

AMPHENOL CORP /DE/
Form 10-K/A
March 11, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

Amendment No. 1

(Mark One)

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

For the Fiscal Year Ended December 31, 2012

or

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

For the transition period from to

Commission file number 1-10879

AMPHENOL CORPORATION

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

(Exact Name of Registrant as Specified in its Charter)

Delaware

22-2785165

(State of Incorporation)

(I.R.S. Employer Identification No.)

358 Hall Avenue, Wallingford, Connecticut 06492

203-265-8900

Securities registered pursuant to Section 12(b) of the Act:

Class A Common Stock, \$.001 par value
(Title of each class)

New York Stock Exchange, Inc.
(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Act). Yes No

The aggregate market value of Amphenol Corporation Class A Common Stock, \$.001 par value, held by non-affiliates was approximately \$8,813 million based on the reported last sale price of such stock on the New York Stock Exchange on June 30, 2012.

As of January 31, 2013, the total number of shares outstanding of Registrant's Class A Common Stock was 159,698,098.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement, which is expected to be filed within 120 days following the end of the fiscal year covered by this report, are incorporated by reference into Part III hereof.

EXPLANATORY NOTE

Amphenol Corporation (the Company) is filing this Amendment No. 1 to its Annual Report on Form 10-K for the fiscal year ended December 31, 2012, filed with the Securities and Exchange Commission (the SEC) on February 22, 2013 for the sole purpose of adding the electronic signature of the Company's independent registered public accounting firm, Deloitte and Touche LLP, to the Report of Independent Registered Public Accounting Firm for the consolidated financial statements and the financial statements schedule listed in the Index at Item 15, and the effectiveness of the Company's internal control over financial reporting. The signature was inadvertently omitted from the previously filed Form 10-K.

In order to comply with certain requirements of the SEC's rules in connection with the filing of this Amendment on Form 10-K/A, this amendment includes (i) the complete text of Item 8. Financial Statements and Supplementary Data and (ii) Item 15. Exhibits, Financial Statement Schedules. This Amendment No. 1 on Form 10-K/A does not change or update the previously reported financial statements or any of the other disclosure contained in the original Form 10-K.

Consistent with the rules of the SEC, the certifications of the Company's principal executive officer and principal financial officer as of the date of this Amendment No. 1 on Form 10-K/A are attached as exhibits to this Amendment No. 1 on Form 10-K/A. The only change in these certifications is their date.

PART II

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of

Amphenol Corporation

Wallingford, Connecticut

We have audited the accompanying consolidated balance sheets of Amphenol Corporation and subsidiaries (the "Company") as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flow for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed in the Index at Item 15. We also have audited the Company's internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control. Our responsibility is to express an opinion on these financial statements and financial statement schedule and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Amphenol Corporation and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ DELOITTE & TOUCHE LLP

Hartford, Connecticut

February 22, 2013

AMPHENOL CORPORATION

Consolidated Statements of Income

(dollars in thousands, except per share data)

	Year Ended December 31,		
	2012	2011	2010
Net sales	\$ 4,292,065	\$ 3,939,786	\$ 3,554,101
Cost of sales	2,948,853	2,696,126	2,395,873
Gross profit	1,343,212	1,243,660	1,158,228
Casualty loss related to flood		21,479	
Change in contingent acquisition-related obligations		(17,813)	
Acquisition-related expenses	2,000	2,000	
Selling, general and administrative expenses	512,867	486,316	457,871
Operating income	828,345	751,678	700,357
Interest expense	(59,613)	(43,029)	(40,741)
Other income, net	10,109	8,103	4,072
Income before income taxes	778,841	716,752	663,688
Provision for income taxes	(219,333)	(187,910)	(161,275)
Net income	559,508	528,842	502,413
Less: Net income attributable to noncontrolling interests	(4,191)	(4,651)	(6,008)
Net income attributable to Amphenol Corporation	\$ 555,317	\$ 524,191	\$ 496,405
Net income per common share Basic	\$ 3.44	\$ 3.09	\$ 2.86
Weighted average common shares outstanding Basic	161,522,080	169,640,115	173,785,650
Net income per common share Diluted	\$ 3.39	\$ 3.05	\$ 2.82
Weighted average common shares outstanding Diluted	163,947,111	171,825,588	176,325,993
Dividends declared per common share	\$ 0.42	\$ 0.06	\$ 0.06

See accompanying notes to consolidated financial statements.

AMPHENOL CORPORATION

Consolidated Statements of Comprehensive Income

(dollars in thousands, except per share data)

	2012	Year Ended December 31,		2010
		2011		
Net income	\$ 559,508	\$ 528,842	\$	502,413
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	26,079	(9,679)		18,504
Revaluation of derivatives	538	(287)		2,363
Defined benefit plan liability adjustment	(23,343)	(24,859)		(4,495)
Total other comprehensive income (loss), net of tax	3,274	(34,825)		16,372
Total comprehensive income	562,782	494,017		518,785
Less: Comprehensive income attributable to noncontrolling interests	(4,412)	(5,126)		(7,047)
Comprehensive income attributable to Amphenol Corporation	\$ 558,370	\$ 488,891	\$	511,738

See accompanying notes to consolidated financial statements.

AMPHENOL CORPORATION

Consolidated Balance Sheets

(dollars in thousands, except per share data)

	December 31,	
	2012	2011
Assets		
Current Assets:		
Cash and cash equivalents	\$ 690,850	\$ 515,086
Short-term investments	251,653	133,848
Total cash, cash equivalents and short-term investments	942,503	648,934
Accounts receivable, less allowance for doubtful accounts of \$10,372 and \$11,113, respectively	910,711	767,181
Inventories:		
Raw materials and supplies	243,127	210,886
Work in process	271,669	255,581
Finished goods	218,922	183,395
	733,718	649,862
Other current assets	119,983	115,260
Total current assets	2,706,915	2,181,237
Land and depreciable assets:		
Land	21,874	21,930
Buildings and improvements	167,884	159,573
Machinery and equipment	943,573	854,867
	1,133,331	1,036,370
Accumulated depreciation	(715,895)	(655,869)
	417,436	380,501
Goodwill	1,932,740	1,746,113
Other long-term assets	158,372	137,374
	\$ 5,215,463	\$ 4,445,225
Liabilities & Equity		
Current Liabilities:		
Accounts payable	\$ 496,525	\$ 377,867
Accrued salaries, wages and employee benefits	89,142	83,810
Accrued income taxes	94,341	87,315
Other accrued expenses	108,213	93,125
Short-term debt	100,293	298
Total current liabilities	888,514	642,415
Long-term debt (Note 2)	1,606,204	1,376,831
Accrued pension and post-employment benefit obligations	244,571	207,049
Other long-term liabilities	33,992	34,144
Commitments and contingent liabilities (Notes 2, 10 and 16)		
Equity:		
Class A Common Stock, \$.001 par value; 500,000,000 shares authorized; 159,857,738 and 163,122,474 shares issued and outstanding at December 31, 2012 and 2011, respectively	160	163
Additional paid-in capital	336,683	189,166
Accumulated earnings	2,210,120	2,102,497
Accumulated other comprehensive loss	(117,004)	(120,057)
Total shareholders' equity attributable to Amphenol Corporation	2,429,959	2,171,769
Noncontrolling interests	12,223	13,017
Total equity	2,442,182	2,184,786

\$ 5,215,463 \$ 4,445,225

See accompanying notes to consolidated financial statements.

AMPHENOL CORPORATION

Consolidated Statements of Changes in Equity

(dollars in thousands, shares in millions)

	Common Stock		Additional	Accumulated	Accumulated	Treasury	Noncontrolling	Total
	Shares	Amount	Paid in	Earnings	Other	Stock	Interests	Equity
			Capital		Comprehensive			
					Loss			
Balance January 1, 2010	173	\$ 174	\$ 71,368	\$ 1,774,625	\$ (100,090)	\$	\$ 16,741	\$ 1,762,818
Net income				496,405			6,008	502,413
Other comprehensive income					15,333		1,039	16,372
Purchase of noncontrolling interests			(12,375)				(7,792)	(20,167)
Acquisitions resulting in noncontrolling interests							10,285	10,285
Distributions to shareholders of noncontrolling interests							(4,421)	(4,421)
Stock options exercised, including tax benefit	3	2	60,477					60,479
Dividends declared (\$0.06 per common share)				(10,449)				(10,449)
Stock-based compensation			25,385					25,385
Balance December 31, 2010	176	\$ 176	\$ 144,855	\$ 2,260,581	\$ (84,757)	\$	\$ 21,860	\$ 2,342,715
Net income				524,191			4,651	528,842
Other comprehensive income					(35,300)		475	(34,825)
Purchase of noncontrolling interests			(15,962)				(8,892)	(24,854)
Distributions to shareholders of noncontrolling interests							(5,077)	(5,077)
Purchase of treasury stock						(672,191)		(672,191)
Retirement of treasury stock	(13)	(13)		(672,178)		672,191		
Stock options exercised, including tax benefit			31,594					31,594
Dividends declared (\$0.06 per common share)				(10,097)				(10,097)
Stock-based compensation			28,679					28,679
Balance December 31, 2011	163	\$ 163	\$ 189,166	\$ 2,102,497	\$ (120,057)	\$	\$ 13,017	\$ 2,184,786
Net income				555,317			4,191	559,508
Other comprehensive income					3,053		221	3,274
Distributions to shareholders of noncontrolling interests							(5,206)	(5,206)
Purchase of treasury stock						(380,023)		(380,023)
Retirement of treasury stock	(6)	(6)		(380,017)		380,023		
Stock options exercised, including tax benefit	3	3	116,105					116,108
Dividends declared (\$0.42 per common share)				(67,677)				(67,677)
Stock-based compensation			31,412					31,412
	160	\$ 160	\$ 336,683	\$ 2,210,120	\$ (117,004)	\$	\$ 12,223	\$ 2,442,182

**Balance December 31,
2012**

See accompanying notes to consolidated financial statements.

