SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005.

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

Commission file no. 1-2958

Hubbell Incorporated

(Exact name of Registrant as specified in its charter)

Connecticut	**06-0397030**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*
584 Derby Milford Road Orange, Connecticut	**06477-4024**
(Address of principal executive offices)	*(Zip Code)*

(203) 799-4100

(Registrant's telephone number, including area code)

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

Title of each Class	Name of Exchange on which Registered
Class A Common — $.01 par value (20 votes per share)	New York Stock Exchange
Class B Common — $.01 par value (1 vote per share)	New York Stock Exchange
Series A Junior Participating Preferred Stock Purchase Rights	New York Stock Exchange
Series B Junior Participating Preferred Stock Purchase Rights	New York Stock Exchange

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 o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes o No ☑

Indicate by check mark if 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 report), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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. o

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

Large Accelerated Filer ☑ Accelerated Filer o Non-Accelerated Filer o

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

The approximate aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2005 was $2,437,201,213*. The number of shares outstanding of the Class A Common Stock and Class B Common Stock as of March 3, 2006 was 8,594,380 and 51,972,470, respectively.

Documents Incorporated by Reference

Portions of the definitive proxy statement for the annual meeting of shareholders scheduled to be held on May 1, 2006, to be filed with the Securities and Exchange Commission (the "SEC"), are incorporated by reference in answer to Part III of this Form 10-K.

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* Calculated by excluding all shares held by Executive Officers and Directors of registrant and the Louie E. Roche Trust, the Harvey Hubbell Trust, the Harvey Hubbell Foundation and the registrant's pension plans, without conceding that all such persons or entities are "affiliates" of registrant for purpose of the Federal Securities Laws.

HUBBELL INCORPORATED

ANNUAL REPORT ON FORM 10-K
For the Fiscal Year Ended December 31, 2005

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PART I

Item 1. *Business*

Hubbell Incorporated (herein referred to as "Hubbell", the "Company", the "registrant", "we", "our" or "us", which references shall include its divisions and subsidiaries as the context may require) was founded as a proprietorship in 1888, and was incorporated in Connecticut in 1905. Hubbell is primarily engaged in the design, manufacture and sale of high quality electrical and electronic products for a broad range of commercial, industrial, telecommunications, utility, and residential applications. Products are either sourced complete or manufactured or assembled by subsidiaries in the United States, Canada, Switzerland, Puerto Rico, Mexico, Italy, Brazil and the United Kingdom. Hubbell also participates in a joint venture in Taiwan, and maintains sales offices in Singapore, the People's Republic of China, Mexico, Hong Kong, South Korea, and the Middle East.

For management reporting and control, the businesses are divided into three segments: Electrical, Power and Industrial Technology, as described below. Reference is made to Note 20 — Industry Segments and Geographic Area Information under Notes to Consolidated Financial Statements.

The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are made available free of charge through the Investor Relations section of the Company's website at *http://www.hubbell.com* as soon as practicable after such material is electronically filed with, or furnished to, the SEC.

ELECTRICAL SEGMENT

The Electrical Segment is comprised of businesses that primarily sell through distributors, lighting showrooms, home centers and telephone and telecommunications companies, and represents stock and custom products including standard and special application wiring device products, lighting fixtures and controls, fittings, switches and outlet boxes, enclosures, wire management products and voice and data signal processing components. The products are typically used in and around industrial, commercial, and institutional facilities by electrical contractors, maintenance personnel, electricians, and telecommunications companies. Certain lighting fixtures, wiring devices and electrical products also have residential application.

Electrical Wiring Devices

Hubbell designs, manufactures and sells highly durable and reliable wiring devices which are supplied principally to industrial, commercial and institutional customers, although certain products also have residential application. These products, comprising several thousand catalog items, include plugs, dimmers, receptacles (including surge suppressor units), wall outlets, connectors, adapters, floor boxes, switches, occupancy sensors (including passive infrared and ultrasonic motion sensing devices), lampholders, control switches, outlet strips, pendants, weatherproof enclosures, and wallplates. Pin-and-sleeve devices built to International Electrotechnical Commission ("IEC") and new Underwriter Laboratory ("UL") standards have incorporated improved water and dust-tight construction and impact resistance. Switch and receptacle wall plates feature proprietary thermoplastic materials offering high impact resistance and durability, and are available in a variety of colors and styles. Delivery systems, including metallic and nonmetallic surface raceway systems for power, data and communications distribution, provide efficiency and flexibility in both initial installations and remodeling applications. Hubbell also sells wiring devices for use in certain environments requiring specialized products, such as signal and control connectors and cable assemblies for the connection of sensors in materials processing, modular cable protection systems, cable and devices for marine applications and portable power distribution units with ground fault protection for commercial and industrial applications. Circuit Guard® ground fault units protect the user from electrical shock by interrupting the circuit to which they are connected when a fault to ground is detected. Hubbell manufactures TVSS (transient voltage surge suppression) devices, under the Spikeshield® trademark, which are used to protect electronic equipment such as personal computers and other supersensitive electronic equipment. Hubbell also manufactures and/or sells components designed for use in local area networks ("LANs") and other telecommunications applications supporting high-speed data and voice signals. Primary products include work station modular jacks, faceplates, surface housings, modular furniture plates, cross connect patch panels, connectorized cable assemblies, punch down blocks, free standing racks, enclosures and other products used for installation, testing and distribution of LANs. These products support unshielded, shielded and fiber optic media types and typically service commercial, institutional and industrial applications.

