and availability of key raw materials, especially those that are available only from limited sources; 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 the ability to retain customers; possible disruption due to customer or supplier bankruptcy, reorganization or restructuring; 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; ability to achieve reductions in costs; ability to retain and attract key personnel; developments in technology; intellectual property protection; product performance issues and associated warranties; adequacy and availability of insurance; regulatory changes affecting us or the industries we serve; acquisition activities and the ability to integrate acquisitions; environmental issues; terrorist activity or armed conflict; political instability; major health concerns and other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made. We do not intend, and are not undertaking any duty or obligation, to update any forward-looking statements to reflect developments or information obtained after the date of this prospectus.

The factors set forth under "Risk Factors" in this prospectus and the factors set forth in Exhibit 99.1 on our Form 10-Q for the quarter ended March 31, 2004 filed with the SEC, among others, in some cases have affected and in the future could affect our financial performance and actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements included or incorporated by reference in this prospectus.

Market and Industry Data

Market data used in this prospectus, including information relating to our relative position in the cable and structured cabling systems industries, is based on the good faith estimates of our management, which estimates are based upon their review of internal surveys, independent industry publications and other publicly available information. Although we believe these sources are reliable, we do not guarantee the accuracy or completeness of this information and we have not independently verified this information. Although we are not aware of any misstatements regarding the market and industry data presented in this prospectus, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors."

SUMMARY

This summary highlights selected information from this prospectus and documents incorporated by reference. This summary is not complete, and does not contain all the information you should consider. You should read this entire document carefully, including the section entitled "Risk Factors," as well as the documents incorporated by reference in this prospectus. Unless the context otherwise specifically requires, references in this prospectus to "CommScope," "we," "us" and "our" refer to CommScope, Inc., and its subsidiaries, which prior to January 31, 2004 did not include any assets and liabilities of the Connectivity Solutions business of Avaya Inc.

Our Company

We are a world leader in the design and manufacture of 'last mile' cable and connectivity solutions for communications networks. Through our recent acquisition of the Connectivity Solutions business of Avaya Inc. ("Avaya"), we became the global leader in structured cabling systems for business enterprise applications. Additionally, we are a leading worldwide designer, manufacturer and marketer of a broad line of coaxial, fiber optic, and other high-performance electronic cable products for cable television, telephony, Internet access, data networking and wireless communications, and other broadband services. We believe we supplied more than 50% of all coaxial cable purchased in the United States in 2003 for broadband cable networks using Hybrid Fiber Coaxial ("HFC") architecture. We believe we are also the largest manufacturer and supplier of coaxial cable for HFC networks in the world. We are also a leading supplier of fiber optic cables primarily for HFC cable networks and have developed specialized, proprietary fiber optic products for telecommunications applications. We are a leading supplier of coaxial cable for telephone central office switching and transmission applications, as well as video distribution applications such as satellite television and security surveillance. In addition, we have developed an innovative line of coaxial cables for wireless communication infrastructure applications and are also a leading provider of high-performance premise wiring for the mid tier Local Area Network ("LAN") market. During 2003, we sold our cable products to approximately 1,800 customers in more than 100 countries.

For the year ended December 31, 2003, and prior to our acquisition of the Connectivity Solutions business, our net sales were \$573.3 million and our net loss was \$70.6 million (primarily due to recognition of our share of the losses of OFS BrightWave, LLC ("OFS BrightWave") and impairment charges). During this period, approximately 79% of our revenues were for HFC cable networks and other video applications, 16% were for LAN premise wiring applications, and 5% were for wireless, central office and other telecommunications applications. Approximately 19% of our net sales in 2003 were generated outside the United States.

On January 31, 2004, we acquired substantially all of the assets and certain specified liabilities of the Connectivity Solutions business ("Connectivity Solutions") of Avaya for \$250 million in cash and approximately 1.8 million shares of our common stock. The purchase price is subject to post closing adjustments for working capital, certain information technology costs and employee benefit obligations. The closing of the acquisition of certain limited international operations is expected to occur later this year, and a portion of the cash purchase price was withheld pending such closing. As part of the transaction, we also assumed up to approximately \$65 million of other specified liabilities of the Connectivity Solutions business, primarily related to employee benefits.

The Connectivity Solutions business as operated by Avaya was organized into three business groups:

SYSTIMAX®, which is the global leader in the design, development, manufacture and marketing of physical layer end-to-end structured cabling solutions for connecting phones, workstations, LANs, Storage Area Networks ("SAN"), and other critical communication devices through buildings or across campuses of businesses, enterprises and other organizations.

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ExchangeMAX®, which is a U.S. leader in providing physical layer structured cabling solutions supporting central offices of telecommunications service providers.

Integrated Cabinet Solutions ("ICS"), which provide secure environmental enclosures engineered to protect and optimize the performance of wireless, Digital Subscriber Line ("DSL") and other electronic equipment primarily in outdoor locations or telecommunications providers.

We acquired this business primarily to expand our position in the 'last mile' of telecommunications, establish a leadership position in the global connectivity enterprise market and enhance our global growth opportunities. We believe that this acquisition positions us as a leading global provider of cable products and apparatus to both the enterprise and telecommunications markets. For the fiscal year ended September 30, 2003, total net sales for Connectivity Solutions as operated by Avaya were \$541.7 million with approximately 80%, 10%, and 10% derived from the SYSTIMAX®, ExchangeMAX®, and ICS groups, respectively and operating income was \$8.6 million (including corporate allocations of approximately \$48 million). During its 2003 fiscal year, Connectivity Solutions as operated by Avaya sold its products to approximately 2,000 independent distributors, system integrators, and value added resellers in more than 60 countries. Approximately 45% of net sales for Connectivity Solutions as operated by Avaya for the fiscal year ended September 30, 2003 were generated outside the United States. On a pro forma basis, to reflect our acquisition of Connectivity Solutions, our combined net sales were approximately \$1.1 billion for the year ended December 31, 2003.

The following are our major product groups following the acquisition of Connectivity Solutions:

CommScope Enterprise Solutions

Our Enterprise Solutions group is a world leader in providing enterprise structured cabling systems for global companies. This group includes SYSTIMAX® Solutions, our new enterprise connectivity business, and our CommScope branded enterprise LAN products. We believe SYSTIMAX® Solutions provides the most extensive and comprehensive portfolio of structured connectivity solutions available on the market today. It includes in-building and outside plant campus cabling and associated distribution components from the point of demarcation where the building cabling connects to outside communications networks.

