

**FINANCIAL INFORMATION**

Cable business through seven months of fiscal operations for total variations - including 105 a/c. The graph summarizes our position against our original plan and our Current Working View (CWV) which includes 105 a/c Non-Operating variation improvements for purchased commodities.

As outlined, the EW&C business is \$1.4 million behind its original plan and approximately \$3.5 million off its CWV for total variations. The roughly \$2.1 million dollar difference between these two views represents the 105 a/c improvements that we agreed to flow to the Networks Cable Systems bottom line. (Holding The Gain!!) Before I go much further with my comments, I think it should be noted that we have not socialized this CWV to any great extent with

**ELECTRONIC WIRE & CABLE**

1995 RECOVERY PLAN  
(\$ IN THOUSANDS)

	1995 CUMULATIVE			RECOVERY PLAN ANALYSIS		
	ACTUAL	PLAN	DIFF		AGAINST PLAN	AGAINST CWV
LABOR PAID	27,856	29,465	-1,609	Current Position	-1,429	-3,506
LABOR RECOVERED	30,700	33,652	-2,952	Next 5Mos Urec. Fixed	-1,400	-1,400
VARIATION	2,844	4,187	-1,343	Total 12Mos Position	-2,829	-4,906
EXPENSES	27,986	28,390	-404	<b>Planned Improvements</b>		
EXPENSE RECOVERY	30,042	34,121	-4,079	Labor:	500	500
VARIATION	2,056	5,731	-3,675	Expenses:	1,300	1,300
M&O	1,793	567	1,226	M&O:	200	200
TOTAL OPERATING VARIATION	6,693	10,485	-3,792	Sub-Total Operating	2,000	2,000
NON-OPERATING VARIATION	1,992	-371	2,363	Non-Operating	1,000	1,000
TRANSFER PRICE VARIATION	0	0	0	Total Improvements	3,000	3,000
<b>TOTAL VARIATION</b>	<b>8,685</b>	<b>10,114</b>	<b>-1,429</b>	Adjusted Position	171	-1,906
<b>CWV IMPACT</b>				<b>Other Upside Factors</b>		
105 A/C IMPROVEMENT		2,077		Additional 105a/c Improve	-	1,750
<b>TOTAL VARIATION - CWV</b>	<b>8,685</b>	<b>12,191</b>	<b>-3,506</b>	<b>Total Adjusted Position</b>	<b>171</b>	<b>-156</b>

**Other Upside Improvements:**  
 105 a/c CWV Next 5Mos \$(250)/Mo x 5 = \$(1250)  
 105 a/c Actual First 7Mos \$ 100 /Mo x 5 = \$ 500  
 Difference = \$ 1750

Figure 2

the SBU managers and we may have caught the EW&C management team by surprise as they completed their 1995 Recovery Plan. But let's move on.

Figure 2 above restates the EW&C financial position and then analyzes the impact of both future events and proposed recovery action plans. In doing so we arrive at an estimated twelve months adjusted position as it relates to total variations against the original plan and current working view.

**Future Events:**

When we look at the March SIPP for our EW&C business, we see continued erosion of volume levels below plan. As a result, we would expect further losses