Lighting Fixtures and Controls

Hubbell manufactures and sells lighting fixtures for indoor and outdoor applications with four classifications of products: Outdoor, Industrial, Commercial/ Institutional, and Residential. Outdoor products include Hubbell outdoor lighting and Sterner® floodlights and poles, Devine® series fixtures, Kim® architectural fixtures which feature pedestrian zone, path, landscape, building and area lighting products and poles, Security® outdoor and signage fixtures, Spaulding™ area lighting fixtures and poles, AAL™ flood and step lighting fixtures, sconces, bollards in period, contemporary and customer designs, Moldcast® bollards, street lighting fixtures and poles and wall mounted fixtures, and Whiteway™ canopy light fixtures, which are used to illuminate service stations, truck stops, outdoor display signs, parking lots, roadways, pedestrian areas, security areas, automobile dealerships, shopping centers, convenience stores, quick service restaurants, and similar areas, and Sportsliter® fixtures which are used to illuminate athletic and recreational fields. In addition, a line of Lightscaper® decorative outdoor fixtures is sold for use in landscaping applications such as pools, gardens and walkways. Industrial products include high and low bay fixtures used to illuminate factories, work spaces, and areas with specialty requirements such as paint rooms, clean rooms and warehouses. Commercial/ Institutional products include high intensity discharge (“HID”) fixtures, Alera™ architectural and Columbia Lighting® specification grade fluorescent fixtures, Dual-Lite® emergency and exit fixtures, and Prescolite® recessed, surface mounted and track fixtures which are used for offices, schools, hospitals, airports, retail stores, and similar applications. The fixtures use high pressure sodium and metal-halide HID lamps, as well as quartz, fluorescent and incandescent lamps, all of which are purchased from other sources. Hubbell also manufactures a broad range of life safety products, emergency lighting, exit signs and inverter power systems which are used in specialized safety applications under the Dual-Lite® and Corner Stone Life Safety® trademarks, and a line of IEC lighting fixtures designed for hazardous, hostile and corrosive applications sold under the Chalmit™, Victor™ and Killark® trademarks. The residential products, which are sold under the Progress Lighting® trademarks, include chandeliers, hall and foyer, sconces, track, recessed, bath and vanity, pendants, close to ceiling, under-cabinet, portable lights, fans, door chimes, dimmers, and outdoor and landscape lighting fixtures.

Outlet Boxes, Enclosures and Fittings

Hubbell manufactures and/or sells: (a) under the Raco® trademark, steel and plastic boxes used at outlets, switch locations and junction points; (b) a broad line of metallic fittings, including rigid plastic conduit fittings, EMT (thinwall) fittings and liquid tight conduit fittings; (c) Bell Outdoor® outlet boxes; (d) a variety of electrical boxes, covers, combination devices, lampholders and lever switches manufactured under the Bell® trademark, with an emphasis on weather-resistant products suitable for outdoor applications; and (e) under the Wiegmann® trademark, a full-line of fabricated steel electrical equipment enclosures such as rainproof and dust-tight panels, consoles and cabinets, wireway and electronic enclosures and a line of non-metallic electrical equipment enclosures. Wiegmann® products are designed to enclose and protect electrical conductors, terminations, instruments, power distribution and control equipment.

Holding Devices

Hubbell manufactures and sells a line of Kellems® and Bryant® mesh grips used to pull, support and create strain relief in elongated items such as cables, electrical cords, hoses and conduits, a line of Gotcha® cord connectors designed to prevent electrical conductors from pulling away from electrical terminals to which the conductors are attached, and wire management products including non-metallic surface raceway products for wiring and non-metallic liquid-tight flexible conduit for OEM applications. The grips are sold under the Kellems® and Dua-Pull® trademarks and range in size and strength to accommodate differing application needs. These products, which are designed to tighten around the gripped items, are sold to industrial, commercial, utility and microwave and cell phone tower markets.

Hazardous and Hostile Location Application Products

Hubbell's special application products, which are sold under the Killark® trademark, include weatherproof and hazardous location products suitable for standard, explosion-proof and other hostile area applications, conduit raceway fittings, Disconex® switches, enclosures, HostileLite® lighting fixtures, electrical distribution equipment, standard and custom electrical motor controls, junction boxes, plugs and receptacles. Hubbell also manufactures and sells, under the Hawke® trademark, a line of cable glands and cable connectors, enclosures and breathers for the hazardous area and industrial markets. Hazardous locations are those areas where a potential for explosion and fire exists due to the presence of flammable gasses, fibers, vapors, dust or other easily ignitable materials and include such applications as refineries, petro-chemical plants, grain elevators and material processing areas.

Telecommunications Products

Hubbell designs, manufactures and sells, under the Pulsecom® trademark, voice and data signal processing components primarily used by telephone and telecommunications companies, consisting of channel cards and banks for loop and trunk carriers, racks and cabinets. These products provide a broad range of communications access solutions for use by the telephone and telecommunications industry including: (a) digital loop carrier solutions to multiplex traffic from many users over a single link using existing copper or fiber facilities and providing easier and more cost-effective service to new users, since fewer and smaller cables are required for providing expanded service; and (b) D4 solutions to provide delivery of integrated voice and data services. Customers of these product lines include various telecommunications companies, the Regional Bell Operating Companies ("RBOCs"), independent telephone companies, competitive local exchange carriers, companies with private networks, and internet service providers.

Sales and Distribution of Electrical Segment Products

A majority of Hubbell's Electrical Segment products are stock items and are sold through electrical and industrial distributors, home centers, some retail and hardware outlets, and lighting showrooms. Special application products are sold primarily through wholesale distributors to contractors, industrial customers and original equipment manufacturers. Voice and data signal processing equipment products are represented worldwide through a direct sales organization and by selected independent telecommunications representatives, primarily sold through datacom, electrical and catalogue distribution channels. Telecommunications products are sold primarily by direct sales to customers in the United States and internationally through sales personnel and sales representatives. Hubbell maintains a sales and marketing organization to assist potential users with the application of certain products to their specific requirements, and with architects, engineers, industrial designers, original equipment manufacturers and electrical contractors for the design of electrical systems to meet the specific requirements of industrial, institutional, commercial and residential users. Hubbell is also represented by sales agents for its lighting fixtures, electrical wiring devices, boxes, enclosures, and fittings product lines. The sales of Electrical Segment products accounted for approximately 71% of Hubbell's revenue in 2005 and 74% in 2004 and 2003.