CommScope Broadband Solutions

Our Broadband Solutions group is a worldwide leader in providing coaxial cable for broadband HFC applications, primarily used in the cable television industry. We are the world's largest manufacturer of coaxial cable and a leading domestic supplier of fiber optic cable for cable television and other video applications. Our coaxial and fiber optic cables are primarily used in HFC networks, which are widely recognized as one of the most cost-effective ways to offer multi-channel video, voice and data services. Our broadband coaxial and optical fiber cables provide bandwidth for services such as cable television, video on demand, high-speed Internet access, cable telephony and other interactive services.

CommScope Carrier Solutions

CommScope Carrier Solutions includes our ExchangeMAX® and ICS product lines. Our ExchangeMAX® products are sold in the central office cable and cross-connect markets and provide end-to-end connectivity to end-users such as OEMs of telecommunications equipment, Regional Bell Operating Companies ("RBOC"), and third-party vendors. Our ExchangeMAX® products include UTP, STP and coaxial cable, copper main distributing frames, digital signal cross connect frames, connectors, patch cords and cable management software. Our ICS products are sturdy environmental enclosures for electronics devices and equipment deployed in the outside plant and inside buildings.

CommScope Wireless Solutions

Our Wireless Solutions group manufactures high frequency cables and components connecting wireless antennae to transmitters and switching cables for the U.S. wireless infrastructure business. Semi-flexible coaxial cables are used to connect the antennae located at the top of wireless antenna towers to the radios and power sources located adjacent to or near the antenna site. Over the past few years, we developed and patented Cell Reach®, a line of copper or aluminum shielded semi-flexible coaxial cables and related connectors and accessories to address this market.

On June 14, 2004, we transferred all of our equity ownership in OFS BrightWave to The Furukawa Electric Co., Ltd. ("Furukawa") in exchange for the 7,656,900 shares of our common stock owned by Furukawa. We expect to record a net pretax gain of approximately \$121.3 million, or approximately \$1.24 per diluted share, net of tax, as a result of this transaction during the second quarter of 2004.

Our Competitive Strengths

Industry Leader. We are a recognized leader in the coaxial cable, fiber optic cable and structured cabling industries. We are the world's largest manufacturer of broadband coaxial cable for HFC applications and the recognized market leader in end-to-end structured cabling solutions supporting LAN applications. We believe we supplied over 50% of all coaxial cable purchased in 2003 in the United States for broadband cable networks using HFC architecture. Our SYSTIMAX® Solutions product line is the preeminent brand in structured cabling for LAN applications, holding a leading sales position in essentially every geographic market in which we compete. Our ExchangeMAX® product line is one of the top two product lines in the service provider structured cabling marketplace and the only one supplying complete end-to-end connectivity to our customers. In addition, our ICS product group is one of the top two non-OEM manufacturers of integrated cabinet solutions in North America.

Technical Innovation. We are recognized for our technological innovation and leadership in the marketplace. We pursue an active policy of seeking and enforcing intellectual property protection, namely patents and registered trademarks, for new products and designs and have a strong tradition of research and development with over 1,100 patents and patent applications. As a technological leader in the structured cabling industry, our representatives participate in the industry's leading standard bodies, including the Telecommunications Industry Association, the Electronic Industry Association, the Institute of Electrical and Electronic Engineers and the Asynchronous Transfer Mode Forum. The insight gained from these activities, combined with our own market research, allows us to better understand the future uses of cable and connectivity and to design products to address these trends.

Global Scale and Service. We believe that we have achieved a degree of scale and product breadth that differentiates us from many of our competitors. We believe that our coaxial cable manufacturing capacity is greater than that of any other manufacturer of HFC products. This high-volume service capability combined with strong logistical and technical support enables us to provide our customers with superior service. With the acquisition of Connectivity Solutions, we have developed broader international operations with more people and logistical capabilities to do business around the world. Additionally, we have an extensive global network of distributors, value-added resellers and system integrators to distribute products and components effectively on a global basis.

Brand Name and Blue Chip Customer Base. Our worldwide distribution network of independent distributors, system integrators, and value added resellers, together with our direct sales force has enabled us to build meaningful relationships with end users like IBM, The Home Depot, and Intel. We also maintain significant relationships with Anixter International, one of the largest global electrical and communications distributors, and Graybar Electric Company, one of the largest

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electrical and communications distributors in the United States. We supply broadband coaxial cable to Comcast Corporation, Time Warner Inc., Cox Communications Inc., and many of the other leading cable television system operators in the United States. Through our relationships with our blue-chip customers, we gain early exposure to the latest products, technologies, and market trends. We believe that our brands include some of the most widely recognized and respected names and help to promote end-user demand in the markets that we serve.

Operational Excellence. Our state-of-the-art cable manufacturing processes allow us to provide proprietary specialized cabling solutions to our customers. We have invested approximately \$250 million in the global development and acquisition of state-of-the-art manufacturing facilities and new technologies during the past five fiscal years. These investments also help to improve operating efficiencies and management control, and provide more consistent product quality, as well as providing regional services and manufacturing capability. With the acquisition of Connectivity Solutions, we now have manufacturing and warehousing facilities located on five continents, allowing us to satisfy volume production, time-to-market, and technology requirements of our major customers.

Our Strategy

Our goal is to be the global leader in 'last mile' cabling and connectivity, which is the distribution access, or final link, to the customer. Our recent acquisition of Connectivity Solutions is an important milestone in achieving this objective. The principal elements of our strategy are:

Build upon Leadership Position in the 'Last Mile' of Telecom. We believe we are the global leader in structured cabling systems for business enterprise applications and the world's largest manufacturer of coaxial cable for HFC applications. HFC networks are widely recognized as the most cost-effective way to deliver multi-channel video, voice and data services into homes around the world.

As telecommunications companies continue to bring broadband video, voice and high-speed data services to the enterprise, home or mobile customer, we expect an ongoing demand for bandwidth and enabling cabling and connectivity solutions products. We intend to build upon our leadership position by offering our broad portfolio of products for last mile wired and/or wireless applications.

Develop Proprietary Products and Expand Market Opportunities. We actively identify new market opportunities and develop and commercialize products that use our core technology and manufacturing competencies. Our industry-leading research and development teams continue to spearhead innovative developments in cable and connectivity. We intend to build upon this legacy of innovation and leverage our portfolio of over 1,100 worldwide patents to provide leading-edge technology and new, high-performance cable and connectivity solutions products to our customers.

Continuously Improve Operating Efficiencies. We are recognized for operational excellence and effective cost management. We believe that there are significant potential cost reduction opportunities as we integrate Connectivity Solutions, including reduced corporate overhead and lower working capital. We intend to reduce costs through increased operational focus, application of our manufacturing expertise, increased labor productivity and process simplification.