AMPHENOL CORPORATION

Consolidated Statements of Cash Flow

(dollars in thousands)

	Year Ended December 31,		
	2012	2011	2010
Net income	\$ 559,508	\$ 528,842	\$ 502,413
Adjustments for cash from operating activities:			
Depreciation and amortization	121,779	119,439	102,846
Net change in receivables sold under Receivables Securitization Facility			(82,000)
Stock-based compensation expense	31,412	28,679	25,385
Non-cash casualty loss related to flood		10,388	
Change in contingent acquisition related obligations		(17,813)	
Excess tax benefits from stock-based payment arrangements	(21,648)	(5,995)	(14,692)
Net change in operating assets and liabilities:			
Accounts receivable	(123,870)	(9,664)	(157,657)
Inventory	(45,934)	(88,486)	(65,179)
Other current assets	(71)	(8,890)	(5,637)
Accounts payable	99,416	(27,547)	76,932
Accrued income taxes	34,092	26,947	(3,996)
Other accrued liabilities	27,421	(2,613)	35,466
Accrued pension and post employment benefits	296	(5,660)	(1,247)
Other long-term assets	(7,684)	17,114	11,658
Other	(38)	466	601
Cash flow provided by operating activities	674,679	565,207	424,893
Cash flow from investing activities:			
Additions to property, plant and equipment	(129,099)	(100,222)	(109,458)
Proceeds from disposal of fixed assets	4,828	8,118	1,851
Purchases of short-term investments	(379,605)	(181,880)	(198,228)
Sales and maturities of short-term investments	261,800	146,373	138,012
Acquisitions, net of cash acquired	(251,523)	(303,273)	(180,402)
Cash flow used in investing activities	(493,599)	(430,884)	(348,225)
Cash flow from financing activities:			
Long-term borrowings under credit facilities	819,556	873,200	793,406
Repayments of long-term debt	(988,800)	(301,900)	(748,017)
Borrowings under senior notes	498,730		
Payment of fees and expenses related to debt financing	(4,318)	(2,125)	(6,975)
Purchase and retirement of treasury stock	(380,023)	(672,191)	
Proceeds from exercise of stock options	95,451	26,086	46,616
Excess tax benefits from stock-based payment arrangements	21,648	5,995	14,692
Payment of contingent acquisition-related obligations		(40,000)	
Distributions to and purchases of noncontrolling interests	(5,206)	(29,931)	(24,588)
Dividend payments	(70,122)	(10,282)	(10,413)
Cash flow (used in) provided by financing activities	(13,084)	(151,148)	64,721
Effect of exchange rate changes on cash and cash equivalents	7,768	6,023	(114)
Net change in cash and cash equivalents	175,764	(10,802)	141,275
Cash and cash equivalents balance, beginning of year	515,086	525,888	384,613
Cash and cash equivalents balance, end of year	\$ 690,850	\$ 515,086	\$ 525,888

Cash paid during the year for:

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

Interest	\$	48,589	\$	40,489	\$	40,124
Income taxes		189,677		144,175		133,068

See accompanying notes to consolidated financial statements.

AMPHENOL CORPORATION

Notes to Consolidated Financial Statements

(dollars in thousands, except per share data)

Note 1 Summary of Significant Accounting Policies

Operations

Amphenol Corporation (together with its subsidiaries, Amphenol or the Company) operates two business segments which consist of manufacturing and selling interconnect products and assemblies, and manufacturing and selling cable products. The Company sells its products to customer locations worldwide.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions made by management include the fair value of acquired assets and liabilities, stock-based compensation, pension obligations, gains or losses on derivative instruments, accounting for income taxes, inventories, goodwill and other matters that affect the consolidated financial statements and related disclosures. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned and majority owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and liquid investments with an original maturity of less than three months. The carrying amounts approximate fair values of those instruments, the majority of which are in non-U.S. bank accounts.

Short-term Investments

Short-term investments consist primarily of certificates of deposit with original maturities of twelve months or less. The carrying amounts approximate fair values of those instruments, the majority of which are in non-U.S. bank accounts.

Accounts Receivable

Accounts receivable is stated at net realizable value. The Company regularly reviews accounts receivable balances and adjusts the receivable reserves as necessary whenever events or circumstances indicate the carrying value may not be recoverable.

Inventories

Inventories are stated at the lower of standard cost, which approximates average cost, or market. The principal components of cost included in inventories are materials, direct labor and manufacturing overhead. The Company regularly reviews inventory quantities on hand and evaluates the realizability of inventories and adjusts the carrying value as necessary based on forecasted product demand.

Depreciable Assets

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is recorded on a straight-line basis over the respective asset lives determined on a composite basis by asset group or on a specific item basis using the estimated useful lives of such assets, which range from 3 to 12 years for machinery and equipment and 20 to 40 years for buildings. Leasehold building improvements are depreciated over the shorter of the lease term or estimated useful life. It is the Company's policy to periodically review fixed asset lives. Depreciation expense is included in both cost of sales and selling, general and administrative expense in the Consolidated Statements of Income based on the specific categorization and use of the underlying asset being depreciated. The Company assesses the impairment of property and equipment subject to depreciation, whenever events or changes in circumstances indicate the carrying value may not be recoverable. Factors the Company considers important, which could trigger an impairment review, include significant changes in the manner of our use of the asset, significant changes in historical trends in operating performance, significant changes in projected operating performance, and significant negative economic trends. There have been no significant impairments recorded as a result of such reviews during any of the periods presented.

Goodwill

The Company performs its annual evaluation for the impairment of goodwill for the Company's reporting units as of each June 30. The Company has defined its reporting units as the two reportable business segments Interconnect Products and Assemblies and Cable Products, as the components of these reportable business segments have similar economic characteristics. In 2012, the Company utilized the option to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test in accordance with ASU 2011-08, *Intangibles - Goodwill and Other: Testing for Goodwill Impairment* (ASU 2011-08), which was adopted by the Company effective January 1, 2012. An entity is not required to calculate the fair value of a reporting unit unless the Company determines, based on a qualitative assessment of events and circumstances, that it is more likely than not that its fair value is less than its carrying amount. As of June 30, 2012, and for each previous year in which the impairment test has been performed, the estimated fair value of the Company's reporting units significantly exceeded their carrying values and therefore, the Company has not recognized any goodwill impairment in 2012, 2011 or 2010 in connection with its annual impairment test.

Intangible Assets

Intangible assets are included in other long-term assets and consist primarily of proprietary technology, customer relationships and license agreements and are amortized over the estimated periods of benefit. The Company assesses the impairment of long-lived assets, other than goodwill, including identifiable intangible assets subject to amortization, whenever significant events or significant changes in circumstances indicate the carrying value may not be recoverable. Factors the Company considers important, which could trigger an impairment review, include significant changes in the manner of the use of the asset, changes in historical trends in operating performance, significant changes in projected operating performance, and significant negative economic trends. There have been no impairments recorded during any of the periods presented as a result of such reviews.

Revenue Recognition

The Company's primary source of revenues is from product sales to its customers. Revenue from sales of the Company's products is recognized at the time the goods are delivered and title passes, provided the earning process is complete and revenue is measurable. Delivery is determined by the Company's shipping terms, which are primarily freight on board (FOB) shipping point. Revenue is recorded at the net amount to be received after deductions for estimated discounts, allowances and returns. These estimates and related reserves are determined and adjusted as needed based upon historical experience, contract terms and other related factors.

The shipping costs for the majority of the Company's sales are paid directly by the Company's customers. In the broadband communications market (approximately 8% of consolidated sales in 2012), the Company pays for shipping costs to the majority of its customers. Shipping costs are also paid by the Company for certain customers in the Interconnect Products and Assemblies segment. Amounts billed to customers related to shipping costs are immaterial and are included in net sales. Shipping costs incurred to transport products to the customer which are not reimbursed are included in selling, general and administrative expense.

Retirement Pension Plans

Costs for retirement pension plans include current service costs and amortization of prior service costs over the average working life expectancy. It is the Company's policy to fund current pension costs taking into consideration minimum funding requirements and maximum tax deductible limitations. The expense of retiree medical benefit programs is recognized during the employees' service with the Company as well as amortization of a transition obligation previously recognized. The recognition of expense for retirement pension plans and medical benefit programs is significantly impacted by estimates made by management such as discount rates used to value certain liabilities, expected return on assets and future health care costs. The Company uses third-party specialists to assist management in appropriately measuring the expense associated with pension and other post-retirement plan benefits.

Stock-Based Compensation

The Company accounts for its option and restricted share awards based on the fair value of the award at the date of grant and recognizes compensation expense over the service period that the awards are expected to vest. The Company recognizes expense for stock-based compensation with graded vesting on a straight-line basis over the vesting period of the entire award. Stock-based compensation expense includes the estimated effects of forfeitures, and estimates of forfeitures are adjusted over the requisite service period to the extent actual forfeitures differ, or are expected to differ from such estimates. Changes in estimated forfeitures are recognized in the period of change and also impact the amount of expense to be recognized in future periods. The Company's income before income taxes was reduced by \$31,412 (\$22,709 after tax), \$28,679 (\$20,720 after tax) and \$25,385 (\$18,070 after tax) for the years ended December 31, 2012, 2011 and 2010, respectively, related to the expense incurred for stock-based compensation plans, which is included in selling, general and administrative expenses in the accompanying Consolidated Statements of Income.

The fair value of stock options has been estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2012	2011	2010
Risk free interest rate	0.8%	1.7%	2.2%
Expected life	4.6 years	4.6 years	5.6 years
Expected volatility	30.0%	28.0%	33.0%
Expected dividend yield	0.8%	0.1%	0.1%

Income Taxes

Deferred income taxes are provided for revenue and expenses which are recognized in different periods for income tax and financial statement reporting purposes. At December 31, 2012, the cumulative amount of undistributed earnings of foreign affiliated companies was approximately \$2,235,000. Deferred income taxes are not provided on undistributed earnings of foreign affiliated companies as it is the Company's intention to reinvest these earnings permanently outside the U.S. It is not practicable to estimate the amount of tax that might be payable if undistributed earnings were to be repatriated as there is a significant amount of uncertainty with respect to the tax impact of the remittance of these earnings due to the fact that dividends received from foreign subsidiaries may generate additional foreign tax credits, which could ultimately reduce the U.S. tax cost of the dividend. These uncertainties are further complicated by the significant number of foreign tax jurisdictions involved. Deferred tax assets are regularly assessed for recoverability based on both historical and anticipated earnings levels and a valuation allowance is recorded when it is more likely than not that these amounts will not be recovered. The tax effects of an uncertain tax position taken or expected to be taken in income tax returns are recognized only if it is more likely than not to be sustained on examination by the taxing authorities, based on its technical merits as of the reporting date. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. The Company includes estimated interest and penalties related to unrecognized tax benefits in the provision for income taxes.

Foreign Currency Translation

The financial position and results of operations of the Company's significant foreign subsidiaries are measured using local currency as the functional currency. Assets and liabilities of such subsidiaries have been translated at current exchange rates and related revenues and expenses have been translated at weighted average exchange rates. The aggregate effect of translation adjustments is included as a component of accumulated other comprehensive income (loss) within equity. Transaction gains and losses related to operating assets and liabilities are included in selling, general and administrative expense, and those related to non-operating assets and liabilities are included in other income, net.