POWER SEGMENT

Power Segment operations design and manufacture a wide variety of construction, switching and protection products, hot line tools, grounding equipment, cover ups, fittings and fasteners, cable accessories, insulators, arresters, cutouts, sectionalizers, connectors and compression tools for the building and maintenance of overhead and underground power and telephone lines, as well as applications in the industrial, construction and pipeline industries.

Electrical Transmission and Distribution Products

Hubbell manufactures and sells, under the Ohio Brass® registered trademark, a complete line of polymer insulators and high-voltage surge arresters used in the construction of electrical transmission and distribution lines and substations. The primary focus in this product area are the Hi*Lite®, Hi*Lite®XL and Veri*Lite™ polymer insulator lines and the polymer housed metal-oxide varistor surge arrester lines. Electrical transmission products and post insulators are used in the expansion and upgrading of electrical transmission capability.

Hubbell manufactures and sells, under the Chance® trademark, products used in the electrical transmission and distribution and telecommunications industries, including overhead and underground electrical apparatus such as (a) distribution switches (to control and route the flow of power through electrical lines); (b) cutouts, sectionalizers, and fuses (to protect against faults and over-current conditions on power distribution systems); and (c) fiberglass insulation systems (pole framing and conductor insulation).

Hubbell manufactures and sells, under the Anderson® trademark, electrical connectors and associated hardware including pole line, line and tower hardware, compression crimping tools and accessories, mechanical and compression connectors, suspension clamps, terminals, supports, couplers, and tees for utility distribution and transmission systems, substations, and utility industry.

Hubbell manufactures and sells, under the Fargo® trademark, electrical power distribution and transmission products, principally for the utility industry. Distribution products include electrical connectors, automatic line splices, dead ends, hot line taps, wildlife protectors, and various associated products. Transmission products include splices, sleeves, connectors, dead ends, spacers and dampers. Products also consist of original equipment and resale products including substation fittings for cable, tube and bus as well as underground enclosures, wrenches, hydraulic pumps and presses, and coatings.

Hubbell manufactures and sells, under the Hubbell® trademark, cable accessories including loadbreak switching technology, deadbreak products, surge protection, cable splicing and cable termination products, as well as automation-ready overhead switches and aluminum transformer equipment mounts for transformers and equipment.

Construction Materials/ Tools

Hubbell manufactures and sells, under the Chance® trademark, (a) line construction materials including power-installed helical earth anchors and power-installed foundations to secure overhead power and communications line poles, guyed and self-supporting towers, streetlight poles and pipelines (Helical Pier® Foundation Systems are used to support homes and buildings, and earth anchors are used in a variety of farm, home and construction projects including tie-back applications); (b) pole line hardware, including galvanized steel fixtures and extruded plastic materials used in overhead and underground line construction, connectors, fasteners, pole and crossarm accessories, insulator pins, mounting brackets and related components, and other accessories for making high voltage connections and linkages; (c) construction tools and accessories for building overhead and underground power and telephone lines; and (d) hot-line tools (all types of tools mounted on insulated poles used to construct and maintain energized high voltage lines) and other safety equipment. Hubbell also manufactures and sells, under the Atlas® trademark, helical and resistance piering products used in a variety of civil engineering applications.

Sales and Distribution of Power Segment Products

Sales of Power Segment products are made through a Hubbell sales and marketing organization to distributors and directly to users such as electric utilities, mining operations, industrial firms, and engineering and construction firms. While Hubbell believes its sales in this area are not materially dependent upon any customer or group of customers, a decrease in purchases by public utilities does affect this category. The sale of Power Segment products accounted for approximately 22% of Hubbell's total revenue in 2005 and 19% in 2004 and 2003.

INDUSTRIAL TECHNOLOGY SEGMENT

The Industrial Technology Segment consists of operations that design and manufacture test and measurement equipment, high voltage power supplies and variable transformers, industrial controls including motor speed controls, pendant-type push-button stations, overhead crane controls, control and pressure switches, DC devices, Gleason Reel® electric cable and hose reels, and specialized communications systems such as intra-facility communications systems, telephone systems, and land mobile radio peripherals. Products are sold primarily to steel mills, industrial complexes, oil, gas and petrochemical industries, seaports, transportation authorities, the security industry (malls and colleges), and cable and electronic equipment manufacturers.

High Voltage Test and Measurement Equipment

Hubbell manufactures and sells, under the Hipotronics®, Haefely Test™ and Tettex® trademarks, a broad line of high voltage test and measurement systems to test materials and equipment used in the generation, transmission and distribution of electricity, and high voltage power supplies and electromagnetic compliance equipment for use in the electrical and electronic industries. Principal products include AC/ DC hipot testers and megohmmeters, cable fault location systems, oil testers and DC hipots, impulse generators, digital measurement systems and tan-delta bridges, AC series resonant and corona detection systems, DC test sets and power supplies, variable transformers, voltage regulators, and motor and transformer test sets.

Industrial Controls and Communication Systems

Hubbell manufactures and sells a variety of heavy-duty electrical and radio control products which have broad application in the control of industrial equipment and processes. These products range from standard and specialized industrial control components to combinations of components that control industrial manufacturing processes. Standard products include motor speed controls, pendant-type push-button stations, pressure switches (used in air compressor and water pump systems), DC devices (used in locomotive and heavy industrial control systems), power and grounding resistors and overhead crane controls. Also manufactured and sold are a line of transfer switches used to direct electrical supply from alternate sources, and a line of fire pump control products used in fire control systems.