Expand Our Global Platform. We believe that the ongoing need for communications infrastructure and worldwide demand for video, data and other broadband services creates significant long-term global growth opportunities. We expect new bandwidth-absorbing applications in the enterprise market and an ongoing need for cable television infrastructure due to the large number of worldwide television households and relatively low global penetration rates for cable television. We intend to enhance our market position by building upon our new worldwide facilities and presence as well as our extensive global network of distributors, system integrators

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and value added resellers. We also intend to use these new market channels to expand sales of existing CommScope products.

Leverage Superior Customer Service. We believe we are the market leader in enterprise and HFC applications in part due to our emphasis on customer service. We strive to establish and maintain long-term customer relationships by seamlessly delivering innovative cable and connectivity solutions to our telecommunications and enterprise customers. Our high-volume manufacturing capability, industry-leading research and development, technical support and sophisticated logistical capabilities are key components of our customer service model.

We were incorporated under the laws of the State of Delaware in 1997. Our principal executive offices are located at 1100 CommScope Place, SE, Hickory, North Carolina 28602. Our telephone number is (828) 324-2200.

The Offering

Issuer	CommScope, Inc.
Securities Offered	\$250,000,000 principal amount of 1.00% Convertible Senior Subordinated Debentures due 2024 (and 11,494,250 shares of common stock issuable upon conversion of the debentures) by selling securityholders.
Maturity Date	March 15, 2024, unless earlier redeemed, repurchased or converted.
Interest	1.00% per annum on the principal amount, accruing from March 15, 2004, payable semi-annually in arrears on September 15 and March 15 of each year, beginning September 15, 2004.
Subordination	The debentures are our unsecured senior subordinated obligations and the payment of the principal of and interest on the debentures is subordinated in right of payment to the prior payment in full of our existing and future senior indebtedness (including obligations under our senior secured credit facility and Industrial Development Authority Notes (the "IDA Notes")). The debentures also rank equally in express right of payment with our future senior subordinated indebtedness and senior to any of our existing and future subordinated indebtedness. The debentures also rank junior to our secured indebtedness (including obligations under our senior credit facility and IDA Notes) to the extent of the underlying collateral. Our senior secured credit facility is guaranteed by certain of our subsidiaries. At May 31, 2004, our senior indebtedness, including indebtedness of our subsidiaries, was approximately \$82 million, all of which represented secured indebtedness and we had \$65.4 million in borrowings available under our revolving credit facility, which, if borrowed, would also be secured. The debentures are effectively subordinated to all existing and future indebtedness and other liabilities including trade payables of our subsidiaries.
Conversion	<p>Holders may convert the debentures into shares of our common stock at a conversion rate of 45.9770 shares of our common stock per \$1,000 principal amount of debentures (representing a conversion price of approximately \$21.75 per share), subject to adjustment, prior to the close of business on the final maturity date only under the following circumstances:</p> <p>during any fiscal quarter commencing after June 30, 2004, and only during such fiscal quarter, if the closing sale price of our common stock exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading day period ending on the last trading day of the preceding fiscal quarter; or</p> <p>during the five business days after any five consecutive trading day period ("the measurement period") in which the trading price per \$1,000 principal amount of the debentures for each day of such measurement period was less than 98% of the product of the closing sale price of our common stock and the number of shares issuable upon conversion of \$1,000 principal amount of the</p>

debentures; *provided however*, you may not convert your debentures in reliance on this provision if on any day during such measurement period the closing sale price of our common stock was between 100% and 120% of the then current conversion price of the debentures; or

if the debentures have been called for redemption; or

upon the occurrence of specified corporate transactions described under "Description of the Debentures Conversion of Debentures Conversion Upon Specified Corporate Transactions."

The conversion rate may be adjusted under circumstances described under "Description of the Debentures Conversion of Debentures Conversion Rate Adjustments", but will not be adjusted for accrued interest.

Sinking Fund

None.

Optional Redemption

On or after March 20, 2009, we may redeem for cash all or part of the debentures at any time or from time to time, upon at least 30 days' prior notice, at a redemption price equal to 100% of the principal amount of the debentures, plus accrued and unpaid interest and liquidated damages, if any, up to, but excluding, the redemption date.

Repurchase at the Option of the Holder

Holders may require us to repurchase all or any portion of their debentures for cash on March 20, 2009, March 15, 2014 and March 15, 2019 (each, a "repurchase date") at a repurchase price equal to 100% of the principal amount of the debentures to be repurchased, plus accrued and unpaid interest and liquidated damages, if any, up to, but excluding, the repurchase date.

Additionally, if a designated event (as described under "Description of the Debentures Repurchase at Option of the Holder Upon a Designated Event") occurs prior to maturity, holders may require us to repurchase all or part of their debentures for cash at a repurchase price equal to 100% of the principal amount of the debentures, plus accrued and unpaid interest and liquidated damages, if any, up to, but excluding, the repurchase date.

Events of Default

If there is an event of default with respect to the debentures, an amount equal to 100% of the principal amount of the debentures, plus accrued and unpaid interest and liquidated damages, if any, may be declared immediately due and payable. These amounts automatically become due and payable in some circumstances. The following are events of default with respect to the debentures:

default for 30 days in any payment of any interest and liquidated damages, if any, due and payable on the debentures;

default in payment of principal of the debentures, when the same becomes due and payable;

default in our obligations to satisfy our conversion obligation upon exercise of a holder's conversion right if such default is not cured within 10 days;

our indebtedness or indebtedness of our significant subsidiaries is not paid after the final maturity of such indebtedness or is accelerated and the total amount of such indebtedness unpaid or accelerated exceeds \$20 million;

failure by us to provide notice to the holders of the debentures of the occurrence of a designated event on a timely basis;

default in the performance by us of any of our respective covenants in respect of the debentures for 90 days after written notice to us;

any judgment or decree for the payment of money in excess of \$20 million is entered against us, or any significant subsidiary, remains outstanding for a period of 60 days following entry of such judgment and is not discharged, bonded, waived or stayed within 30 days after written notice; and

certain events of bankruptcy, insolvency and reorganization of us, or our significant subsidiaries.

See "Description of the Debentures Events of Default; Notice and Waiver."

Use of Proceeds

We will not receive any proceeds from the sale of the debentures or the shares of common stock offered in this prospectus. See "Selling Securityholders."

Risk Factors

You should carefully consider the risks described under "Risk Factors," beginning on page 9 of this prospectus before deciding to invest in the debentures.