Research and Development

Costs incurred in connection with the development of new products and applications are expensed as incurred. Research and development expenses for the creation of new and improved products and processes were \$92,480, \$88,877 and \$77,570, for the years 2012, 2011 and 2010, respectively, and are included in selling, general and administrative expenses.

Environmental Obligations

The Company recognizes the potential cost for environmental remediation activities when site assessments are made, remediation efforts are probable and related amounts can be reasonably estimated; potential insurance reimbursements are not recorded. The Company assesses its environmental liabilities as necessary and appropriate through regular reviews of contractual commitments, site assessments, feasibility studies and formal remedial design and action plans.

Net Income per Common Share

Basic income per common share is based on the net income attributable to Amphenol Corporation for the year divided by the weighted average number of common shares outstanding. Diluted income per common share assumes the exercise of outstanding, dilutive stock options using the treasury stock method.

Derivative Financial Instruments

Derivative financial instruments, which are periodically used by the Company in the management of its interest rate and foreign currency exposures, are accounted for as cash flow hedges. Gains and losses on derivatives designated as cash flow hedges resulting from changes in fair value are recorded in accumulated other comprehensive income (loss), and subsequently reflected in net income in a manner that matches the timing of the actual income or expense of such instruments with the hedged transaction. Any ineffective portion of the change in the fair value of designated hedging instruments is included in the Consolidated Statements of Income.

Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board (FASB) issued ASU 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* (ASU 2013-02). The update requires disclosure of amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present either on the face of the Consolidated Statements of Income or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required to be reclassified to net income in its entirety in the same reporting period. For amounts not reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures that provide additional detail about those amounts. ASU 2013-02 is effective prospectively for the Company for annual and interim periods beginning January 1, 2013. The Company does not expect that the adoption of this update will have a material effect on its financial statements.

In September 2011, the FASB issued ASU 2011-08, *Intangibles - Goodwill and Other: Testing for Goodwill Impairment* (ASU 2011-08), which allows an entity the option to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Under this amendment, the Company is not required to calculate the fair value of a reporting unit unless the Company determines, based on a qualitative assessment of events and circumstances, that it is more likely than not that its fair value is less than its carrying amount. ASU 2011-08 was effective for the Company as of January 1, 2012. The Company utilized the option to assess qualitative factors pursuant to this update when performing its 2012 annual impairment assessment. The adoption of this update did not have a material effect on the Company's financial statements.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04). ASU 2011-04 improves comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. generally accepted accounting principles and International Financial Reporting Standards. ASU 2011-04 clarifies the application of existing fair value measurement requirements including (1) the application of the highest and best use and valuation premise concepts, (2) measuring the fair value of an instrument classified in a reporting entity's shareholders equity, and (3) quantitative information required for fair value measurements categorized within Level 3 of the fair value hierarchy. ASU 2011-04 also provides guidance on measuring the fair value of financial instruments managed within a portfolio, and application of premiums and discounts in a fair value measurement. In addition, ASU 2011-04 requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The amendments in this guidance are to be applied prospectively, and were effective for the Company beginning January 1, 2012. The adoption of this update did not have a material effect on the Company's financial statements.

Note 2 Long-Term Debt

Long-term debt consists of the following:

	Average Interest Rate at December 31,		Maturity	December 31,	
	2012	2011		2012	2011
4.75% Senior Notes due November 2014 (less unamortized discount of \$411 and \$635 at December 31, 2012 and December 31, 2011, respectively)	4.75%	4.75%	2014	\$ 599,589	\$ 599,365
4.00% Senior Notes due February 2022 (less unamortized discount of \$1,154 at December 31, 2012)	4.00%	N/A	2022	498,846	
Revolving Credit Facility	1.52%	1.55%	2016	500,400	692,400
Receivables Securitization Facility	0.86%	2.14%	2014	100,000	81,700
Notes payable to foreign banks and other debt	8.45%	6.23%	2013-2018	7,662	3,664
				1,706,497	1,377,129
Less current portion				100,293	298
Total long-term debt				\$ 1,606,204	\$ 1,376,831

Revolving Credit Facility

In June 2011, the Company amended its \$1,000,000 unsecured credit facility (the Revolving Credit Facility) to reduce borrowing costs and to extend the maturity date from August 2014 to July 2016. At December 31, 2012, borrowings and availability under the Revolving Credit Facility were \$500,400 and \$499,600, respectively. As of December 31, 2012, the interest rate on borrowings under the Revolving Credit Facility was at a spread over LIBOR. The Revolving Credit Facility requires payment of certain annual agency and commitment fees and requires that the Company satisfy certain financial covenants. At December 31, 2012, the Company was in compliance with the financial covenants under the Revolving Credit Facility.

Senior Notes

In November 2009, the Company issued \$600,000 principal amount of unsecured 4.75% Senior Notes due November 2014 (the 4.75% Senior Notes) at 99.813% of their face value. Net proceeds from the sale of the 4.75% Senior Notes were used to repay borrowings under the Company's Revolving Credit Facility. Interest on the 4.75% Senior Notes is payable semi-annually on May 15 and November 15 of each year to the holders of record as of the immediately preceding May 1 and November 1. The Company may, at its option, redeem some or all of the 4.75% Senior Notes at any time by paying a make-whole premium, plus accrued and unpaid interest, if any, to the date of repurchase. The 4.75% Senior Notes are unsecured and rank equally in right of payment with the Company's other unsecured senior indebtedness. The fair value of the 4.75% Senior Notes at December 31, 2012 and 2011 was approximately \$640,000 and \$643,000, respectively, based on recent bid prices in an active market and are therefore classified as Level 1 in the fair value hierarchy (Note 4).

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

In January 2012, the Company issued \$500,000 principal amount of unsecured 4.00% Senior Notes due February 2022 (the 4.00% Senior Notes) at 99.746% of their face value. Net proceeds from the sale of the 4.00% Senior Notes were used to repay borrowings under the Company's Revolving Credit Facility. Interest on the 4.00% Senior Notes is payable semi-annually on February 1 and August 1 of each year, beginning August 1, 2012, to the holders of record as of the immediately preceding January 15 and July 15. The Company may, at its option, redeem some or all of the 4.00% Senior Notes at any time by paying 100% of the principal amount, plus accrued and unpaid interest, if any, to the date of repurchase, plus a make-whole premium (if redeemed prior to November 1, 2021). The 4.00% Senior Notes are unsecured and rank equally in right of payment with the Company's other unsecured senior indebtedness. The fair value of the 4.00% Senior Notes at December 31, 2012 and 2011 was approximately \$533,000 and nil, respectively, based on recent bid prices in an active market and are therefore classified as Level 1 in the fair value hierarchy (Note 4).

Receivables Securitization Facility

A subsidiary of the Company has entered into a Receivables Securitization Facility with a financial institution whereby the subsidiary can sell an undivided interest of up to \$100,000 in a designated pool of qualified accounts receivable (the Receivables Securitization Facility). The Company services, administers and collects the receivables on behalf of the purchaser. The Receivables

Securitization Facility includes certain covenants and provides for various events of termination. Transfers of receivables are reflected as debt issued in the Company's Consolidated Statements of Cash Flow, and the value of the outstanding undivided interest held by investors at December 31, 2011 and 2012 is accounted for as a secured borrowing and is included in the Company's Consolidated Balance Sheets as debt. At December 31, 2012 and 2011, borrowings under the Receivables Securitization Facility were \$100,000 and \$81,700, respectively. Fees incurred in connection with the Receivables Securitization Facility are included in interest expense. Such fees were approximately \$1,000, \$1,600, and \$1,500 for 2012, 2011 and 2010, respectively. In January 2013, the Company amended the Receivables Securitization Facility to extend the expiration date to January 2014.

The carrying value of borrowings under the Company's Revolving Credit Facility and Receivables Securitization Facility approximated their fair value at December 31, 2012 due to their relative short-term maturities and market interest rates and are therefore classified as Level 2 in the fair value hierarchy (Note 4).

The maturity of the Company's debt over each of the next five years ending December 31 and thereafter, is as follows:

2013	\$	100,293
2014		600,404
2015		94
2016		500,708
2017		6,152
Thereafter		498,846
	\$	1,706,497

The Company had \$14,600 of issued and unused letters of credit at December 31, 2012.

Note 3 Contingent Consideration

In connection with an acquisition made during 2010, the Company made a contingent consideration payment to the sellers in April 2011 of \$40,000 based on certain 2010 profitability levels of the acquired company. The Company would have been required to make a contingent consideration payment to the sellers in 2012, if certain 2011 profitability levels of the acquired company were achieved, up to a maximum aggregate undiscounted amount of \$19,000.

The Company determined the fair value of the liability for this contingent consideration payment based on a probability-weighted approach, which through the first quarter of 2011 would have resulted in the maximum contingent consideration being paid. During the second quarter of 2011, the acquired company's performance expectations were reduced as a result of a softening in demand in the defense market and the related deferral of certain defense related programs to periods beyond 2011 and therefore outside the contractual earn-out period. Therefore, it was determined that the payment related to 2011 profitability levels was no longer probable and the Company adjusted the remaining contingent consideration liability of approximately \$17,800 as a gain in operating income. This adjustment had an impact on net income of approximately \$11,200 in 2011. Based on the actual 2011 results of the acquired company, it was confirmed that the 2012 contingent consideration payment was in fact not payable.

Note 4 Fair Value Measurements

The Company follows the framework within the *Fair Value Measurements and Disclosures* topic of the Accounting Standards Codification, which requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. These requirements establish market or observable inputs as the preferred source of values. Assumptions based on hypothetical transactions are used in the absence of market inputs. The Company does not have any non-financial instruments accounted for at fair value on a recurring basis.

The valuation techniques required are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1 Quoted prices for identical instruments in active markets.
- Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 Significant inputs to the valuation model are unobservable.

The Company believes that the assets or liabilities subject to such standards with fair value disclosure requirements are derivative instruments. The Company's derivative instruments represent forward contracts, which are valued using bank quotations based on market observable inputs such as forward and spot rates and are therefore classified as Level 2 in the fair value hierarchy. The impact of the credit risk related to these financial assets is immaterial. The fair values of the Company's financial and non-financial assets and liabilities subject to such standards at December 31, 2012 and 2011 are as follows:

	Fair Value Measurements at December 31, 2012				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Forward contracts	\$ (6,018)	\$	\$ (6,018)	\$	\$
Total	\$ (6,018)	\$	\$ (6,018)	\$	\$

	Fair Value Measurements at December 31, 2011				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Forward contracts	\$ 5,105	\$	\$ 5,105	\$	\$
Total	\$ 5,105	\$	\$ 5,105	\$	\$

The Company does not have any other significant financial or non-financial assets and liabilities that are measured at fair value on a non-recurring basis.