Hubbell manufactures, under the Gleason Reel® trademark, industrial-quality cable management products including electric cable and hose reels, protective steel and nylon cable tracks (cable and hose carriers), cable festooning hardware, highly engineered container crane reels and festoons for the international market, slip rings, and a line of ergonomic tool support systems (workstation accessories and components such as balancers, retractors, torque reels, tool supports, boom and jib kits).

Hubbell manufactures and sells under the GAI-Tronics® trademark, specialized communications systems designed to withstand indoor and outdoor hazardous environments. Products include intra-facility communication systems, telephone systems, and land mobile radio peripherals. These products are sold to oil, gas and petrochemical industries, transportation authorities (for use on public highways and in trains and on train platforms), and the security industry (for use in malls and on college campuses).

Sales and Distribution of Industrial Technology Segment Products

Hubbell's Industrial Technology Segment products are sold primarily through direct sales and sales representatives to contractors, industrial customers and original equipment manufacturers, with the exception of high voltage test and measurement equipment which is sold primarily by direct sales to customers in the United States and in foreign countries through its sales engineers and independent sales representatives.

The sale of products in the Industrial Technology Segment accounted for approximately 7% of Hubbell's total revenue in 2005, 2004 and 2003.

INFORMATION APPLICABLE TO ALL GENERAL CATEGORIES

International Operations

The Company has several operations located in the United Kingdom. Hubbell Limited manufactures and/or markets fuse switches, contactors, selected wiring device products and premise wiring products, industrial control products used in motor control applications such as fuse switches and contactors. Chalmit Lighting manufactures and/or markets lighting fixtures designed for hazardous, hostile and corrosive applications. Hawke Cable Glands ("Hawke") manufactures and/or markets a range of products used in hazardous locations including brass cable glands and cable connectors used in watertight terminations, cable transition devices, utility transformer breathers and enclosures. GAI-Tronics manufactures and/or markets specialized communication systems designed to withstand indoor and outdoor hazardous environments.

Hubbell Canada LP and Hubbell de Mexico, S.A. de C.V. markets and sells wiring devices, premise wiring products, lighting fixtures and controls, grips, fittings, switches and outlet boxes, hazardous location products, electrical transmission and distribution products and earth anchoring systems. Industrial control products are sold in Canada through an independent sales agent. Hubbell Canada LP also designs and manufactures electrical outlet boxes, metallic wall plates, and related accessories.

Harvey Hubbell S.E. Asia Pte. Ltd. in Singapore markets wiring devices, lighting fixtures, hazardous location products and electrical transmission and distribution products.

Haefely Test, AG in Switzerland designs and manufactures high voltage test and instrumentation systems, and GAI-Tronics S.r.l. in Italy designs and manufactures specialized communications systems.

Hubbell manufactures, markets and sells, under the Delmar® trademark, products used in the electric utility transmission and distribution industries, including cutouts, fuselinks, arresters and overhead and substation switches. These products are manufactured at the Company's facility in Tatui, Brazil, for sale primarily in Latin America.

Hubbell also manufactures lighting products, weatherproof outlet boxes, fittings, and power products in Juarez and Tijuana, Mexico. In addition, Hubbell has interests in various other international operations such as a joint venture in Taiwan, and maintains sales offices in Mexico, Singapore, the People's Republic of China, Hong Kong, South Korea and the Middle East.

As a percentage of total sales, international shipments from foreign subsidiaries directly to third parties were 11% in 2005 and 10% in 2004 and 2003 with the Canadian and United Kingdom markets representing approximately 42% and 33%, respectively, of the 2005 total.

Raw Materials

Raw materials used in the manufacture of Hubbell products primarily include steel, brass, copper, aluminum, bronze, plastics, phenolics, zinc, nickel, elastomers and petrochemicals. Hubbell also purchases certain electrical and electronic components, including solenoids, lighting ballasts, printed circuit boards, integrated circuit chips and cord sets, from a number of suppliers. Hubbell is not materially dependent upon any one supplier for raw materials used in the manufacture of its products and equipment, and at the present time, raw materials and components essential to its operation are in adequate supply. However, certain of these principal raw materials are sourced from a limited number of suppliers. Also see Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

Patents

Hubbell has approximately 1,200 active United States and foreign patents covering many of its products, which expire at various times. While Hubbell deems these patents to be of value, it does not consider its business to be dependent upon patent protection. Hubbell licenses under patents owned by others, as may be needed, and grants licenses under certain of its patents.

Working Capital

Inventory, accounts receivable and accounts payable levels, payment terms and, where applicable, return policies are in accordance with the general practices of the electrical products industry and standard business procedures. See also Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Backlog

Backlog of orders believed to be firm at December 31, 2005 and 2004 were approximately $174.0 million and $137.5 million, respectively. The increase in the backlog in 2005 is attributable to increased order levels in the Power and Industrial Technology segments. A majority of the backlog is expected to be shipped in the current year. Although this backlog is important, the majority of Hubbell's revenues result from sales of inventoried products or products that have short periods of manufacture.

Competition

Hubbell experiences substantial competition in all categories of its business, but does not compete with the same companies in all of its product categories. The number and size of competitors vary considerably depending on the product line. Hubbell cannot specify with exactitude the number of competitors in each product category or their relative market position. However, some of its competitors are larger companies with substantial financial and other resources. Hubbell considers product performance, reliability, quality and technological innovation as important factors relevant to all areas of its business, and considers its reputation as a manufacturer of quality products to be an important factor in its business. In addition, product price, service levels and other factors can affect Hubbell's ability to compete.

Research, Development & Engineering

Research, development and engineering expenditures represent costs incurred in the experimental or laboratory sense aimed at discovery and/or application of new knowledge in developing a new product, process, or in bringing about a significant improvement in an existing product or process. Research, development and engineering expenses are recorded as a component of Cost of goods sold. Expenses for research, development and engineering were $6.5 million in 2005, $6.2 million in 2004 and $6.3 million in 2003.