RISK FACTORS

You should carefully consider the risks described below, as well as other information included or incorporated by reference in this prospectus, before making an investment decision regarding our debentures. The value of your investment may increase or decrease. Our business, results of operations or financial condition may be materially and adversely affected by any of these risks, which could result in the loss of all or part of your investment.

Risks Related to the Business

We may fail to realize the anticipated benefits of our recent acquisition of Connectivity Solutions because of the challenges of integrating and operating the Connectivity Solutions business.

On January 31, 2004, we acquired substantially all of the assets and certain specified liabilities of the Connectivity Solutions business of Avaya. Although we expect to realize strategic, operational and financial benefits as a result of the Connectivity Solutions acquisition, we cannot predict whether and to what extent such benefits will be achieved. There are significant challenges to integrating the Connectivity Solutions operations into our business, including:

successfully managing the operations, manufacturing facilities and technology of Connectivity Solutions;

maintaining and increasing the customer base for Connectivity Solutions products;

successfully marketing and selling two potentially competing LAN products; and

integrating management information, inventory, accounting and sales systems of CommScope and Connectivity Solutions.

The Connectivity Solutions acquisition is significant to us in size and range of product offerings and we have not previously had comparable experience integrating operations as substantial and geographically diverse as those of Connectivity Solutions. As a result of this acquisition, we now have subsidiaries, or representative branch offices, in numerous foreign countries, subjecting us to diverse foreign laws and regulations.

In connection with our acquisition of Connectivity Solutions, our wholly owned subsidiary Connectivity Solutions Manufacturing, Inc. assumed a collective bargaining agreement, with applicable modifications, effective January 31, 2004 with the International Brotherhood of Electrical Workers. This agreement expires on May 31, 2006. Disputes under this agreement, our inability to successfully negotiate future agreements, or attempts to organize our non-union employees could result in disruption of our operations and higher ongoing labor costs. Prior to the Connectivity Solutions acquisition, none of our domestic employees were subject to a collective bargaining agreement.

Also, in connection with the Connectivity Solutions acquisition, we assumed underfunded pension plan and retiree medical liabilities for U.S. represented employees of the Connectivity Solutions business upon the transfer of plan assets and obligations to us. Declines in equity markets and interest rates could decrease the value of pension plan assets and further increase the unfunded amount of our obligations under these plans.

Our failure to successfully integrate and operate the Connectivity Solutions business (as operated by CommScope, the Connectivity Solutions segment), and to realize the anticipated benefits of the acquisition, could adversely impact our operating performance and financial results.

The historical financial information of Connectivity Solutions is not necessarily indicative of the future financial condition or performance of our Connectivity Solutions segment subsequent to the acquisition.

The historical financial information of Connectivity Solutions as a division of Avaya will differ from the future financial condition and performance of our Connectivity Solutions segment subsequent to the acquisition because, among other reasons:

the Connectivity Solutions financial statements include assets and liabilities that were not acquired or assumed by us;

the Connectivity Solutions financial statements include an allocation of corporate overhead from Avaya which would not be applicable after the acquisition;

the financial information does not reflect anticipated transaction costs or expected synergies resulting from the acquisition;

the financial results of Connectivity Solutions may not be indicative of the actual results of the Connectivity Solutions business when operated as a part of our company; and

Connectivity Solutions' balance sheet as of September 30, 2003 does not reflect the current market value of the assets acquired as of January 31, 2004.

Accordingly, the historical financial information of the Connectivity Solutions business as a division of Avaya should not be relied upon as indicative of the future financial condition or performance of our Connectivity Solutions segment subsequent to the acquisition.

The pro forma financial information of CommScope and Connectivity Solutions is not necessarily indicative of the future financial condition or performance of the combined businesses.

The pro forma financial information of CommScope with respect to the acquisition of Connectivity Solutions that is incorporated by reference in this prospectus is intended to provide information regarding how CommScope might have looked if the acquisition had occurred as of the dates indicated in such information. The pro forma information is based on the historical results of the Connectivity Solutions business as a division of Avaya, however, and therefore may not be indicative of the actual results of our Connectivity Solutions segment when operated as part of CommScope going forward. Moreover, the pro forma information does not reflect all of the changes that may result from the acquisition, including, but not limited to, challenges of transition, integration and restructuring associated with the transaction; challenges of achieving anticipated synergies; ability to retain qualified employees and existing business alliances; maintaining satisfactory relationships with represented employees; and customer demand for Connectivity Solutions products. The pro forma adjustments to the balance sheet and income statements represent management's best estimates based on information available at the time the pro forma information was prepared and may differ from the adjustments that may actually be required. Accordingly, the pro forma financial information should not be relied upon as being indicative of the historical results that would have been realized had the acquisition occurred as of the dates indicated or that may be achieved in the future.

Our sales and profitability have been adversely affected by a reduction in capital spending in the cable television and telecommunications industries.

Historically, most of our revenues have come from sales of communications cable products to the cable television industry. Demand for our communication cable products depends primarily on capital spending by cable television operators for maintaining, constructing, rebuilding or upgrading their systems. Capital spending in the cable television and telecommunications industries is cyclical. The

amount of this capital spending, and, therefore, our sales and profitability, will be affected by a variety of factors, including, without limitation:

general economic conditions;

availability and cost of capital;

changes in ownership of cable television operators;

cable system consolidation within the industry;

the financial condition of domestic and international cable television operators and their access to financing;

competition from satellite and wireless television providers and telephone companies;

technological developments;

new legislation and regulation of cable television operators; and

government investigations into industry practices.

In recent years, cable television capital spending has decreased substantially and we expect ongoing volatility in the near term. Our 2003 sales were negatively impacted by a significant slowdown in spending by our international customers, substantially lower sales of fiber optic cable and a major slowdown in spending by Adelphia Communications Corporation, primarily as a result of its Chapter 11 bankruptcy filing. We also experienced a significant slowdown in spending by Charter Communications, Inc. during 2003. A shift away from rebuilding or upgrading activities has negatively impacted our profit margins. We cannot assure you that cable television capital spending will not continue to decrease in the future or when, if at all, it will increase. Lack of demand could increase competition for existing customers and negatively affect pricing. In addition, if we are unable to adequately manage our costs in response to reduced demand for our products, there could be a material adverse effect on our profitability.

The sales and profitability of Connectivity Solutions has been adversely affected by a reduction in capital spending in the corporate information technology sector as well as in the telecommunications industry.