Note 5 Derivative Instruments

The Company is exposed to certain risks related to its ongoing business operations. The primary risks managed by using derivative instruments are foreign exchange rate risk and interest rate risk. Foreign exchange rate forward contracts were entered into in 2012 to manage the currency exposures on intercompany loans used to fund recent acquisitions. The hedges will terminate in 2013 upon maturity of the respective intercompany loans.

Derivative instruments are required to be recognized as either assets or liabilities at fair value in the Consolidated Balance Sheets. The Company designates foreign exchange rate forward contracts as cash flow hedges.

As of December 31, 2012 and 2011, the Company had the following derivative activity related to cash flow hedges:

Fair Value Assets

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

	Balance Sheet Location	December 31, 2012	December 31, 2011
Derivatives designated as cash flow hedges:			
Forward contracts	Other accrued expenses	\$ (6,018)	\$
Forward contracts	Other current assets		5,105
Total derivatives designated as cash flow hedging instruments		\$ (6,018)	\$ 5,105

For the years ended December 31, 2012 and 2011, \$538 and \$(287), respectively, were recognized in accumulated other comprehensive loss associated with foreign exchange rate forward contracts. The amounts reclassified from accumulated other comprehensive loss to foreign exchange gain/loss in the accompanying Consolidated Statements of Income during the years ended December 31, 2012, 2011 and 2010 were not material.

Note 6 Income Taxes

The components of income before income taxes and the provision for income taxes are as follows:

	Year Ended December 31,		
	2012	2011	2010
Income before income taxes:			
United States	\$ 145,856	\$ 176,739	\$ 225,334
Foreign	632,985	540,013	438,354
	\$ 778,841	\$ 716,752	\$ 663,688
Current tax provision:			
United States	\$ 54,649	\$ 44,769	\$ 77,590
Foreign	163,060	128,608	79,607
	\$ 217,709	\$ 173,377	\$ 157,197
Deferred tax provision (benefit):			
United States	\$ 7,749	\$ 17,733	\$ 3,020
Foreign	(6,125)	(3,200)	1,058
	1,624	14,533	4,078
Total provision for income taxes	\$ 219,333	\$ 187,910	\$ 161,275

At December 31, 2012, the Company had \$54,946 and \$3,517 of foreign tax loss and credit carryforwards, and U.S. state tax loss and credit carryforwards net of federal benefit, respectively, of which \$32,603 and \$45, respectively, will either expire or be refunded at various dates through 2027 and the balance can be carried forward indefinitely.

A valuation allowance of \$17,896 and \$19,129 at December 31, 2012 and 2011, respectively, has been recorded which relates to the foreign net operating loss carryforwards and U.S. state tax credits. The net change in the valuation allowance for deferred tax assets was a decrease of \$1,233 and a decrease of \$962 in 2012 and 2011, respectively, which was related to foreign net operating loss and foreign and U.S. state credit carryforwards.

Differences between the U.S. statutory federal tax rate and the Company's effective income tax rate are analyzed below:

	Year Ended December 31,		
	2012	2011	2010
U.S. statutory federal tax rate	35.0%	35.0%	35.0%
State and local taxes	.6	.4	.8
Foreign earnings and dividends taxed at different rates	(7.9)	(8.2)	(11.5)
Valuation allowance	(.2)	(.2)	(1.0)
Tax impact of the delay in American Taxpayer Relief Act	1.5		
Other	(.8)	(.8)	1.0
Effective tax rate	28.2%	26.2%	24.3%

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

The 2012 tax rate reflects an increase in tax expense of \$11,300, or \$0.07 per diluted common share, resulting from the delay, by the U.S. government, in the reinstatement of certain federal income tax provisions for the year 2012 relating primarily to research and development credits and certain U.S. taxes on foreign income that are part of the tax provisions within the American Taxpayer Relief Act. Such tax provisions were reinstated on January 2, 2013 with retroactive effect to 2012. Under U.S. GAAP, the related benefit to the Company of \$11,300 relating to the 2012 tax year will be recorded as a benefit in the first quarter of 2013 at the date of reinstatement; as such, between the fourth quarter of 2012 and the first quarter of 2013, there is no net impact on the Company from an income statement perspective. The 2011 tax rate reflects a reduction in tax expense of \$4,493 for tax reserve adjustments relating to the completion of the audits of certain of the Company's prior year tax returns. The 2010 tax rate reflects reductions in tax expense of \$20,700 for tax reserve adjustments relating to the completion of the audit of certain of the Company's prior year tax returns. Excluding these adjustments as well as the net impact of acquisition related expenses, the loss incurred related to the 2011 Sidney flood and the 2011 contingent consideration gain, the Company's effective tax rate for 2012, 2011 and 2010 was 26.7%, 26.8% and 27.4%, respectively.

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

The Company's deferred tax assets and liabilities included in Other Current Assets, Other Long-Term Assets and in Other Long-Term Liabilities in the accompanying Consolidated Balance Sheets, excluding the valuation allowance, comprised the following:

	December 31,	
	2012	2011
Deferred tax assets relating to:		
Accrued liabilities and reserves	\$ 21,841	\$ 16,363
Operating loss and tax credit carryforwards	17,967	18,270
Pensions, net	56,584	48,105
Inventory reserves	18,615	17,173
Employee benefits	30,298	29,760
	\$ 145,305	\$ 129,671
Deferred tax liabilities relating to:		
Goodwill	\$ 90,506	\$ 74,013
Depreciation	6,982	7,086
Contingent consideration	6,591	6,591
	\$ 104,079	\$ 87,690

At December 31, 2012 and 2011, the amount of the liability for unrecognized tax benefits, including penalties and interest, which if recognized would impact the effective tax rate, was approximately \$16,171 and \$21,886, respectively.

A tabular reconciliation of the gross amounts of unrecognized tax benefits excluding interest and penalties at the beginning and end of the year for 2012, 2011 and 2010 are as follows:

	2012		2011		2010	
Unrecognized tax benefits as of January 1	\$ 20,215	\$	22,560	\$	35,528	\$
Gross increases and gross decreases for tax positions in prior periods	11,268		(64)		2,036	
Gross increases - current period tax position	1,483		2,278		2,968	
Settlements	(3,127)		(451)		(11,880)	
Lapse of statute of limitations	(3,458)		(4,108)		(6,092)	
Unrecognized tax benefits as of December 31	\$ 26,381	\$	20,215	\$	22,560	\$

The Company includes estimated interest and penalties related to unrecognized tax benefits in the provision for income taxes. During the years ended December 31, 2012, 2011 and 2010, the provision for income taxes included a net benefit of \$315, \$566 and \$4,566 in estimated interest and penalties. As of December 31, 2012, 2011 and 2010, the liability for unrecognized tax benefits included \$2,812, \$3,131 and \$2,591 for tax-related interest and penalties.

The Company operates in over sixty tax jurisdictions, and at any point in time has numerous audits underway at various stages of completion. With few exceptions, the Company is subject to income tax examinations by tax authorities for the years 2009 and after. The Company is generally not able to precisely estimate the ultimate settlement amounts or timing until the close of an audit. The Company evaluates its tax positions and establishes liabilities for uncertain tax positions that may be challenged by local authorities and may not be fully sustained, despite the Company's belief that the underlying tax positions are fully supportable. As of December 31, 2012, the amount of the liability for unrecognized tax benefits, which if recognized would impact the effective tax rate, was \$16,171 the majority of which is included in other long-term liabilities in the accompanying Consolidated Balance Sheets. Unrecognized tax benefits are reviewed on an ongoing basis and are adjusted for changing facts and circumstances, including progress of tax audits and closing of statute of limitations. Based on information currently available, management anticipates that over the next twelve month period, audit activity could be completed and statutes of limitations

may close relating to existing unrecognized tax benefits of \$5,600.

Note 7 Equity

Stock-Based Compensation:

In May 2009, the Company adopted the 2009 Stock Purchase and Option Plan (the 2009 Option Plan) for Key Employees of the Company and its subsidiaries. The Company currently also maintains the 2000 Stock Purchase and Option Plan (the 2000 Option Plan). No additional options can be granted under the 2000 Option Plan. The 2009 Option Plan authorizes the granting of additional stock options by a committee of the Company's Board of Directors. As of December 31, 2012, there were 4,970,270 shares of common stock available for the granting of additional stock options under the 2009 Option Plan. Options granted under the 2000 Option Plan and the 2009 Option Plan vest ratably over a period of five years and are exercisable over a period of ten years from the date of grant.

In 2004, the Company adopted the 2004 Stock Option Plan for Directors of Amphenol Corporation (the Directors Option Plan). The Directors Option Plan is administered by the Company s Board of Directors. As of December 31, 2012, the maximum number of shares of common stock available for the granting of additional stock options under the Directors Option Plan was 70,000, although no additional options are expected to be granted under this plan. Options granted under the Directors Option Plan vest ratably over a period of three years and are exercisable over a period of ten years from the date of grant.

In May 2012, the Company adopted the 2012 Restricted Stock Plan for Directors of Amphenol Corporation (the Restricted Stock Plan). The Restricted Stock Plan is administered by the Company s Board of Directors. As of December 31, 2012, the maximum number of restricted shares available for future grants under the Restricted Stock Plan was 108,571. Restricted shares granted under the Restricted Stock Plan generally vest on the first anniversary of the grant date. Grants under the Restricted Stock Plan entitle the holder to receive shares of the Company s common stock without payment.

The grant-date fair value of each option grant under the 2000 Option Plan, the 2009 Option Plan and the Directors Option Plan is estimated using the Black-Scholes option pricing model. The grant-date fair value of each restricted share grant is determined based on the closing share price of the Company s stock on the date of the grant. The fair value is then amortized on a straight-line basis over the requisite service period of the awards, which is generally the vesting period. Use of a valuation model for option grants requires management to make certain assumptions with respect to selected model inputs. Expected share price volatility was calculated based on the historical volatility of the common stock of the Company and implied volatility derived from related exchange traded options. The average expected life was based on the contractual term of the option and expected employee exercise and historical post-vesting employment termination experience. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with a remaining term equal to the expected life assumed at the date of grant. The expected annual dividend per share is based on the Company s dividend rate.