Contribution Margin Analysis  
1995 Omaha Works  
\$ in thousands

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calendar Total	Fiscal Total
<b>Omaha Works only</b>																	
<b>EW&amp;C (Actual vs Forecast - Difference)</b>																	
<b>Operating Variations:</b>																	
For Vals:	(339)	(1,247)	(649)	(4)	(318)	(1,030)	(204)	0	0	0	0	0	0	0	0	(1,556)	(3,791)
<b>Total for Vals</b>	<b>(339)</b>	<b>(1,247)</b>	<b>(649)</b>	<b>(4)</b>	<b>(318)</b>	<b>(1,030)</b>	<b>(204)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,556)</b>	<b>(3,791)</b>
Not for Vals Omaha	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Not for Vals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Variation</b>	<b>(4)</b>	<b>(318)</b>	<b>(1,030)</b>	<b>(204)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,556)</b>	<b>(10,620)</b>
<b>Non-Operating Variations:</b>																	
For Vals:	(1,469)	(2,169)	(493)	(4,849)	(1,704)	(2,149)	(1,561)	0	0	0	0	0	0	0	0	(10,263)	(14,394)
Omaha - Copper	532	884	352	16	226	113	239	0	0	0	0	0	0	0	0	594	2,362
Omaha - Other	0	0	0	0	0	551	861	0	0	0	0	0	0	0	0	1,412	1,412
Omaha - CSI	(937)	(1,285)	(141)	(4,833)	(1,478)	(1,485)	(461)	0	0	0	0	0	0	0	0	(8,257)	(10,620)
<b>Total for Vals</b>	<b>(937)</b>	<b>(1,285)</b>	<b>(141)</b>	<b>(4,833)</b>	<b>(1,478)</b>	<b>(1,485)</b>	<b>(461)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,257)</b>	<b>(10,620)</b>
Not for Vals Omaha: Ireland	145	197	362	169	0	0	0	0	0	0	0	0	0	0	0	873	0
Hedging	103	0	(30)	(8)	0	0	0	0	0	0	0	0	0	0	0	65	0
Total Not for Vals	248	197	332	161	0	0	0	0	0	0	0	0	0	0	0	938	0
<b>Total Non-Operating Variation</b>	<b>(4,585)</b>	<b>(1,281)</b>	<b>(1,153)</b>	<b>(300)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7,319)</b>	<b>0</b>
<b>Inventory Vals:</b>																	
Reverse Out Current Month for Vals	4,837	1,796	2,515	665	0	0	0	0	0	0	0	0	0	0	0	9,813	0
Add in 3rd Month Prior for Vals	(1,276)	(2,532)	(790)	(4,837)	0	0	0	0	0	0	0	0	0	0	0	(9,435)	0
<b>Total Inventory Vals</b>	<b>3,561</b>	<b>(736)</b>	<b>1,725</b>	<b>(4,172)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>378</b>	<b>0</b>
<b>Inventory Holding Loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfer Price Var (Current Mo)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reverse Out Current Month	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Add in 3rd Month Prior	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Transfer Price Variation (Net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Product Warranty</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Variations</b>	<b>(1,028)</b>	<b>(2,335)</b>	<b>(458)</b>	<b>(4,676)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,497)</b>	<b>0</b>
<b>Period Expenses:</b>																	
Material Management	(3)	24	75	83	0	0	0	0	0	0	0	0	0	0	0	179	0
MPPC	3	3	19	10	0	0	0	0	0	0	0	0	0	0	0	35	0
Transportation	(208)	(129)	(175)	(90)	0	0	0	0	0	0	0	0	0	0	0	(602)	0
R&D	10	(5)	(18)	(28)	0	0	0	0	0	0	0	0	0	0	0	(41)	0
<b>Total Period Expenses</b>	<b>(198)</b>	<b>(107)</b>	<b>(99)</b>	<b>(25)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(429)</b>	<b>0</b>
<b>Total Contribution Margin</b>	<b>(830)</b>	<b>(2,228)</b>	<b>(359)</b>	<b>(4,651)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,068)</b>	<b>0</b>
<b>Contribution Margin of Copper &amp; Hedging</b>	<b>(1,366)</b>	<b>(2,169)</b>	<b>(523)</b>	<b>(4,857)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,915)</b>	<b>0</b>
<b>Total Contribution Margin (Excluding Copper &amp; Hedging)</b>	<b>536</b>	<b>(59)</b>	<b>164</b>	<b>206</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>847</b>	<b>(1784)</b>

LOW (730) + 438  
5/11/95 1:55 PM (496)