The majority of the sales of Connectivity Solutions as operated by Avaya were derived from corporate information technology spending by global enterprises. In 2001 and 2002, global enterprises reduced their information technology capital spending in light of, and to a greater extent than, the overall decline in the economy. In addition, a significant portion of the sales of Connectivity Solutions historically were derived from capital spending by telecommunications service providers. These telecommunications customers have greatly reduced their spending on communications equipment, as demand for products in the telecommunications equipment market remains at historically low levels due to the overall decline in the economy. If capital spending levels in the corporate information technology sector and in the telecommunications industry continue to decline and/or do not increase, our sales and profitability relating to our Connectivity Solutions segment will be adversely affected.

Our communications cable customers are subject to significant government regulation that could materially adversely affect our business.

In recent years, cable television capital spending has been affected by new legislation and regulation, on the federal, state and local level. Many aspects of government regulation are currently the subject of judicial proceedings and administrative or legislative proposals. The Federal Communications Commission is continuing its implementation of the Telecommunications Act of 1996, referred to herein as the "Telecom Act" which, when fully implemented, may significantly impact the communications industry and

alter federal, state and local laws and regulations regarding the provision of cable, internet and telephony services. The Telecom Act eliminates substantially all restrictions on the entry of telephone companies and certain public utilities into the cable television business. Telephone companies may now enter the cable television business as traditional cable operators, as common carrier conduits for programming supplied by others, as operators of wireless distribution systems, or as hybrid common carrier/cable operator providers of programming on so-called "open video systems." The economic impact of the Telecom Act, ongoing litigation in this regard, other recent federal legislation and the rules implementing these laws on the cable television industry and our business is still uncertain.

The loss of one or more of our principal customers could materially adversely affect us.

Although the domestic cable television industry is comprised of thousands of cable systems, a small number of cable television operators own a majority of cable television systems and account for a majority of the capital expenditures made by cable television operators. Although we sell to a wide variety of customers dispersed across many different geographic areas, sales to the five largest domestic broadband service providers represented approximately 48% of our net sales during 2002 and 39% during 2003. Accordingly, the loss of one or more of our principal communications cable customers could have a material adverse effect on our business and financial condition.

The loss of one or more principal distributors, value-added resellers and system integrators for SYSTIMAX® could materially adversely affect us.

We distribute SYSTIMAX® solutions through a worldwide network of more than 2,000 distributors, value-added resellers and system integrators. Prior to our acquisition of Connectivity Solutions, for the fiscal year ended September 30, 2003, sales of SYSTIMAX® by the Connectivity Solutions business of Avaya to the top five distributors, value-added resellers and system integrators represented approximately 77% of the net sales of SYSTIMAX® in that period. In particular, Anixter Corporation and affiliates accounted for approximately 53% and Graybar Electric Company accounted for approximately 14% of the net sales of SYSTIMAX® for the fiscal year ended September 30, 2003. Sales to Anixter Corporation and affiliates accounted for approximately 29.4% of our net sales during the three months ended March 31, 2004. The loss of one or more of our principal distributors of SYSTIMAX® solutions could have a material adverse effect on our business and financial condition.

Consolidation among our major customers could materially adversely affect our business.

The telecommunications industry has experienced the consolidation of many industry participants and this trend is expected to continue. Consolidations could result in delays in purchasing decisions by the merged businesses, and we could play either a greater or lesser role in supplying products to the merged entity. These purchasing decisions of the merged companies could have a material adverse effect on our business. In November 2002, AT&T Broadband, the largest domestic multiple system operator and one of our significant customers, merged with Comcast Corporation to form a new company named Comcast Corporation, creating a concentration of credit risk in the new merged entity. We cannot determine whether or to what extent future potential regional clustering of cable systems and subscriber trades will delay expected cable spending or negatively impact our sales volumes or profits.

In addition, CommScope Carrier Solutions sells directly or indirectly to a very small group of telecommunications service providers, primarily the former Bell operating companies and their extended supply chain. Additional consolidation of providers or the loss of access to their product portfolios could have a material adverse effect on our business and financial condition.

The financial condition of some of our major communications cable customers has deteriorated, which has resulted in write-offs and increased our credit risk.

Some of our major communications cable customers have experienced financial difficulties as a result of weakness in the telecommunications industry or for other reasons.

One of our significant communications cable customers, Adelphia, filed for Chapter 11 debtor-in-possession reorganization on June 25, 2002. During 2002, we wrote off \$21.4 million of Adelphia receivables, which we sold in 2003. We have reached an agreement with Adelphia on the terms under which we will continue to do business with Adelphia during its Chapter 11 reorganization but we do not expect a significant recovery of business with Adelphia in the near term.

If the current weakness in the telecommunications industry continues, or if conditions deteriorate further, or for other reasons, our customers may experience financial difficulties, become subject to government investigation or file with the courts seeking protection under the applicable bankruptcy or reorganization laws. Upon the financial failure of a customer, we may experience losses as a result of our inability to collect, in a timely manner or at all, the accounts receivable outstanding to such customer, as well as the loss of such customer's ongoing business. If our customers fail to meet their payment obligations to us, we could experience reduced cash flows and losses in excess of amounts reserved.

Although we believe that our existing goodwill and other intangible assets are not currently impaired, we may incur impairment charges related to these assets in the future.

Effective January 1, 2002, we adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 requires the use of a nonamortization approach to account for purchased goodwill and certain intangible assets with indefinite lives and also requires at least an annual assessment for impairment by applying a fair-value-based test.

SFAS No. 142 requires that goodwill be tested for impairment annually at the same time each year and on an interim basis when events or circumstances change. We elected to perform our annual goodwill impairment test as of August 31. We completed our most recent annual goodwill impairment test as of August 31, 2003 and believe that goodwill was not impaired as of this date.

Existing goodwill, which totaled \$151 million as of December 31, 2003, arose from previous acquisitions accounted for under the purchase method of accounting. If the current weakness in the telecommunications industry is prolonged or further deteriorates, we cannot assure you that future tests will not result in impairment of existing goodwill and that potential future goodwill impairment will not materially adversely affect our results of operations.

We have recognized impairment charges for fixed assets and may need to do so again in the future.

Effective January 1, 2002, we adopted SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets," which supersedes SFAS No. 121, "Accounting for the Impairment or Disposal of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," but retains many of its fundamental provisions. Long-lived assets must be tested for impairment in accordance with SFAS No. 144 whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Due to the difficult business environment in telecommunications and the continuing decline in demand for our products, we recognized impairment charges of \$31.7 million during the three months ended June 30, 2003 primarily related to our broadband cable manufacturing assets. We previously recognized impairment charges of \$25.1 million during the three months ended September 30, 2002 primarily related to fixed assets used in the manufacture of our wireless, fiber optic cable and other telecommunications products. These impairment charges represented approximately 17% and 11% of our total net property, plant and equipment as of June 30, 2003 and September 30, 2002, respectively.