Stock Options

Stock option activity for 2010, 2011 and 2012 was as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Options outstanding at January 1, 2010	12,704,303	\$ 29.58	7.16	
Options granted	2,602,500	43.00		
Options exercised	(2,331,429)	19.99		
Options forfeited	(269,050)	37.18		
Options outstanding at December 31, 2010	12,706,324	33.93	7.18	
Options granted	2,551,350	53.45		
Options exercised	(1,037,674)	25.14		
Options forfeited	(203,100)	39.75		
Options outstanding at December 31, 2011	14,016,900	38.00	6.89	
Options granted	2,990,000	53.31		
Options exercised	(3,252,961)	29.33		
Options forfeited	(307,220)	42.84		
Options outstanding at December 31, 2012	13,446,719	43.39	7.08	\$ 286,596
Vested and non-vested expected to vest at December 31, 2012	12,329,575	43.01	6.98	\$ 267,483

Exercisable at December 31, 2012	5,495,542	\$	37.02	5.55	\$	152,103
---	-----------	----	-------	------	----	---------

A summary of the status of the Company's non-vested options as of December 31, 2012 and changes during the year then ended is as follows:

	Options	Weighted Average Fair Value at Grant Date
Non-vested options at January 1, 2012	7,636,576	\$ 13.41
Options granted	2,990,000	12.96
Options vested	(2,368,179)	13.07
Options forfeited	(307,220)	13.09
Non-vested options at December 31, 2012	7,951,177	\$ 13.36

The weighted-average fair value at the grant date of options granted during 2011 and 2010 was \$14.19 and \$14.69, respectively.

During the years ended December 31, 2012, 2011, and 2010, the following activity occurred under the Company's option plans:

	2012	2011	2010
Total intrinsic value of stock options exercised	\$ 95,891	\$ 29,697	\$ 67,841
Total fair value of stock options vested	30,964	28,563	23,714

On December 31, 2012 the total compensation cost related to non-vested options not yet recognized is approximately \$75,901, with a weighted average expected amortization period of 3.24 years.

Restricted Shares

As of December 31, 2012, the Company has issued 16,429 restricted shares with a weighted-average fair value at grant date of \$53.26 per share. As of December 31, 2012, the total compensation cost related to non-vested restricted shares not yet recognized was approximately \$348 with a weighted average expected amortization period of 0.39 years.

Stock Repurchase Program:

In January 2011, the Company announced that its Board of Directors authorized a stock repurchase program under which the Company could repurchase up to 20,000,000 shares of its common stock during the three year period ending January 31, 2014 (the 2011 Program). During the twelve months ended December 31, 2012, the Company repurchased 6,571,611 shares of its common stock under the 2011 Program for approximately \$380,000. During the twelve months ended December 31, 2011, the Company repurchased 13,428,389 shares of its common stock for approximately \$672,200. These treasury shares have been retired by the Company and common stock and accumulated earnings were reduced accordingly. As of December 31, 2012, the Company has repurchased all shares authorized under the 2011 Program.

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

In January 2013, the Company announced that its Board of Directors authorized a stock repurchase program under which the Company may repurchase up to 10,000,000 shares of its common stock during the two year period ending January 31, 2015 (the 2013 Program). The price and timing of any such purchases under the 2013 Program will depend on factors such as levels of cash generation from operations, the volume of stock option exercises by employees, cash requirements for acquisitions, economic and market conditions and stock price. Through February 15, 2013, the Company has repurchased 743,877 shares of its common stock under the 2013 Program for \$50,290. These treasury shares will be retired by the Company and common stock and accumulated earnings will be reduced accordingly. At February 15, 2013, approximately 9,256,123 additional shares of common stock may be repurchased under the 2013 Program.

Dividends:

After declaration by the Board of Directors, the Company paid a quarterly dividend on its common stock of \$0.105 per share in 2012 and \$0.015 per share in 2011. Total dividends declared during 2012, 2011 and 2010 were \$67,677, \$10,097 and \$10,449, respectively. Total dividends paid in 2012 were \$70,122, including those declared in 2011 and paid in 2012, total dividends paid in 2011 were \$10,282, including those declared in 2010 and paid in 2011, and total dividends paid in 2010 were \$10,413, including those declared in 2009 and paid in 2010.

Accumulated Other Comprehensive Income (Loss):

Balances of related after-tax components comprising accumulated other comprehensive income (loss) included in equity at December 31, 2012, 2011 and 2010 are as follows:

	Foreign Currency Translation Adjustment	Revaluation of Derivatives	Defined Benefit Plan Liability Adjustment	Accumulated Other Comprehensive Income (Loss)
Balance at January 1, 2010	\$ 24,141	\$ (2,363)	\$ (121,868)	\$ (100,090)
Translation adjustments	17,465			17,465
Revaluation of interest rate derivatives, net of tax of \$1,486		2,363		2,363
Defined benefit plan liability adjustment, net of tax of \$2,639			(4,495)	(4,495)
Balance at December 31, 2010	41,606		(126,363)	(84,757)
Translation adjustments	(10,154)			(10,154)
Revaluation of interest rate derivatives, net of tax of \$173		(287)		(287)
Defined benefit plan liability adjustment, net of tax of \$12,959			(24,859)	(24,859)
Balance at December 31, 2011	31,452	(287)	(151,222)	(120,057)
Translation adjustments	25,858			25,858
Revaluation of forward contract derivatives, net of tax of \$39		538		538
Defined benefit plan liability adjustment, net of tax of \$8,936			(23,343)	(23,343)
Balance at December 31, 2012	\$ 57,310	\$ 251	\$ (174,565)	\$ (117,004)

Note 8 Earnings Per Share

Basic earnings per share (EPS) is computed by dividing net income attributable to Amphenol Corporation by the weighted-average number of common shares outstanding. Diluted EPS is computed by dividing net income attributable to Amphenol Corporation by the weighted-average number of common shares and dilutive common shares outstanding, which relates to stock options. A reconciliation of the basic average common shares outstanding to diluted average common shares outstanding as of December 31 is as follows (dollars in thousands, except per share amounts):

	2012	2011	2010
Net income attributable to Amphenol Corporation shareholders	\$ 555,317	\$ 524,191	\$ 496,405
Basic average common shares outstanding	161,522,080	169,640,115	173,785,650
Effect of dilutive stock options	2,425,031	2,185,473	2,540,343
Dilutive average common shares outstanding	163,947,111	171,825,588	176,325,993
Earnings per share:			
Basic	\$ 3.44	\$ 3.09	\$ 2.86
Diluted	\$ 3.39	\$ 3.05	\$ 2.82

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

Excluded from the computations above were anti-dilutive common shares of 4,551,578, 4,286,519 and 2,570,500 for the years ended December 31, 2012, 2011 and 2010, respectively.

Note 9 Benefit Plans and Other Postretirement Benefits

The Company and certain of its domestic subsidiaries have two defined benefit pension plans (the U.S. Plans), which cover certain U.S. employees and which represent the majority of the plan assets and benefit obligations of the aggregate defined benefit plans of the Company. The U.S. Plans' benefits are generally based on years of service and compensation and are generally noncontributory. Certain U.S. employees not covered by the U.S. Plans are covered by defined contribution plans. Certain foreign subsidiaries have defined benefit plans covering their employees (the International Plans). The largest international pension plan, in accordance with local regulations, is unfunded and had a projected benefit obligation of approximately \$70,000 and \$48,000 at December 31, 2012 and 2011, respectively. Total required contributions to be made during 2013 for the unfunded International Plans amount to approximately \$3,700. This amount, which is classified as other accrued expenses, and the obligations discussed above, are included in the accompanying Consolidated Balance Sheets and in the tables below.

The following is a summary of the Company's defined benefit plans' funded status as of the most recent actuarial valuations; for each year presented below, projected benefits exceed assets.

	December 31,	
	2012	2011
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 488,609	\$ 457,321
Service cost	9,175	7,832
Interest cost	22,021	22,684
Plan participants' contributions		
Plan amendments	271	
Actuarial loss	66,617	27,642
Foreign exchange translation	4,604	(2,450)
Benefits paid	(25,939)	(24,420)
Projected benefit obligation at end of year	565,358	488,609
Change in plan assets:		
Fair value of plan assets at beginning of year	295,054	296,530
Actual return on plan assets	38,022	(2,001)
Employer contributions	21,830	22,844
Foreign exchange translation	1,982	(2,131)
Benefits paid	(22,465)	(20,188)
Fair value of plan assets at end of year	334,423	295,054
Funded status	\$ (230,935)	\$ (193,555)

The accumulated benefit obligation for the Company's defined benefit pension plan was \$541,093 and \$469,547 at December 31, 2012 and 2011, respectively.

	Year Ended December 31,		
	2012	2011	2010
Components of net pension expense:			
Service cost	\$ 7,714	\$ 7,073	\$ 5,907
Interest cost	22,021	22,684	23,100
Expected return on plan assets	(24,951)	(25,226)	(28,016)
	20,454	14,528	17,051

Net amortization of actuarial losses

Net pension expense	\$	25,238	\$	19,059	\$	18,042
---------------------	----	--------	----	--------	----	--------

Weighted-average assumptions used to determine benefit obligations at December 31,				
	Pension Benefits		Other Benefits	
	2012	2011	2012	2011
Discount rate:				
U.S. plans	3.75%	4.45%	3.45%	4.25%
International plans	3.97%	4.97%	n/a	n/a
Rate of compensation increase:				
U.S. plans	3.00%	3.00%	n/a	n/a
International plans	2.57%	2.83%	n/a	n/a

Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31,						
	Pension Benefits			Other Benefits		
	2012	2011	2010	2012	2011	2010
Discount rate:						
U.S. plans	4.45%	5.20%	5.75%	4.25%	4.85%	5.40%
International plans	4.97%	5.26%	5.46%	n/a	n/a	n/a
Expected long-term return on assets:						
U.S. plans	8.00%	8.25%	8.25%	n/a	n/a	n/a
International plans	5.66%	6.30%	6.63%	n/a	n/a	n/a
Rate of compensation increase:						
U.S. plans	3.00%	3.00%	3.00%	n/a	n/a	n/a
International plans	2.83%	2.97%	2.96%	n/a	n/a	n/a

The pension expense for the U.S. Plans and the International Plans (the Plans) approximated \$25,200, \$19,100 and \$18,000 in 2012, 2011 and 2010, respectively, and is calculated based upon a number of actuarial assumptions established on January 1 of the applicable year, detailed in the table above, including a weighted-average discount rate, rate of increase in future compensation levels and an expected long-term rate of return on the respective Plans' assets.