Environment

The Company is subject to various federal, state and local government requirements relating to the protection of employee health and safety and the environment. The Company believes that, as a general matter, its policies, practices and procedures are properly designed to prevent unreasonable risk of environmental damage and personal injury to employees and employees of our customers and that the handling, manufacture, use and disposal of hazardous or toxic substances are in accord with environmental laws and regulations.

Like other companies engaged in similar businesses, the Company has incurred remedial response and voluntary cleanup costs for site contamination and is a party to product liability and other lawsuits and claims associated with environmental matters, including past production of product containing toxic substances. Additional lawsuits, claims and costs involving environmental matters are likely to continue to arise in the future. However, considering past experience, insurance coverage and reserves, the Company does not anticipate that these matters will have a material impact on earnings, capital expenditures, or competitive position. See also Note 15 — Commitments and Contingencies in the Notes to Consolidated Financial Statements.

Employees

As of December 31, 2005, Hubbell had approximately 11,300 salaried and hourly employees. Approximately 7,400 of these employees or 65% are located in the United States, one-half of which are represented by eighteen labor unions. Hubbell considers its labor relations to be satisfactory.

Item 1A. *Risk Factors*

Our business, operating results, financial condition, and cash flows may be impacted by a number of factors including, but not limited to those set forth below. Any one of these factors could cause our actual results to vary materially from recent results or future anticipated results.

We operate in markets that are subject to competitive pressures that could affect selling prices or demand for our products.

We compete on the basis of product performance, quality, service and/or price. Our competitive strategy is to design and manufacture high quality products at the lowest possible cost. Our competitors include companies that have greater sales and financial resources than our Company. Competition could affect future selling prices or demand for our products.

Lower levels of economic activity in our end markets could adversely affect our operating results.

Our businesses operate in several market segments including commercial, industrial, residential, utility and telecommunications. Operating results can be negatively impacted by volatility in these markets. Future downturns in any of the markets we serve could adversely affect our overall sales and profitability.

We source raw materials from various suppliers located in countries throughout the world. A disruption in the availability or price of these products could impact our operating results.

We use a variety of raw materials in the production of our products including steel, brass, copper, aluminum, bronze, zinc, nickel and plastics. We have multiple sources of supply for these products and are not dependent on any single supplier. However, significant shortages of these materials or price increases could increase our operating costs and adversely impact the competitive positions of our products which would directly impact our results of operations.

We continue to increase the amount of product materials, components and finished goods which is sourced from low cost countries, including Mexico, China, and other Asian countries. A political disruption or significant changes related to transportation from one of these countries could affect the availability of these materials and components which would directly impact our results of operations.

We engage in acquisitions and strategic investments and may encounter difficulty in integrating these businesses.

We have pursued and will continue to seek potential acquisitions and other strategic investments to complement and expand our existing businesses within our core markets. In 2005 we completed five small acquisitions. The success of these transactions will depend on our ability to integrate these businesses into our operations. We may encounter difficulties in integrating acquisitions into our operations and in managing strategic investments. Therefore, we may not realize the degree or timing of the benefits anticipated when we first enter into a transaction.

Our operating results may be impacted by actions related to our lighting integration and rationalization program.

We continue to execute a multi-year program to integrate and rationalize our lighting businesses through factory consolidations, workforce reductions and product rationalizations. These activities consist of complex relocations of critical personnel and machinery, as well as hiring and training of new personnel and, in some cases, expansion or other modification to facilities. All of these activities are thoroughly planned and under the direction of experienced management personnel. However, the actions are occurring simultaneous with normal business operations and other initiatives. Therefore, there is a risk that (1) we may not complete the activities on a timely basis and incur duplicate or higher costs, (2) we may lose essential personnel and knowledge in transition and have to reestablish processes and procedures, and (3) our normal operations could be disrupted and interfere with our ability to manufacture and ship our products to satisfy the demands of our customers.

Our operating results may be impacted by actions related to our enterprise-wide business system initiative.

We continue to implement an enterprise-wide business system across our domestic operations. We have successfully completed two implementations and converted approximately one-half of our users to the SAP system. This activity involves the migration of multiple legacy systems and users to a common SAP information platform. Throughout this process, we are changing the way we conduct business and employees' roles in processing and utilizing information. In addition, certain interfaces with our customers and suppliers are impacted which results in changes to the tools we use to take orders, procure material, schedule production, remit billings, make payments and perform other business functions. Based upon the complexity of this initiative, there is risk that (1) we are unable to complete the implementation in accordance with our timeline and incur additional costs, (2) the implementation could result in operating inefficiencies which could impact operating results, and (3) the implementation could impact our ability to perform necessary business transactions. All of these risks could adversely impact our results of operations, financial condition and cash flows.

We are subject to litigation and environmental regulations that may adversely impact our operating results.

We are, and may in the future be, a party to a number of legal proceedings and claims, including those involving product liability and environmental matters, which could be significant. Given the inherent uncertainty of litigation, we can offer no assurance that existing litigation or a future adverse development will not have a material adverse impact. We are also subject to various laws and regulations relating to environmental protection and the discharge of materials into the environment, and we could incur substantial costs as a result of the noncompliance with or liability for clean up or other costs or damages under environmental laws.

Item 1B. *Unresolved Staff Comments*

None

Item 2. ***Properties***

Hubbell's manufacturing and warehousing facilities, classified by segment are located in the following areas. The Company believes its manufacturing and warehousing facilities are adequate to carry on its business activities.