**ELECTRONIC WIRE & CABLE**  
**1995 FACTORY RESULTS**  
(\$ IN THOUSANDS)

FINAL	CUM		DIFFERENCE	
	1995 ACTUAL	FCST	CURRENT MONTH	CUM
<b>OUTPUT</b>	<b>122,049</b>	<b>142,373</b>	<b>(2,724)</b>	<b>(20,324)</b>
DAILY RATE	872	1,017	(143)	(145)
DIRECT EMPLOYEES	808	811	(3)	(3)
EXPENSE EMPLOYEES	174	189	(15)	(15)
LABOR PAID	27,856	29,465	(207)	(1,609)
LABOR RECOVERED	30,700	33,652	(749)	(2,952)
<b>LABOR VARIATION</b>	<b>2,844</b>	<b>4,187</b>	<b>(542)</b>	<b>(1,343)</b>
EXPENSES:				
SALARIES & WAGES	4,944	5,288	(116)	(344)
CHANGES	764	1,766	(251)	(1,002)
<b>REPAIRS/DIE LAB</b>	<b>7,738</b>	<b>7,287</b>	<b>(83)</b>	<b>452</b>
SUPPLIES: UTILITIES	1,702	1,953	(40)	(252)
<b>OTHER</b>	<b>2,947</b>	<b>2,363</b>	<b>58</b>	<b>584</b>
P.C.C.	157	150	(12)	7
<b>OTHER DIRECT</b>	<b>6,105</b>	<b>5,763</b>	<b>(27)</b>	<b>343</b>
FIXED CHARGES	3,775	3,903	(21)	(129)
SERVICES (NET)	(144)	(81)	(13)	(63)
TOTAL EXPENSES	27,986	28,390	(505)	(405)
RECOVERY	30,042	34,121	(663)	(4,079)
<b>EXPENSE VAR.</b>	<b>2,056</b>	<b>5,730</b>	<b>(158)</b>	<b>(3,675)</b>
M & O	1,793	567	496	1,227
<b>TOTAL OPERATING VA</b>	<b>6,693</b>	<b>10,484</b>	<b>(204)</b>	<b>(3,791)</b>
NON-OPER. VAR. -- O	1,992	(371)	239	2,363
TRANS. PRICE VAR.	0	0	0	0
<b>TOTAL VARIATION</b>	<b>8,685</b>	<b>10,114</b>	<b>35</b>	<b>(1,428)</b>

## EW&C EXPENSE RECOVERY PLAN

### **Opportunities**

#### Item Impact Potential (\$M)

Potential labor adjustments as follows:

- 35 Production Associates \$ .5 M

Potential expense adjustments as follows:

- Repairs \$ .15 - .3 M
- Supplies (Operating) \$ .1 M
- M&O (Improve) \$ .1 - .2 M
- Engineering Expense \$ .25 M
- Unbilled International Support \$ .5 M
- Reels [Expense to Investment Correction] \$ .144 M

Sub Total = \$1.7 - 2.0 M

Potential material rebate as follows:

- Material Rebates \$ .5 - 1.0 M

Grand Total = \$ 2.2 - 3.0 M.