Utilization in our facilities is subject to change based on customer demand. We can give no assurances that we will not have excess manufacturing capacity over the long-term. If the current weakness in the telecommunications industry is prolonged or further deteriorates, we cannot assure you that future tests will not result in additional impairment of long-lived assets and that potential future impairment of long-lived assets will not materially adversely affect our results of operations.

Our failure to introduce new products successfully, and changes in technology, could materially adversely affect us.

Many of our markets are characterized by advances in information processing and communications capabilities which require increased transmission speeds and greater capacity, or "bandwidth," for carrying information. These advances require ongoing improvements in the capabilities of wire and cable products. We believe that our future success will depend in part upon our ability to enhance existing products and to develop and manufacture new products that meet or anticipate these changes. The failure to introduce successful new or enhanced products on a timely and cost-competitive basis or the inability to continue to market existing products on a cost-competitive basis could materially adversely affect our business and financial condition.

Fiber optic technology presents a potential substitute for the products that comprise most of our sales of communications cable products. A significant decrease in the cost of fiber optic systems could make these systems superior on a price/performance basis to copper systems. A significant decrease in the cost of fiber optic systems would reasonably be expected to have a materially adverse effect on our coaxial cable sales.

The communications cable industry is highly competitive globally and rapid technological change may lead to further competition.

Our coaxial, fiber optic and electronic cable products compete with those of a substantial number of foreign and domestic companies, some of which have greater resources (financial or otherwise), or lower operating costs, than we have. The rapid technological changes occurring in the telecommunications industry could lead to the entry of new competitors. Existing competitors' actions, such as price reductions, use of internet auctions or introduction of new innovative products, and new entrants may have a materially adverse impact on our sales and profitability. We cannot assure you that we will continue to compete successfully with our existing competitors or that we will be able to compete successfully with new competitors.

Our dependence on commodities subjects us to price fluctuations which could materially adversely affect our profitability.

Our profitability may be materially affected by changes in the market price and availability of our raw materials, most of which are linked to the commodity markets. The principal raw materials we purchase are plastics and polymers, fabricated aluminum, and, to a lesser extent, copper, bimetals and optical fiber. Plastics and polymers are used to insulate and protect cables and fabricated aluminum, copper and steel are used in the production of coaxial and twister pair cables. Prices for copper, fluoropolymers and certain polymers derived from oil and natural gas have increased substantially over the last twelve months. As a result, we have significantly increased our prices for certain enterprise products and may have to increase prices again in the future. Our inability to achieve market acceptance of future price increases could have a material impact on the results of our operations.

Difficulties with our key suppliers could materially adversely affect us.

For certain of our raw material purchases, including fluorinated ethylene propylene, bimetallic center conductors, copper rods, fine wire aluminum and optical fiber, we are dependant on key suppliers.

Fluorinated ethylene propylene (FEP) is the primary raw material used throughout the industry for producing flame retarding cables for local area network applications. There are few worldwide producers of FEP and market supplies have been periodically limited over the past several years. Availability of adequate supplies of FEP will be critical to future local area network cable sales growth. If FEP is not available in adequate quantities on acceptable terms, our business and financial condition could be materially adversely affected.

A portion of our raw material purchases are bimetallic center conductors for coaxial cables. During 2003, we produced substantially all of our requirements internally and purchased the remaining amount from Copperweld Corporation. We will continue to use our internal production capabilities to meet the majority of our bimetallic center conductor requirements for 2004. However, the loss of our ability to produce bimetallic center conductors would likely require the purchase of bimetallic center conductors from Copperweld or other sources, which are limited. Copperweld's inability to supply, and/or our failure to manufacture or adequately expand our internal production of these products, could have a materially adverse effect on our business and financial condition.

We internally produce a significant portion of our requirements for fine aluminum wire, which is available externally from only a limited number of suppliers. Although this is a smaller raw material purchase than bimetallic center conductors, our failure to manufacture or adequately expand our internal production of fine aluminum wire, and/or our inability to obtain these materials from other sources in adequate quantities on acceptable terms, could have a materially adverse effect on our business and financial condition.

Optical fiber is a primary material used for making fiber optic cables. There are few worldwide suppliers of these premium optical fibers. Availability of adequate supplies of premium optical fibers will be critical to future fiber optic cable sales growth. We believe that our optical fiber supply agreement, which extends through June 2008 (subject to earlier termination pursuant to its terms), with an affiliate of Furukawa addresses concerns about the continuing availability of these materials to us, although there can be no assurance of this.

Our key suppliers could experience financial difficulties, or there may be global shortages of the raw materials we use, and our inability to find sources of supply on reasonable terms could materially adversely affect our ability to manufacture products in a cost effective way.

Because of our vertical integration of supply and production of some products, a disruption or failure at one of our manufacturing facilities could materially adversely affect our ability to manufacture products at other manufacturing facilities in a cost-effective and timely manner.

We internally produce a significant portion of some of the components used in our finished products, including bimetallic center conductors and fine aluminum wire, at certain of our manufacturing facilities. Disruption at these facilities due to failure of our technology, fire, electrical outage, natural disaster, acts of terrorism or some other catastrophic event could materially adversely affect our ability to manufacture products at our other manufacturing facilities in a cost-effective and timely manner.

If our products or components purchased from our suppliers experience performance issues, our business will suffer.

Our business depends on our producing excellent products of consistently high quality. To this end, our products, including components and raw materials purchased from our suppliers, are rigorously tested for quality both by us and our customers. Nevertheless, our products are highly complex and our customers' testing procedures are limited to evaluating our products under likely and foreseeable failure scenarios. For various reasons (including, among others, the occurrence of performance problems unforeseeable in testing), our products and components and raw materials purchased from our suppliers may fail to perform as expected. Performance issues could result from faulty design or problems in

manufacturing. We have experienced such performance issues in the past and remain exposed to such performance issues. In some cases, recall of some or all affected products, product redesigns or additional capital equipment may be required to correct a defect. In addition, we warrant or indemnify certain products over varying periods of time. In particular, we warrant the operation of our SYSTIMAX Solutions products for a period of 20 years from installation. Although historical warranty and indemnity claims have not been significant, we cannot assure you that future claims will not have a materially adverse affect on our results of operations. Any significant or systemic product failure could also result in lost future sales of the affected product and other products, as well as result in customer relations problems.