		Number of Facilities		Total Approximate Floor Area in Square Feet	
Segment	**Location**	**Warehouses**	**Manufacturing**	**Owned**	**Leased**
Electrical segment	Arkansas	1	1	80,500	—
	California	2	4	96,000	570,000
	Canada	1	1	178,700	—
	Connecticut		1	144,500	—
	Georgia		1	57,100	—
	Illinois	3	2	223,100	366,600
	Indiana		1	314,800	—
	Mexico	1	2	547,300(1)	35,000
	Missouri	1	1	154,500	44,000
	North Carolina	1		424,800	
	Ohio		1	278,200	—
	Pennsylvania	1	1	410,000	135,000
	Puerto Rico		2	162,400	34,400
	South Carolina	1		327,200	—
	Singapore	1		—	6,200
	Texas	2	1	81,200	26,000
	United Kingdom		2	133,600	—
	Virginia		2	328,000	78,200
	Washington		1	—	284,100
Power segment					
	Alabama		2	288,000	—
	Brazil		1	110,000	—
	Mexico		1	170,700(1)	—
	Missouri	1	2	1,071,600	46,400
	Ohio		1	89,000	—
	South Carolina		1	360,000	—
	Tennessee		1	74,100	—
Industrial Technology segment					
	Italy		1	—	8,100
	New York		1	92,200	—
	North Carolina		1	—	80,800
	Pennsylvania		1	—	105,000
	Switzerland		1	—	73,800
	United Kingdom		1	—	40,000
	Wisconsin		2	74,200	22,500

(1) Shared between Electrical and Power segments.

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Item 3. ***Legal Proceedings***

As described in Note 15 — Commitments and Contingencies in the Notes to Consolidated Financial Statements, the Company is involved in various legal proceedings, including workers' compensation, product liability and environmental matters, including, for each, past production of product containing toxic substances, which have arisen in the normal course of its operations and with respect to which the Company is self-insured for certain incidents at various amounts. Management believes, considering its past experience, insurance coverage and reserves, that the final outcome of such matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Item 4. ***Submission of Matters to a Vote of Security Holders***

No matters were submitted to a vote of security holders during the fourth quarter of 2005.

Executive Officers of the Registrant

Name	Age(1)	Present Position	Business Experience
Timothy H. Powers	57	Chairman of the Board, President and Chief Executive Officer	Chairman of the Board since September 15, 2004; President and Chief Executive Officer since July 1, 2001; Senior Vice President and Chief Financial Officer September 21, 1998 to June 30, 2001; previously Executive Vice President, Finance & Business Development, Americas Region, Asea Brown Boveri.
David G. Nord	48	Senior Vice President and Chief Financial Officer	Present position since September 19, 2005; previously Chief Financial Officer of Hamilton Sundstrand Corporation, a United Technologies company, from April 2003 to September 2005, and Vice President, Controller of United Technologies Corporation from October 2000 to March 2003.
Richard W. Davies	59	Vice President, General Counsel and Secretary	Present position since January 1, 1996; General Counsel since 1987; Secretary since 1982; Assistant Secretary 1980-1982; Assistant General Counsel 1974-1987.
James H. Biggart, Jr	53	Vice President and Treasurer	Present position since January 1, 1996; Treasurer since 1987; Assistant Treasurer 1986-1987; Director of Taxes 1984-1986.
Gregory F. Covino	40	Vice President, Controller	Vice President since December 6, 2005; Interim Chief Financial Officer from November 5, 2004 to September 19, 2005; Corporate Controller since June 6, 2002; Director, Corporate Accounting 1999-2002; previously Assistant Controller, Otis Elevator Company, a subsidiary of United Technologies Corp.

Name	Age(1)	Present Position	Business Experience
Scott H. Muse	48	Group Vice President	Present position since April 27, 2002 (elected as an officer of the Company on December 3, 2002); previously President and Chief Executive Officer of Lighting Corporation of America, Inc. (“LCA”) 1998-2002, and President of Progress Lighting, Inc. 1993-1998.
W. Robert Murphy	56	Senior Group Vice President	Present position since May 7, 2001; Group Vice President 2000-2001; Senior Vice President Marketing and Sales (Wiring Systems) 1985- 1999; and various sales positions (Wiring Systems) 1975-1985.
Thomas P. Smith	46	Group Vice President	Present position since May 7, 2001; Vice President, Marketing and Sales (Power Systems) 1998-2001; Vice President Sales, 1991-1998 of various Company operations.
Gary N. Amato	54	Vice President	Present position since October 1997; Vice President and General Manager of the Company’s Industrial Controls Divisions (ICD) 1989-1997; Marketing Manager, ICD, April 1988-March 1989.

There are no family relationships between any of the above-named executive officers.

(1) As of March 3, 2006.

PART II

Item 5. *Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

The Company's Class A and Class B common stocks are principally traded on the New York Stock Exchange under the symbols "HUBA" and "HUBB". The following tables provide information on market prices, dividends declared, number of common shareholders, and repurchases by the Company of shares of its Class A and Class B common stock.

Market Prices (Dollars Per Share) Years Ended December 31,	Common A		Common B	
	High	Low	High	Low
2005 — First quarter	49.65	45.15	54.00	47.89
2005 — Second quarter	46.54	39.25	50.79	42.67
2005 — Third quarter	44.06	40.45	47.90	43.59
2005 — Fourth quarter	45.95	41.32	50.00	45.12
2004 — First quarter	42.40	37.20	44.48	38.15
2004 — Second quarter	43.65	38.41	46.71	40.18
2004 — Third quarter	43.30	40.20	46.00	42.91
2004 — Fourth quarter	48.80	40.99	52.30	43.90

Dividends Declared (Cents Per Share) Years Ended December 31,	Common A		Common B	
	2005	2004	2005	2004
First quarter	33	33	33	33
Second quarter	33	33	33	33
Third quarter	33	33	33	33
Fourth quarter	33	33	33	33

Number of Common Shareholders At December 31,	2005	2004	2003	2002	2001
Class A	665	717	771	843	916
Class B	3,319	3,515	3,687	3,950	4,174

Purchases of Equity Securities

In September 2003, the Company's Board of Directors approved a stock repurchase program and authorized the repurchase of up to $60.0 million of the Company's Class A and Class B common stock. The program was completed as of September 30, 2005.