**EW&C EXPENSE RECOVERY PLAN**

**Action Register**

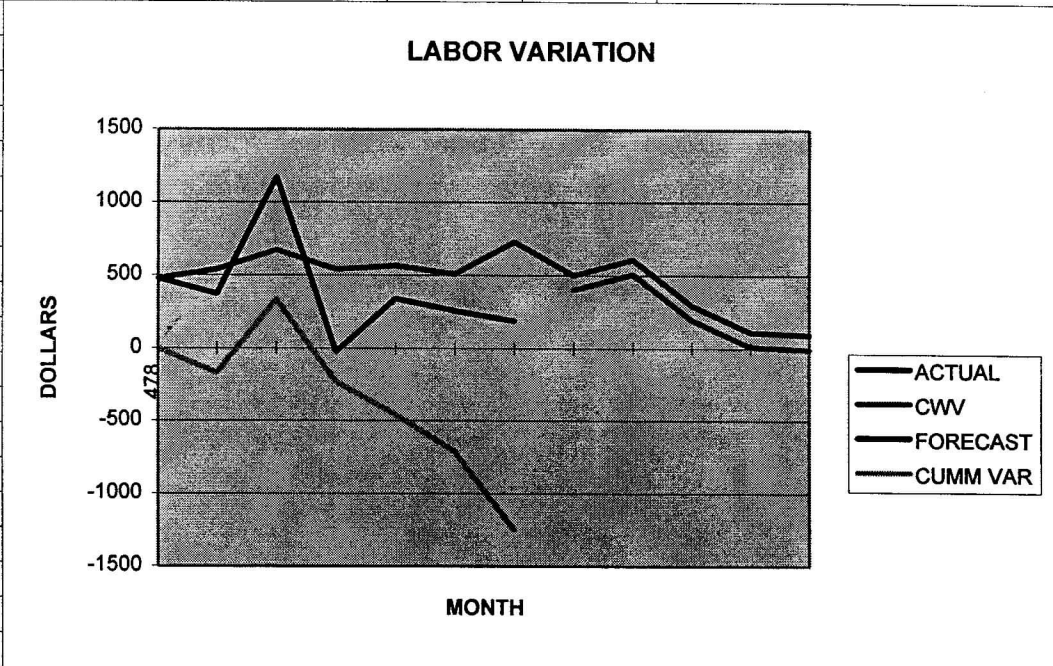
<u>Category</u>	<u>Item</u>	<u>Champion</u>
<u>Repairs</u>	<p><u>\$150 - 300 K Improvement</u></p> <ul style="list-style-type: none"> <li>- Schedule P.M. during M-F.</li> <li>- Reduce material: Purchase fewer spare parts.</li> </ul>	Lafollette/Schabloske
<u>Supplies</u>	<p><u>\$100K Improvement</u></p> <p>Operating - Scrutinize all orders--Discretionary and mandatory with SBU goals.</p> <p>Engineering - Scrutinize \$5,000 and above orders. Delay purchase of computers.</p>	EW&C Operating & Engineering
<u>M &amp; O</u>	<p><u>\$100 - 200K Improvement</u></p> <ul style="list-style-type: none"> <li>- Focus on 4.72% Target on Win/Win/Win.</li> <li>- Engineering Projects</li> <li>- New product introduction opportunities</li> </ul>	EW&C Operating & Engineering
<u>Engineering Expense</u>	<p><u>\$250 K Improvement</u></p> <ul style="list-style-type: none"> <li>- Reduce engineering expenditures by \$50K/Mo. [Over existing run rate]</li> </ul>	Koehler/Zepplin
<u>Labor</u>	<p><u>\$500 K Improvement</u></p> <ul style="list-style-type: none"> <li>- Excess up to 35 production associates</li> <li>- Reevaluate 7.5% productivity improvement plan.</li> </ul>	Curbeam/Dinslage/Meyers

HALAR 379 DATA			
TOTAL USAGE, lb.	TIME FRAME*	REBATE	1.0 - 2.0 MM lbs.
0 - 500,000	2/95 - 4/95	\$ 250,000	Three million dollars within five months, or \$600,000/month.
500,000 - 1,000,000	5/95 - 7/95	1,000,000	
1,000,000 - 1,500,000	7/95 - 9/95	2,250,000	
500,000 - 1,000,000	9/95 - 11/95	4,000,000	