Our business is subject to the economic uncertainties and political risks of making and selling our products in foreign countries.

With the acquisition of Connectivity Solutions, we have significantly increased our international manufacturing operations and international sales. For the quarter ended March 31, 2004, international sales represented approximately 31% of our net sales (including sales from our Connectivity Solutions segment). Our international sales and operations are subject to the risks inherent in operating abroad, including risks with respect to currency exchange rates, economic and political destabilization, restrictive actions by foreign governments, nationalizations, the laws and policies of the United States affecting trade, foreign investment and loans, foreign tax laws, compliance with local laws and regulations, armed conflict, war, terrorism and major health concerns (such as SARS).

Potential environmental liabilities may arise in the future and materially adversely impact our financial position.

We are subject to various federal, state, local and foreign environmental laws and regulations governing, among other things, discharges to air and water, management of hazardous substances, handling and disposal of solid and hazardous waste, and investigation and remediation of hazardous substance contamination. Because of the nature of our business, we have incurred and will continue to incur, costs relating to compliance with these environmental laws and regulations. Compliance with current laws and regulations has not had and is not expected to have a material adverse effect on our financial condition. However, new laws and regulations, including those regulating the types of substances allowable in certain of our consumer products, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or the imposition of new remediation or discharge requirements could require us to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on our business, financial condition and results of operations.

Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act and similar state statutes, current or former owners or operators of a contaminated property, as well as companies that generated, disposed of, or arranged for the disposal of hazardous substances at a contaminated property, can be held jointly and severally liable for the costs of investigation and remediation of the contaminated property, regardless of fault. Our present and past facilities have been in operation for many years, and over that time in the course of those operations, these facilities have used substances which are or might be considered hazardous, and we have generated and disposed of wastes which are or might be considered hazardous. Therefore, it is possible that environmental liabilities may arise in the future which we cannot now predict.

Although we believe cash from operations and availability under our senior secured credit facility provide adequate resources to fund ongoing operating requirements, we may be limited in our ability to obtain additional capital on commercially reasonable terms.

Although we believe cash from operations and availability under our senior secured revolving credit facility provide adequate resources to fund ongoing operating requirements, we may need to seek

additional financing to compete effectively. Our public debt ratings affect our ability to raise capital and the cost of that capital. On February 27, 2004, Moody's Investors Service, Inc. lowered our senior unsecured debt rating to Ba3 and our subordinated debt rating to B1, with a stable outlook. Future downgrades of our debt ratings may increase our borrowing costs and affect our ability to access the equity capital markets on terms and in amounts that would be satisfactory to us.

Our indebtedness could restrict our operations, make us more vulnerable to adverse economic conditions and make it more difficult to invest in our business.

Our current and future indebtedness could have important consequences to you. For example, it could:

impair our ability to obtain additional financing in the future;

reduce funds available to us for other purposes, including working capital, capital expenditures, research and development, strategic acquisitions and other general corporate purposes;

restrict our ability to introduce new products or exploit business opportunities;

increase our vulnerability to economic downturns and competitive pressures in the industry we operate in;

increase our vulnerability to interest rate increases to the extent variable-rate debt is not effectively hedged;

limit, including as a result of the financial and other restrictive covenants in that indebtedness, our ability to dispose of assets or borrow additional funds; and

place us at a competitive disadvantage.

We may incur additional indebtedness in the future, either under the revolving credit facility that is part of our senior secured credit facility, through future debt issuances, in connection with future acquisitions or otherwise.

A significant uninsured loss or a loss in excess of our insurance coverage could materially adversely affect our financial condition.

We maintain insurance covering normal business operations, including fire, property and casualty protection that we believe is adequate. We do not generally carry insurance covering wars, acts of terrorism, earthquakes or other similar catastrophic events. Because insurance has generally become more expensive, we may not be able to obtain adequate insurance coverage on financially reasonable terms. A significant uninsured loss or a loss in excess of our insurance coverage could materially adversely affect our financial condition.

We have in the past reduced the size of our workforce and may need to do so again in the future.

In response to the level of business and outlook for future business, in recent years we have reduced the size of our workforce. During 2002 and 2003, we reduced our workforce by a total of approximately 350 employees and recorded total pretax charges related to these workforce reductions of approximately \$2.5 million for employee termination benefits during 2002. During the three months ended March 31, 2004, we reduced our Connectivity Solutions segment workforce by 45 employees and recorded total pretax charges related to these workforce reductions of approximately \$1.6 million for employee termination benefits. If we reduce our expectations for future business we may again reduce our workforce and incur restructuring costs or impairment charges if we adopt a restructuring plan in response to changing business conditions.

We may experience difficulties in obtaining or protecting intellectual property.

We may encounter difficulties, costs or risks in protecting our intellectual property rights or obtaining rights to additional intellectual property to permit us to continue or expand our business. Other companies, including some of our largest competitors, hold intellectual property rights in our industry and the intellectual property rights of others could inhibit our ability to introduce new products in our field of operations unless we secure licenses on commercially reasonable terms, as such are needed.

Risks Related to the Debentures

The debentures will be unsecured and holders of senior indebtedness and senior subordinated indebtedness will be paid before holders of the debentures are paid.

The debentures are our unsecured senior subordinated obligations and the payment of the principal of and interest on the debentures is subordinated in right of payment to the prior payment in full of our existing and future senior indebtedness. The debentures also rank junior to our secured indebtedness. At May 31, 2004, our senior indebtedness, including indebtedness of our subsidiaries, was approximately \$82 million, all of which represented secured indebtedness, and we had \$65.4 million in borrowings available under our revolving credit facility, which, if borrowed, would also be secured. The debentures are effectively subordinated to all existing and future indebtedness and other liabilities including trade payables of our subsidiaries.

If we become bankrupt, liquidate, or dissolve, our assets would be available to pay obligations on the debentures only after our senior indebtedness has been paid. Our right to receive any assets of our subsidiaries upon their bankruptcy, liquidation or dissolution, and therefore the right of the holders of the debentures to participate in those assets, will be subordinated to the claims of our subsidiaries' creditors, including trade creditors. We cannot assure you that there will be sufficient assets to pay amounts due on the debentures.

If we fail to pay any of our senior indebtedness, we may make payments on the debentures only if we cure the default or the holders of the senior indebtedness waive the default. Moreover, if any non-payment default exists under our designated senior indebtedness, we may not make any cash payments on the debentures for a period of up to 179 days in any 365 day period, unless we cure the default, the holders of the designated senior indebtedness waive the default or rescind acceleration of the indebtedness, or we repay the indebtedness in full. See "Description of the Debentures - Subordination of the Debentures."