The discount rate used by the Company for valuing pension liabilities is based on a review of high quality corporate bond yields with maturities approximating the remaining life of the projected benefit obligations. The Company's U.S. Plans comprised the majority of the accrued benefit obligation, pension assets and pension expense. The discount rate for the U.S. Plans was 3.75% at December 31, 2012 and 4.45% at December 31, 2011. Although future changes to the discount rate are unknown, had the discount rate increased or decreased by 50 basis points, the accrued benefit obligation would have decreased or increased by approximately \$23,000.

The Company's investment strategy for the Plans' assets is to achieve a rate of return on plan assets equal to or greater than the average for the respective investment classification through prudent allocation and periodic rebalancing between fixed income and equity instruments. The current investment policy includes a strategy to maintain an adequate level of diversification, subject to portfolio risks. The target allocations for the U.S. Plans, which represent the majority of the Plans' assets, are 60% equity and 40% fixed income. Short-term strategic ranges for investments are established within these long term target percentages. The Company invests in a diversified investment portfolio through various investment managers and evaluates its plan assets for the existence of concentration risks. As of December 31, 2012, there were no significant concentrations of risks in the Company's defined benefit plan assets. The Company does not invest pension assets and does not instruct investment managers to invest pension assets in Amphenol securities. The Plans may indirectly hold the Company's securities as a result of external investment management in certain commingled funds. Such holdings would not be material relative to the Plans' total assets.

In developing the expected long-term rate of return assumption for the U.S. Plans, the Company evaluated input from its external actuaries and investment consultants as well as long-term inflation assumptions. Projected returns by such consultants are based on broad equity and bond indices. The Company also considered its historical twenty-year compounded return of approximately 9%, which has been in excess of these

broad equity and bond benchmark indices. As described above, the expected long-term rate of return on the U.S. Plans' assets is based on an asset allocation assumption of 60% with equity managers (with an expected long-term rate of return of approximately 9%) and 40% with fixed income managers (with an expected long-term rate of return of approximately 7%). As of December 31, 2012 and 2011, the asset allocation was 62% with equity managers and 37% with fixed income managers and 1% in cash for both years. The Company believes that the long-term asset allocation on average will approximate 60% with equity managers and 40% with fixed income managers. The Company regularly reviews the actual asset allocation and periodically rebalances investments to its targeted allocation when considered appropriate. Based on this methodology, the Company's expected long-term rate of return assumption to determine the accrued benefit obligation of the U.S. Plans at December 31, 2012 and 2011 is approximately 8.00% and 8.25%, respectively.

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

The Company's plan assets are reported at fair value and classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The process requires judgment and may have effect on the placement of the plan assets within the fair value measurement hierarchy. The fair values of the Company's pension plans' assets at December 31, 2012 and 2011 by asset category are as follows (refer to Note 4 for definitions of Level 1, 2 and 3 inputs):

Asset Category	Total	Fair Value Measurements at December 31, 2012		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities:				
U.S. equities - large cap	\$ 93,047	\$ 71,668	\$ 21,379	\$
U.S. equities - small/mid cap and other	25,159		25,159	
International equities - growth	42,057	42,057		
International equities - other	47,972	5,276	42,696	
	208,235	119,001	89,234	
Fixed income securities:				
U.S. fixed income securities - intermediate term	59,983	59,983		
U.S. fixed income securities - high yield	22,409		22,409	
International fixed income securities - other	40,923		40,923	
	123,315	59,983	63,332	
Cash and cash equivalents	2,873	2,873		
Total	\$ 334,423	\$ 181,857	\$ 152,566	\$

Asset Category	Total	Fair Value Measurements at December 31, 2011		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities:				
U.S. equities - large cap	\$ 80,651	\$ 80,651	\$	\$
U.S. equities - small/mid cap and other	22,579		22,579	
International equities - growth	35,878	35,878		
International equities - other	41,371	4,451	36,920	
	180,479	120,980	59,499	
Fixed income securities:				
U.S. fixed income securities - intermediate term	54,398	54,398		
U.S. fixed income securities - high yield	18,490		18,490	
International fixed income securities - other	38,602		38,602	
	111,490	54,398	57,092	
Cash and cash equivalents	3,085	3,085		
Total	\$ 295,054	\$ 178,463	\$ 116,591	\$

Equity securities consist primarily of publicly traded U.S. and Non-U.S. equities. Publicly traded securities are valued at the last trade or closing price reported in the active market in which the individual securities are traded. Certain Level 2 equity securities held in commingled funds are valued at unitized net asset value (NAV) based on the fair value of the underlying net assets owned by the funds.

Fixed income securities consist primarily of government securities and corporate bonds. They are valued at the closing price in the active market or at quotes obtained from brokers/dealers or pricing services. Certain Level 2 fixed income securities held within commingled funds are valued at NAV as determined by the custodian of the funds based on the fair value of the underlying net assets of the funds.

The Company also has an unfunded Supplemental Employee Retirement Plan (SERP), which provides for the payment of the portion of annual pension which cannot be paid from the retirement plan as a result of regulatory limitations on average compensation for purposes of the benefit computation. The obligation related to the SERP is included in the accompanying Consolidated Balance Sheets and in the tables above.

As of December 31, 2012, the amounts before tax for unrecognized net loss, net prior service cost and net transition asset in accumulated other comprehensive income related to the Plans above are \$255,949, \$9,976 and \$445 respectively. As of December 31, 2011, the amounts before tax for unrecognized net loss, net prior service cost and net transition asset in accumulated other comprehensive income related to the Plans above are \$219,022, \$11,874, and \$543, respectively. The estimated net loss, prior service cost and net transition asset for the Plans above that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next fiscal year are expected to be \$23,513, \$1,985 and \$112, respectively.

The Company made cash contributions to the Plans of \$21,800, \$22,800, and \$17,300 in 2012, 2011, and 2010, respectively, and estimates that, based on current actuarial calculations, it will make cash contributions to the Plans in 2013 of approximately \$21,000, most of which is to the U.S. Plans. Cash contributions in subsequent years will depend on a number of factors, including the investment performance of the Plan assets.

Benefit payments related to the Plans above, including those amounts to be paid out of Company assets and reflecting future expected service as appropriate, are expected to be as follows:

2013	\$	23,010
2014		23,874
2015		25,002
2016		26,250
2017		27,243
2018-2022		153,825

The Company offers various defined contribution plans for U.S. and foreign employees. Participation in these plans is based on certain eligibility requirements. The Company matches the majority of employee contributions to the U.S. defined contribution plans with cash contributions up to a maximum of 5% of eligible compensation. The Company provided matching contributions of approximately \$2,700, \$2,500 and \$2,200 in 2012, 2011 and 2010, respectively.

The Company maintains self-insurance programs for that portion of its health care and workers compensation costs not covered by insurance. The Company also provides certain health care and life insurance benefits to certain eligible retirees through post-retirement benefit (OPEB) programs. The Company s share of the cost of such plans for most participants is fixed, and any increase in the cost of such plans will be the responsibility of the retirees. The Company funds the benefit costs for such plans on a pay-as-you-go basis. Since the Company s obligation for postretirement medical plans is fixed and since the benefit obligation and the net postretirement benefit expense are not material in relation to the Company s financial condition or results of operations, the Company believes any change in medical costs from that estimated will not have a significant impact on the Company. The discount rate used in determining the benefit obligation was 3.45% and 4.25% at December 31, 2012 and 2011, respectively. Summary information on the Company s OPEB programs is as follows:

	December 31,	
	2012	2011
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 16,698	\$ 19,095

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

Service cost	179	198
Interest cost	677	843
Paid benefits and expenses	(1,141)	(1,139)
Actuarial (gain) loss	(700)	(2,299)
Benefit obligation at end of year	\$ 15,713	\$ 16,698

The accumulated benefit obligation for the Company's OPEB plan was equal to its projected benefit obligation at December 31, 2012 and 2011.

	Year ended December 31,		
	2012	2011	2010
Components of net post-retirement benefit cost:			
Service cost	\$ 179	\$ 198	\$ 165
Interest cost	677	843	786
Amortization of transition obligation	62	62	62
Net amortization of actuarial losses	965	1,291	882
Net postretirement benefit cost	\$ 1,883	\$ 2,394	\$ 1,895

As of December 31, 2012, the amounts for unrecognized net loss, net prior service cost and net transition obligation in accumulated other comprehensive income related to OPEB programs are \$8,082, nil and nil, respectively. The estimated net loss, prior service cost and net transition obligation for the OPEB programs that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next fiscal year are expected to be \$810, nil and nil, respectively.

Benefit payments for the OPEB plan, including those amounts to be paid out of Company assets and reflecting future expected service as appropriate are expected to be approximately \$1,100 per year for the next ten years.

Note 10 Leases

At December 31, 2012, the Company was committed under operating leases which expire at various dates. Total rent expense under operating leases for the years 2012, 2011 and 2010 was approximately \$30,000, \$31,000 and \$32,000, respectively.

Minimum lease payments under non-cancelable operating leases are as follows:

2013	\$ 30,856
2014	22,252
2015	16,428
2016	7,923
2017	4,686
Beyond 2017	598
Total minimum obligation	\$ 82,743

Note 11 Business Combinations

During the year ended December 31, 2012, goodwill of approximately \$186,627 was recognized related primarily to five businesses acquired during the period, of which \$144,762 relates to the Interconnect Products and Assemblies segment with the remainder to the Cable Products

segment. The acquisitions were not material to the Company either individually or in the aggregate.

Note 12 Goodwill and Other Intangible Assets

As of December 31, 2012, the Company has goodwill totaling \$1,932,740, of which \$1,817,326 related to the Interconnect Products and Assemblies segment with the remainder related to the Cable Products segment. In 2012, goodwill and intangible assets increased by approximately \$186,600 and \$34,500, respectively, primarily as a result of four acquisitions in the Interconnect Products and Assemblies segment and one acquisition in the Cable segment made during the year. In 2011, goodwill and intangible assets increased by approximately \$212,800 and \$32,800, respectively, primarily as a result of two acquisitions in the Interconnect Products and Assemblies segment made during the year. The Company is in the process of completing its analysis of fair value of the assets acquired related to its 2012 acquisitions and anticipates that the final assessment of values will not differ materially from the preliminary assessment.

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

The Company does not have any intangible assets not subject to amortization other than goodwill. A summary of the Company's amortizable intangible assets as of December 31, 2012 and 2011 is as follows:

	December 31, 2012		December 31, 2011	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships	\$ 166,800	\$ 54,000	\$ 134,700	\$ 38,800
Proprietary technology	44,200	18,800	41,800	15,300
License agreements	6,000	5,300	6,000	4,600
Trade names and other	9,400	7,700	9,400	9,200
Total	\$ 226,400	\$ 85,800	\$ 191,900	\$ 67,900

Customer relationships, proprietary technology, license agreements and trade names and other amortizable intangible assets have weighted average useful lives of approximately 10 years, 13 years, 8 years and 15 years, respectively, for an aggregate weighted average useful life of approximately 10 years at December 31, 2012.