Period	Total Number of Class A Shares Purchased (000's)	Average Price Paid per Class A Share	Total Number of Class B Shares Purchased (000's)	Average Price Paid per Class B Share	Total Number of Shares Purchased as Part of Publicly Announced Program (000's)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the 2003 Program (000's)
Balance as of December 31, 2004						**$ 48,500**
Total for the quarter ended March 31, 2005	—	—	—	—	—	48,500
Total for the quarter ended June 30, 2005	66	$ 42.55	953	$ 44.79	1,019	3,000
Total for the quarter ended September 30, 2005	39	42.25	29	47.26	68	0
Total	**105**	**$ 42.44**	**982**	**$ 44.86**	**1,087**	**$ 0**

In June 2005, the Company's Board of Directors approved a new stock repurchase program and authorized the purchase of up to $60.0 million of the Company's Class A and Class B common stock. Stock repurchases under the June 2005 program are being implemented through open market and privately negotiated transactions. The timing of such transactions depends on a variety of factors, including market conditions.

Period	Total Number of Class A Shares Purchased (000's)	Average Price Paid per Class A Share	Total Number of Class B Shares Purchased (000's)	Average Price Paid per Class B Share	Total Number of Shares Purchased as Part of Publicly Announced Program (000's)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the 2005 Program (000's)
Balance as of June 30, 2005						**$ 60,000**
Total for the quarter ended September 30, 2005	**35**	**$ 43.37**	**191**	**$ 47.31**	**226**	**49,500**
October 2005	1	43.11	—	—	1	49,450
November 2005	51	44.68	—	—	51	47,200
December 2005	29	44.78	—	—	29	45,900
Total for the quarter ended December 31, 2005	**81**	**44.69**	**—**	**—**	**81**	**45,900**
Total	**116**	**$ 44.29**	**191**	**$ 47.31**	**307**	**$ 45,900**

Item 6. ***Selected Financial Data***

The following summary should be read in conjunction with the consolidated financial statements and notes contained herein (dollars and shares in millions, except per share amounts).

	2005	2004	2003	2002	2001
OPERATIONS, years ended December 31,					
Net sales	$ 2,104.9	$ 1,993.0	$ 1,770.7	$ 1,587.8	$ 1,312.2
Gross profit[1]	$ 595.0	$ 561.9	$ 481.5	$ 409.1	$ 314.0
Special charges, net[1]	$ 10.3	$ 15.4	$ 5.7	$ 8.3	$ 40.0
Gain on sale of business	$ —	$ —	$ —	$ 3.0	$ 4.7
Operating income	$ 226.8	$ 212.6	$ 171.9	$ 138.5	$ 56.5
Operating income as % of sales	10.8%	10.7%	9.7%	8.7%	4.3%
Cumulative effect of accounting change, net of tax	$ —	$ —	$ —	$ 25.4[4]	$ —
Net income	$ 165.1[2]	$ 154.7[2]	$ 115.1	$ 83.2[3][4]	$ 48.3
Net income as a % of sales	7.8%	7.8%	6.5%	5.2%	3.7%
Net income to common shareholders’ average equity	17.0%	17.4%	14.6%	11.2%	6.4%
Earnings per share — Diluted:					
Before cumulative effect of accounting change	$ 2.67	$ 2.51	$ 1.91	$ 1.81	$ 0.82
After cumulative effect of accounting change	$ 2.67	$ 2.51	$ 1.91	$ 1.38[4]	$ 0.82
Adjusted for goodwill amortization	$ —	$ —	$ —	$ —	$ 0.93[4]
Cash dividends declared per common share	$ 1.32	$ 1.32	$ 1.32	$ 1.32	$ 1.32
Average number of common shares outstanding — diluted	61.8	61.6	60.1	59.7	58.9
Cost of acquisitions, net of cash acquired	$ 54.3	$ —	$ —	$ 270.2	$ 13.7
FINANCIAL POSITION, at year-end					
Working capital	$ 459.6	$ 483.1	$ 420.9	$ 341.6	$ 224.4
Total assets	$ 1,667.0	$ 1,656.4	$ 1,514.3	$ 1,418.6	$ 1,205.4
Total debt	$ 228.8	$ 299.0	$ 298.8	$ 298.7	$ 167.5
Debt to total capitalization[5]	19%	24%	26%	29%	19%
Common shareholders’ equity:					
Total	$ 998.1	$ 944.3	$ 829.7	$ 744.2	$ 736.5
Per share	$ 16.15	$ 15.33	$ 13.80	$ 12.47	$ 12.50
NUMBER OF EMPLOYEES, at year-end	11,300	11,400	10,862	11,476	8,771

(1) The Company recorded pretax special charges in each of the years presented. Below is a breakdown of special charges representing the total of amounts recorded in Special charges, net, and Cost of goods sold, the latter of which impacts Gross Profit.

	Special Charges by Program				
	2005	2004	2003	2002	2001
Lighting business integration and rationalization program (the “Program”)	$ 10.0	$ 9.5	$ 8.1	$ 10.3	$ —
Wiring Device factory closure	0.9	7.2	—	—	—
2001 streamlining program	—	—	—	—	56.3
1997 streamlining program	—	—	—	3.4	(3.3)
	10.9	16.7	8.1	13.7	53.0

Further details with respect to special charges are included within Management’s Discussion and Analysis and Note 2 — Special Charges of the Notes to Consolidated Financial Statements.

(2) In 2005 and 2004, the Company recorded tax benefits of $10.8 million and $10.2 million, respectively, in Provision for income taxes related to the completion of U.S. Internal Revenue Service (“IRS”) examinations for years through 2003.