We may be able to incur significantly more debt in the future, which will increase the risks related to the debentures.

Subject to the limitations contained in our senior secured credit facility, we may be able to incur significantly more debt in the future. The indenture governing the debentures does not prohibit us or our subsidiaries from incurring indebtedness.

Our indebtedness could have important consequences which may affect your investment in the debentures. For example, it could:

limit our ability to borrow additional amounts for working capital, capital expenditures, acquisitions, debt service requirements, execution of our growth strategy, research and development costs or other purposes;

limit our flexibility in planning for and reacting to changes and innovations in our business and in the industry in which we operate, which could make us more vulnerable to adverse changes in general economic, industry and competitive conditions as well as adverse changes in government regulation; and

place us at a disadvantage compared to our competitors that have less debt.

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Our ability to pay principal of and interest on the debentures, to service our other debt, and to refinance indebtedness when necessary depends on our financial and operating performance, each of which is subject to prevailing economic conditions and to financial, business and other factors beyond our control.

Our failure to comply with the restrictions in our debt instruments could result in a default.

Our senior secured credit facility contains covenants that restrict our ability and our subsidiaries' ability to:

dispose of assets;

suffer or permit dissolution or liquidation;

incur or repay indebtedness;

incur liens on property or assets;

make acquisitions;

issue and sell stock;

pay dividends;

enter into certain investments or transactions;

repurchase or redeem capital stock;

engage in mergers or consolidations; or

engage in certain transactions with subsidiaries and affiliates and otherwise restrict corporate activities.

Our compliance with our covenants in the senior secured credit facility or other debt instruments in the future may be affected by events beyond our control. Our breach of or failure to comply with any of the covenants in our senior secured credit facility could result in a default under the senior secured credit facility. If we default under the senior secured credit facility, the lenders could cause all of our outstanding indebtedness under that facility to become due and payable, require us to apply all of our available cash to repay the indebtedness or prevent us from making debt service payments on any other indebtedness we owe. If the indebtedness is accelerated, we may not have sufficient assets to repay amounts due.

Moreover, our senior secured credit facility is secured by substantially all of our domestic assets. Accordingly, in the event of a default by us under this facility, the lenders would have a first priority secured claim on these assets. In such event, our remaining assets may be insufficient to repay the debentures.

We are a holding company and we depend on the cash flow of our subsidiaries to satisfy our obligations including our future obligations under the debentures.

Our subsidiaries conduct all of our operations and own all of our consolidated assets. Our subsidiaries are separate and distinct legal entities and have no obligation to pay amounts due on the debentures or to provide us with funds to satisfy our payment obligations. Therefore, our operating cash flow and our ability to service our debt, including the debentures, depends upon the operating cash flow of our subsidiaries and the payment of funds by them to us in the form of loans, dividends or otherwise. These payments may not be adequate to pay interest and principal on the debentures when due. In addition, the ability of our subsidiaries to make payments to us depends on applicable law and restrictions under current and future debt instruments. These debt instruments may include requirements to maintain minimum levels of working

capital and other assets.

The debentures are not protected by restrictive covenants.

The indenture governing the debentures does not contain any financial or operating covenants or restrictions on the payment of dividends, the incurrence of indebtedness, the granting of security to other creditors, the movement of assets to subsidiaries which incur debt or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture contains no covenants or other provisions to afford protection to holders of debentures in the event of a change in control involving us, except to the extent described under "Description of the Debentures."

We may not have the ability to purchase debentures at the option of the holders or upon a designated event or to raise the funds necessary to finance the purchases.

On March 20, 2009, March 15, 2014 and March 15, 2019 and upon the occurrence of certain designated events, holders of the debentures may require us to purchase their debentures for cash. However, it is possible that we would not have sufficient funds at that time to make the required purchase of debentures or would otherwise be prohibited under our senior secured credit facility or other future debt instruments from making such payments in cash. If such restrictions exist, we would have to seek the consent of the lenders or repay those borrowings. If we were unable to obtain the necessary consent or unable to repay those borrowings, we would be unable to purchase the debentures and, as a result, would be in default under the debentures.

You may be unable to sell your debentures if a trading market for the debentures does not develop.

The liquidity of any market for the debentures will depend on the number of holders of the debentures, the interest of securities dealers in making a market in the debentures and other factors. Accordingly, we cannot assure you as to the development or liquidity of any market for the debentures. If an active trading market for the debentures does not develop, the market price and liquidity of the debentures may be adversely affected. If the debentures are traded, they may trade at a discount from their initial offering price depending upon prevailing interest rates, the market for similar securities, our performance and certain other factors.

You may have to pay taxes with respect to some distributions on our common stock that result in adjustments to the conversion rate.

The conversion rate of the debentures is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, certain cash dividends and certain other actions by us that modify our capital structure. See "Description of the Debentures Conversion of Debentures Conversion Rate Adjustments." If the conversion rate is adjusted as a result of a distribution that is taxable to our common stock holders, such as a cash dividend, you may be required to include an amount in income for federal income tax purposes, notwithstanding the fact that you do not actually receive such distribution. See "Certain United States Federal Tax Consequences United States Holders Constructive Distributions." In addition, non-U.S. holders of the debentures may, in these circumstances, be deemed to have received a distribution subject to U.S. federal withholding tax requirements. See "Certain United States Federal Tax Consequences Non-U.S. Holders Constructive Dividends."

Risks Related to Our Common Stock

We may experience significant fluctuations in our stock price, which may make it difficult for you to resell the debentures or the shares of common stock issuable upon conversion of the debentures.

Subject to certain conditions, the debentures are convertible into shares of our common stock. As a result, fluctuations in the trading price of our common stock will affect the trading price of the debentures. The market price of our common stock has experienced and may continue to experience high volatility. The stock market in general has experienced extreme price and volume fluctuations in recent years. Often, these changes may have been unrelated to the operating performance of the affected

companies. The factors that could cause fluctuation in our stock price may include, among other factors discussed in this section, the following:

actual or anticipated variations in quarterly operating results;

changes in financial estimates by securities analysts;

our inability to meet or exceed securities analysts' estimates or expectations;

conditions or trends in our industry;

changes in the market valuations of other companies in our industry;

announcements by us or our competitors of significant acquisitions, strategic partnerships, divestitures, joint ventures or other strategic initiatives and the success of such acquisitions, including our recent acquisition of the Connectivity Solutions business;

capital commitments;

additions or departures of key personnel;

actual or anticipated changes in the United States economy;