Intangible assets are included in other long-term assets in the accompanying Consolidated Balance Sheets. The aggregate amortization expense for the years ended December 31, 2012, 2011 and 2010 was approximately \$19,800, \$15,200 and 14,000, respectively. Amortization expense estimated for each of the next five fiscal years is approximately \$19,400 in 2013, \$17,500 in 2014, \$17,000 in 2015, \$16,200 in 2016 and \$16,000 in 2017.

Note 13 Reportable Business Segments and International Operations

The Company has two reportable business segments: (i) Interconnect Products and Assemblies and (ii) Cable Products. The Interconnect Products and Assemblies segment produces connectors and connector assemblies primarily for the communications, aerospace, industrial and automotive markets. The Cable Products segment produces coaxial and flat ribbon cable and related products primarily for communication markets, including cable television. The accounting policies of the segments are the same as those for the Company as a whole and are described in Note 1 herein. The Company evaluates the performance of business units on, among other things, profit or loss from operations before interest, headquarters' expense allocations, stock-based compensation expense, income taxes, amortization related to certain intangible assets and nonrecurring gains and losses.

	Interconnect Products and Assemblies			Cable Products			Total		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Net sales									
external	\$ 3,987,286	\$ 3,666,042	\$ 3,293,119	\$ 304,779	\$ 273,744	\$ 260,982	\$ 4,292,065	\$ 3,939,786	\$ 3,554,101
intersegment	4,928	5,645	3,002	19,557	23,118	19,722	24,485	28,763	22,724
Depreciation and amortization	107,466	107,021	93,641	2,419	3,177	3,493	109,885	110,198	97,134
Segment operating income	858,066	787,323	725,946	41,139	34,813	35,472	899,205	822,136	761,418
Segment assets (excluding goodwill)	2,870,280	2,333,249	2,253,638	134,842	104,163	83,961	3,005,122	2,437,412	2,337,599
	125,527	97,459	106,267	3,353	2,570	3,165	128,880	100,029	109,432

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

Additions to
property, plant and
equipment

Reconciliation of segment operating income to consolidated income before income taxes:

	2012		2011		2010
Segment operating income	\$ 899,205	\$	822,136	\$	761,418
Interest expense	(59,613)		(43,029)		(40,741)
Interest income	11,512		10,245		5,046
Stock-based compensation expense	(31,412)		(28,679)		(25,385)
Casualty loss related to flood			(21,479)		
Change in contingent acquisition related obligation			17,813		
Acquisition-related expenses	(2,000)		(2,000)		
Other costs, net	(38,851)		(38,255)		(36,650)
Consolidated income before income taxes	\$ 778,841	\$	716,752	\$	663,688

Reconciliation of segment assets to consolidated total assets:

	2012		2011	
Segment assets excluding goodwill	\$	3,005,122	\$	2,437,412
Goodwill		1,932,740		1,746,113
Other assets		277,601		261,700
Consolidated total assets	\$	5,215,463	\$	4,445,225

Geographic information:

	Net sales			Land and depreciable assets, net		
	2012	2011	2010	2012	2011	2010
United States	\$ 1,379,684	\$ 1,268,936	\$ 1,258,167	\$ 121,823	\$ 110,042	\$ 116,591
China	1,065,058	980,239	851,626	138,006	131,001	131,805
Other international locations	1,847,323	1,690,611	1,444,308	157,607	139,458	118,600
Total	\$ 4,292,065	\$ 3,939,786	\$ 3,554,101	\$ 417,436	\$ 380,501	\$ 366,966

Revenues by geographic area are based on the customer location to which the product is shipped.

Note 14 Casualty Loss Related to Flood

The Company incurred damage at its Sidney, New York manufacturing facility as a result of severe and sudden flooding in New York State in early September 2011. As a result, the Company recorded a charge of approximately \$21,500 (\$13,500 after taxes) in the full year 2011, for property-related damage, as well as cleanup and repair efforts incurred, net of insurance recoveries. This charge includes the Company's loss for damaged inventory and machinery and equipment. The Sidney, New York manufacturing facility had limited manufacturing and sales activity in September 2011, which reduced sales activity primarily during the third quarter of 2011, but the plant was substantially back to full production by the end of the fourth quarter of 2011.

Note 15 Other Income, net

The components of other income, net are set forth below:

	Year Ended December 31,		
	2012	2011	2010
Agency and commitment fees	\$ (1,473)	\$ (1,192)	\$ (1,656)
Interest income	11,512	10,245	5,046
Other	70	(950)	682
	\$ 10,109	\$ 8,103	\$ 4,072

Note 16 Commitments and Contingencies

The Company and its subsidiaries have been named as defendants in several legal actions in which various amounts are claimed arising from normal business activities. Although the amount of any ultimate liability with respect to such matters cannot be precisely determined, in the opinion of management, such matters are not expected to have a material effect on the Company's financial condition, results of operations or cash flows.

Certain operations of the Company are subject to environmental laws and regulations which govern the discharge of pollutants into the air and water, as well as the handling and disposal of solid and hazardous wastes. The Company believes that its operations are currently in substantial compliance with applicable environmental laws and regulations and that the costs of continuing compliance will not have a material effect on the Company's financial condition, results of operations or cash flows.

Subsequent to the acquisition of Amphenol from Allied Signal Corporation (Allied Signal) in 1987 (Allied Signal merged with Honeywell International Inc. in December 1999 (Honeywell)), the Company and Honeywell were named jointly and severally liable as potentially responsible parties in connection with several environmental cleanup sites. The Company and Honeywell jointly consented to perform certain investigations and remediation and monitoring activities at two sites, the Route 8 landfill and the Richardson Hill Road landfill, and they were jointly ordered to perform work at another site, the Sidney landfill. All of the costs incurred relating to these three sites are currently reimbursed by Honeywell based on an agreement (the Honeywell Agreement)

entered into in connection with the acquisition in 1987. The environmental investigation, remediation and monitoring activities identified by the Company, including those referred to above, are covered under the Honeywell Agreement. Management does not believe that the costs associated with resolution of these or any other environmental matters will have a material effect on the Company's consolidated financial condition, results of operations or cash flows.

The Company also has purchase obligations related to commitments to purchase certain goods and services. At December 31, 2012, the Company had commitments to purchase \$177,879 in 2013 and \$1,922 in 2014.

Note 17 Selected Quarterly Financial Data (Unaudited)

	Three Months Ended			
	March 31	June 30	September 30	December 31
2012				
Net sales	\$ 981,604	\$ 1,061,107	\$ 1,103,376	\$ 1,145,978
Gross profit	309,271	334,161	344,329	355,451
Operating income	185,279	206,176	215,670	221,220
Net income attributable to Amphenol Corporation	126,563	140,942	147,450	140,362(1)
Net income per share Basic	0.78	0.87	0.91	0.88(1)
Net income per share Diluted	0.77	0.86	0.90	0.86(1)
2011				
Net sales	\$ 940,585	\$ 1,017,738	\$ 1,032,754	\$ 948,709
Gross profit	304,124	321,222	323,477	294,837
Operating income	186,085	214,874(2)	186,059(3)	164,660(4)
Net income attributable to Amphenol Corporation	127,958	147,751(2)	134,623(3)	113,859(4)
Net income per share Basic	0.73	0.86(2)	0.80(3)	0.69(4)
Net income per share Diluted	0.72	0.85(2)	0.79(3)	0.69(4)

(1) Includes acquisition related transaction costs of \$2,000, or \$0.01 per share after taxes, relating to 2012 acquisitions, and income tax costs relating to a delay, by the U.S. government, in the reinstatement of certain federal income tax provisions for the year 2012 of \$11,300, or \$0.07 per share, relating primarily to research and development credits and certain U.S. taxes on foreign income. Such tax provisions were reinstated on January 2, 2013 with retroactive effect to 2012. Under U.S. GAAP, the related benefit to the Company of \$11,300, or \$0.07 per share, relating to the 2012 tax year will be recorded as a benefit in the first quarter of 2013 at the date of the reinstatement; as such between the fourth quarter of 2012 and the first quarter of 2013, there is no net impact on the Company from an income statement perspective. Net income per diluted common share for the quarter ended December 31, 2012, excluding the effects of these items, is \$0.94.

(2) Includes a contingent payment adjustment of approximately \$17,800, less a tax expense of \$6,600, or \$0.06 per share after taxes. Net income per diluted common share for the quarter ended June 30, 2011, excluding the effect of this item, is \$0.79.

(3) Includes a charge for expenses incurred in connection with a flood at the Company's Sidney, New York facility of \$12,800, less tax benefit of \$4,700, or \$0.05 per share after taxes, as well as a tax benefit related to reserve adjustments from the favorable settlement of certain international tax positions and the completion of prior year audits of \$4,500, or \$0.03 per share. Net income per diluted common share for the quarter ended September 30, 2011, excluding the effects of these items, is \$0.81.

(4) Includes a charge for expenses incurred in connection with a flood at the Company's Sidney, New York facility of \$8,600, less tax benefit of \$3,200, or \$0.03 per share after taxes, and acquisition related transaction costs of \$2,000, less a tax benefit of \$200, or \$0.01 per share after taxes, relating to 2011 acquisitions. Net income per diluted common share for the quarter ended December 31, 2011, excluding the effects of these items, is \$0.73.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) Consolidated Financial Statements

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	28
<u>Consolidated Statements of Income Years Ended December 31, 2012, 2011 and 2010</u>	29
<u>Consolidated Statements of Comprehensive Income Years Ended December 31, 2012, 2011 and 2010</u>	30
<u>Consolidated Balance Sheets December 31, 2012 and 2011</u>	31
<u>Consolidated Statements of Changes in Equity Years Ended December 31, 2012, 2011 and 2010</u>	32
<u>Consolidated Statements of Cash Flow Years Ended December 31, 2012, 2011 and 2010</u>	33
<u>Notes to Consolidated Financial Statements</u>	34
Management Report on Internal Control	54

(a)(2) Financial Statement Schedules for the Three Years Ended December 31, 2012

Schedule

II Valuation and Qualifying Accounts	57
--------------------------------------	----

Schedules other than the above have been omitted because they are either not applicable or the required information has been disclosed in the consolidated financial statements or notes thereto.

(a)(3) Listing of Exhibits

See the Index of Exhibits immediately following the signature page of this annual report on Form 10-K.