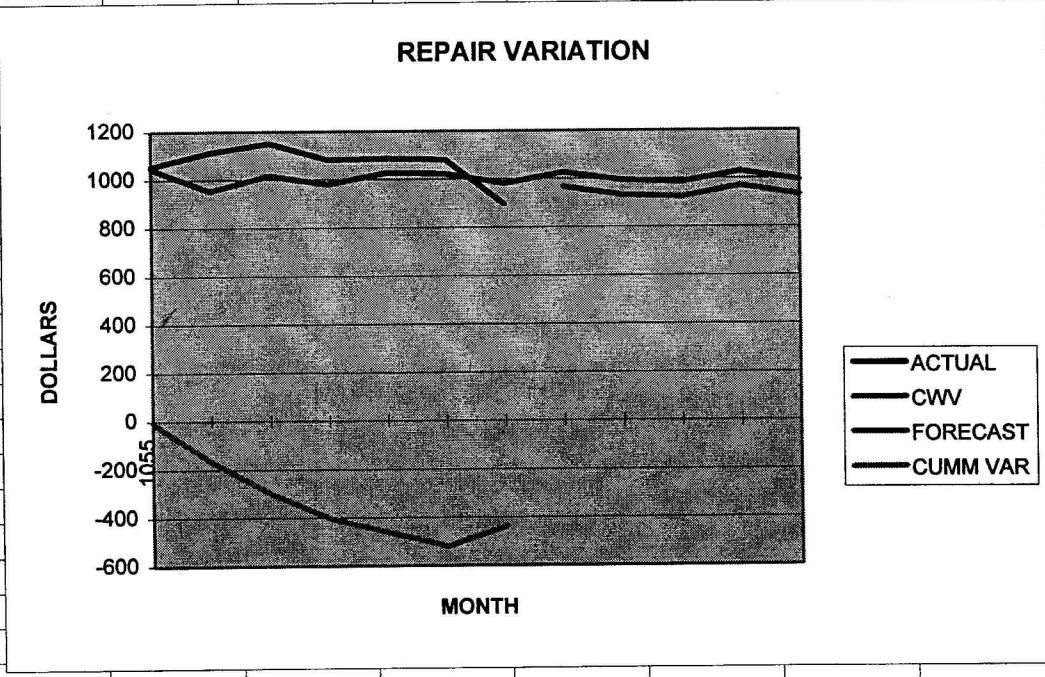
\* Assuming a usage of 50,000 pounds per week.

*AT&T - PROPRIETARY (RESTRICTED)*  
 Solely for authorized persons having a need to know  
 pursuant to Company Instructions.

EW&C EXPENSE RECOVERY PLAN					
LABOR					
	LABOR VARIATION			ACTUAL	CUMM
	ACTUAL	CWV	FORECAST	VARIATION	VARIATION
		-100K/mo			
OCT	478		478	0	0
NOV	371		539	-168	-168
DEC	1173		671	502	334
JAN	-24		540	-564	-230
FEB	339		565	-226	-456
MAR ( 4 WK )	257		509	-252	-708
APR	186		728	-542	-1250
MAY		399	499		
JUN ( 4 WK )		507	607		
JUL		194	294		
AUG		12	112		
SEP ( 4 WK )		-7	93		
TOTAL	2780		5635	-2855	
				FISCAL 95 GOAL	-750



EW&C EXPENSE RECOVERY PLAN					
REPAIRS					
	ACTUAL	CWV	FORECAST	ACTUAL VARIATION	CUMM VARIATION
		-60K/mo			
OCT	1055		1047	-8	-8
NOV	1113		954	-159	-167
DEC	1151		1018	-133	-300
JAN	1083		980	-103	-403
FEB	1087		1028	-59	-462
MAR ( 4 WK )	1081		1023	-58	-520
APR	897		981	84	-436
MAY		967	1027		
JUN ( 4 WK )		933	993		
JUL		925	985		
AUG		970	1030		
SEP ( 4 WK )		933	993		
TOTAL	7467		12059	-4592	
				FISCAL 95 GOAL	-150





EW&C EXPENSE RECOVERY PLAN					
SUPPLIES					
	ACTUAL	CWV	FORECAST	ACTUAL VARIATION	CUMM VARIATION
		-20K/mo			
OCT	385		308	-77	-77
NOV	423		309	-114	-191
DEC	479		354	-125	-316
JAN	339		347	8	-308
FEB	374		347	-27	-335
MAR ( 4 WK )	459		306	-153	-488
APR	374		315	-59	-547
MAY		294	314		
JUN ( 4 WK )		283	303		
JUL		294	314		
AUG		294	314		
SEP ( 4 WK )		284	304		
TOTAL	2833		3835	-1002	
				FISCAL 95 GOAL	-485