SCHEDULE II

AMPHENOL CORPORATION AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

For the years ended December 31, 2012, 2011 and 2010

(Dollars in thousands)

	Balance at beginning of period		Charged to cost and expenses		Additions (Deductions)		Balance at end of period
Receivable Reserves:							
Year ended 2012	\$ 11,113	\$	1,407	\$	(2,148)	\$	10,372
Year ended 2011	14,946		(347)		(3,486)		11,113
Year ended 2010	18,785		498		(4,337)		14,946

Signature

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in the Town of Wallingford, State of Connecticut on the 11th day of March, 2013.

AMPHENOL CORPORATION

/s/ Diana G. Reardon

Diana G. Reardon
Executive Vice President and Chief Financial Officer

Index of Exhibits

- 3.1 Amphenol Corporation, Amended and Restated By-Laws, dated May 24, 2012 (filed as Exhibit 3.1 to the June 30, 2012 10-Q).*
- 3.2 Amended and Restated Certificate of Incorporation of Amphenol Corporation, dated April 24, 2000 (filed as Exhibit 3.1 to the Form 8-K filed on April 28, 2000).*
- 3.3 Second Certificate of Amendment of Amended and Restated Certificate of Incorporation of Amphenol Corporation, dated May 23, 2007 (filed as Exhibit 3.4 to the December 31, 2007 10-K).*
- 3.4 Third Certificate of Amendment of Amended and Restated Certificate of Incorporation of Amphenol Corporation, dated May 24, 2012 (filed as Exhibit 3.2 to the June 30, 2012 10-Q).*
- 4.1 Indenture, dated as of November 5, 2009, between Amphenol Corporation and the Bank of New York Mellon, as trustee (filed as Exhibit 4.1 to the Form 8-K filed on November 5, 2009).*
- 4.2 Officers Certificate, dated November 5, 2009, establishing the 4.75% Senior Notes due 2014 pursuant to the Indenture (filed as Exhibit 4.2 to the Form 8-K filed on November 5, 2009).*
- 4.3 Officers Certificate, dated January 26, 2012, establishing the 4.00% Senior Notes due 2022 pursuant to the Indenture (filed as Exhibit 4.2 to the Form 8-K filed on January 26, 2012).*
- 10.1 Receivables Purchase Agreement dated as of July 31, 2006 among Amphenol Funding Corp., the Company, Atlantic Asset Securitization LLC and Calyon New York Branch, as Agent (filed as Exhibit 10.10 to the June 30, 2006 10-Q).*
- 10.2 Amendment to Receivables Purchase Agreement dated as of May 26, 2009 among Amphenol Funding Corp., the Company, Atlantic Asset Securitization LLC and Calyon New York Branch, as Agent (filed as Exhibit 10.2 to the June 30, 2009 10-Q).*
- 10.3 Amendment to Receivables Purchase Agreement dated February 1, 2011 among Amphenol Funding Corp., the Company, Atlantic Asset Securitization LLC and Calyon New York Branch, as Agent (filed as Exhibit 10.4 to the December 31, 2010 10-K).*
- 10.4 Amendment to Receivables Purchase Agreement dated September 9, 2011 among Amphenol Funding Corp., the Company, Atlantic Asset Securitization LLC and Calyon New York Branch, as Agent (filed as Exhibit 10.5 to the September 30, 2011 10-Q).*
- 10.5 Amendment to Receivables Purchase Agreement dated January 17, 2013 among Amphenol Funding Corp., the Company, Atlantic Asset Securitization LLC and Calyon New York Branch, as Agent (filed as Exhibit 10.5 to the December 31, 2012 10-K).*
- 10.6 Purchase and Sales Agreement dated as of July 31, 2006 among the Originators named therein, Amphenol Funding Corp. and the Company (filed as Exhibit 10.13 to the June 30, 2006 10-Q).*
- 10.7 Fourth Amended 2000 Stock Purchase and Option Plan for Key Employees of Amphenol and Subsidiaries (filed as Exhibit 10.20 to the June 30, 2007 10-Q).*
- 10.8 Form of 2000 Management Stockholders Agreement as of May 24, 2007 (filed as Exhibit 10.25 to the June 30, 2007 10-Q).*
- 10.9 Form of 2000 Non-Qualified Stock Option Grant Agreement Amended as of May 24, 2007 (filed as Exhibit 10.28 to the June 30, 2007 10-Q).*
- 10.10 2009 Stock Purchase and Option Plan for Key Employees of Amphenol and Subsidiaries (filed as Exhibit 10.7 to the June 30, 2009 10-Q).*
- 10.11 Form of 2009 Non-Qualified Stock Option Grant Agreement dated as of May 20, 2009 (filed as Exhibit 10.8 to the June 30, 2009 10-Q).*
- 10.12 Form of 2009 Management Stockholders Agreement dated as of May 20, 2009 (filed as Exhibit 10.9 to the June 30, 2009 10-Q).*
- 10.13 The 2012 Restricted Stock Plan for Directors of Amphenol Corporation dated May 24, 2012 (filed as Exhibit 10.15 to the June 30, 2012 10-Q).*
- 10.14 2012 Restricted Stock Plan for Directors of Amphenol Corporation Restricted Share Award Agreement dated May 24, 2012 (filed as Exhibit 10.16 to the June 30, 2012 10-Q).*
- 10.15 Pension Plan for Employees of Amphenol Corporation as amended and restated effective January 1, 2011 (filed as Exhibit 10.25 to the December 31, 2010 10-K).*
- 10.16 First Amendment to Pension Plan for Employees of Amphenol Corporation as amended and restated effective January 1, 2011, dated May 23, 2012 (filed as Exhibit 10.18 to the June 30, 2012 10-Q).*
- 10.17 Second Amendment to Pension Plan for Employees of Amphenol Corporation as amended and restated effective January 1, 2011, dated August 14, 2012 (filed as Exhibit 10.19 to the September 30, 2012 10-Q).*
- 10.18 Third Amendment to Pension Plan for Employees of Amphenol Corporation as amended and restated effective January 1, 2011, dated December 19, 2012 (filed as Exhibit 10.18 to the December 31, 2012 10-K).*
- 10.19 Amended and Restated Amphenol Corporation Supplemental Employee Retirement Plan (filed as Exhibit 10.24 to the December 31, 2008 10-K).*
- 10.20 Amphenol Corporation Directors Deferred Compensation Plan (filed as Exhibit 10.11 to the December 31, 1997 10-

Edgar Filing: AMPHENOL CORP /DE/ - Form 10-K/A

	K).*
10.21	The 2004 Stock Option Plan for Directors of Amphenol Corporation (filed as Exhibit 10.44 to the June 30, 2004 10-Q).*
10.22	The Amended 2004 Stock Option Plan for Directors of Amphenol Corporation (filed as Exhibit 10.29 to the June 30, 2008 10-Q).*
10.23	2011 Amphenol Corporation Management Incentive Plan (filed as Exhibit 10.37 to the December 31, 2010 10-K).*
10.24	2012 Amphenol Corporation Management Incentive Plan (filed as Exhibit 10.22 to the December 31, 2011 10-K).*
10.25	2013 Amphenol Corporation Management Incentive Plan (filed as Exhibit 10.25 to the December 31, 2012 10-K).*
10.26	2009 Amphenol Corporation Executive Incentive Plan (filed as Exhibit 10.32 to the March 31, 2009 10-Q).*
10.27	Credit Agreement, dated as of August 13, 2010, among the Company, certain subsidiaries of the Company, a syndicate of financial institutions and Bank of America, N.A. acting as the administrative agent (filed as Exhibit 10.1 to the Form 8-K filed on August 18, 2010).*
10.28	First Amendment to Credit Agreement, dated as of June 30, 2011, among the Company, certain subsidiaries of the Company, a syndicate of financial institutions and Bank of America, N.A. acting as the administrative agent (filed as Exhibit 10.38 to the June 30, 2011 10-Q).*
10.29	Continuing Agreement for Standby Letters of Credit between the Company and Deutsche Bank dated March 4, 2009 (filed as Exhibit 10.36 to the March 31, 2009 10-Q).*
10.30	Agreement and Plan of Merger among Amphenol Acquisition Corporation, Allied Corporation and the Company, dated April 1, 1987, and the Amendment thereto dated as of May 15, 1987 (filed as Exhibit 2 to the 1987 Registration Statement).*
10.31	Settlement Agreement among Allied Signal Inc., the Company and LPL Investment Group, Inc. dated November 28, 1988 (filed as Exhibit 10.20 to the 1991 Registration Statement).*
10.32	The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective March 1, 2010 (filed as Exhibit 10.50 to the March 31, 2010 10-Q).*
10.33	The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective July 1, 2011 (filed as Exhibit 10.51 to the June 30, 2011 10-Q).*
10.34	The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective August 16, 2011 (filed as Exhibit 10.29 to the September 30, 2011 10-Q).*
10.35	The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective December 14, 2011 (filed as Exhibit 10.32 to the December 31, 2011 10-K).*
10.36	First Amendment to The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective December 14, 2011, dated March 30, 2012 (filed as Exhibit 10.36 to the June 30, 2012 10-Q).*
10.37	Second Amendment to The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective December 14, 2011, dated April 10, 2012 (filed as Exhibit 10.37 to the June 30, 2012 10-Q).*
10.38	Restated Amphenol Corporation Supplemental Defined Contribution Plan (filed as Exhibit 10.30 to the September 30, 2011 10-Q).*
10.39	Amphenol Corporation Supplemental Defined Contribution Plan as amended and restated effective January 1, 2012 (filed as Exhibit 10.34 to the December 31, 2011 10-K).*
21.1	Subsidiaries of the Company (filed as Exhibit 21.1 to the December 31, 2012 10-K).*
23.1	Consent of Deloitte & Touche LLP.**
31.1	Certification pursuant to Exchange Act Rules 13a-14 and 15d-14; as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
31.2	Certification pursuant to Exchange Act Rules 13a-14 and 15d-14; as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
101.INS	XBRL Instance Document (filed as Exhibit 101.INS to the December 31, 2012 10-K).*
101.SCH	XBRL Taxonomy Extension Schema Document (filed as Exhibit 101.SCH to the December 31, 2012 10-K).*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (filed as Exhibit 101.CAL to the December 31, 2012 10-K).*
101.DEF	XBRL Taxonomy Extension Definition Document (filed as Exhibit 101.DEF to the December 31, 2012 10-K).*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (filed as Exhibit 101.LAB to the December 31, 2012 10-K).*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (filed as Exhibit 101.PRE to the December 31, 2012 10-K).*

* Incorporated herein by reference as stated.

** Filed herewith.