(3) In 2002, the Company recorded a tax benefit of $10.8 million in connection with the settlement of a fully reserved tax issue with the IRS and a reduction of tax expense as a result of filing amended Federal income tax returns for years 1995-2000 related to increased credits for research and development activities.

(4) On January 1, 2002, the Company adopted Statement of Financial Accounting Standards (“SFAS”) No. 142, “Goodwill and Other Intangible Assets”. As a result of adopting SFAS No. 142, the Company stopped recording goodwill amortization expense. In addition, the Company recorded a goodwill impairment charge of $25.4 million, net of tax, to write-off goodwill associated with one of the reporting units in the Industrial Technology segment. The impairment charge was reported as the cumulative effect of a change in accounting principle in 2002. Included in net income in 2001 is goodwill amortization of $6.8 million, net of tax.

(5) Debt to total capitalization is defined as total debt as a percentage of the sum of total debt and shareholders’ equity.

Item 7. *Management’s Discussion and Analysis of Financial Condition and Results of Operations*

EXECUTIVE OVERVIEW OF THE BUSINESS

During 2005, we continued to focus and make progress against a consistent set of key objectives. We believe the areas of focus described below, while long-term in nature, will provide the means for our Company to grow and deliver strong returns to our shareholders. Our business strategy incorporates the following objectives:

- *Transformation of business processes.* The Company is committed to a long-term initiative of applying lean process improvement techniques throughout the enterprise to eliminate waste and improve efficiency and reliability. We have been successful at transforming major areas of our factories, warehouses and offices. As a result, we have reduced inventories and floor space, and generated productivity gains in our processes. In 2005, our lean efforts also contributed to accelerated new product development and integration of newly acquired businesses.

- *Lighting integration and cost reduction.* We continue to execute a multi-year program to integrate and rationalize our lighting business following the acquisition of LCA in 2002. Actions include facility consolidations, workforce reductions and product rationalizations. Integral to this initiative is increased product and component sourcing from low cost countries. Annualized savings from these actions are estimated to range from $20-$30 million, pretax, when fully realized in 2007. Savings are expected to be realized primarily in the form of increased manufacturing productivity and lower administrative costs in the affected lighting businesses. However, a portion of these savings has been and will be used to offset cost increases and other competitive pressures as opposed to adding directly to the profitability of the Electrical segment. Program costs related to severance, asset impairments, and facility closures in conjunction with exit activities are reflected as Special charges, net within the Consolidated Statement of Income. Inventory write-downs related to exit activities are recorded as a component of Cost of goods sold. Other costs associated with the Program are reflected in Cost of goods sold or Selling & administrative expenses depending on the nature of the cost.

- *Global sourcing.* We continue to focus on expanding our global product and component sourcing and supplier cost reduction program. We continue to consolidate suppliers, utilize reverse auctions, and partner with vendors to shorten lead times, improve quality and delivery and reduce costs. Product purchases representing approximately 10% of our net sales are currently sourced from low cost countries and we expect to increase this amount over the next several years.
- *Acquisitions in our core markets.* We continue to seek potential acquisitions that would enhance our core electrical component businesses — wiring systems, lighting fixtures and controls, rough-in electrical products, and utility products. Our ability to finance substantial growth continues to be strong. In 2005, we completed five small but strategic business acquisitions, two in our Power segment, two in our Industrial Technology segment and one in our Electrical segment.
- *Working capital efficiency.* We continue to focus on improving our working capital efficiency which emphasizes improved inventory management, faster collection of accounts receivable and negotiation of more favorable supplier payment terms. Working capital efficiency is principally measured as the percentage of trade working capital (inventory, plus accounts receivable, less accounts payable) divided by annual net sales. In 2005, average trade working capital as a percentage of sales was 17.7% versus 16.9% in 2004. During 2005, trade working capital increased primarily due to the effects of converting legacy business systems to the SAP business system initiative in the Electrical segment where we experienced training and processing inefficiencies in certain functions.
- *Common, enterprise-wide information system.* A multi-year program is underway to provide a common information system to meet the needs of our business. SAP software is being installed across all businesses in a series of staged implementations. The first implementation took place in the fourth quarter of 2004 and the second implementation took place in October 2005. Approximately one-half of the total planned users are now using the SAP enterprise-wide information system. The remaining two implementations are scheduled to be completed by the end of 2006. The business system is expected to provide several benefits:

  – Standardization of business processes and information with improved analysis of business drivers and operational performance.

  – Common, standardized interfaces with our customers and suppliers.

  – Improved support of our cost reduction and process improvement initiatives.

  – Rapid integration of acquired businesses.

Total program spending is expected to approximate $70-$80 million, pretax, on the business system initiative — from inception in late 2003 through the end of 2006 — of which approximately 55% will be capitalized (and amortized over 5 years) and 45% will be expensed as incurred. The estimate of total program spending increased in the fourth quarter of 2005 primarily due to changes in project scope. In connection with the implementation of this program, we expensed approximately $8.3 million and $10.1 million in 2005 and 2004, respectively, primarily related to external consulting costs. For the full year 2005, we capitalized $18.6 million of costs (primarily recorded in “Intangible assets and other” in the Consolidated Balance Sheets) associated with the program compared with $12.8 million capitalized in 2004. From inception through December 31, 2005 we have expensed approximately $22.0 million and capitalized $35.0 million with respect to this program. In addition, amortization expense on the amounts capitalized totaled $4.1 million in 2005 compared to $0.6 million in 2004. Program expenses are allocated to our three segments on the basis of each segment's actual net sales as a percentage of consolidated net sales.

OUTLOOK

Our outlook for 2006 in key areas is as follows:

Markets and Sales

We anticipate overall economic conditions to remain positive throughout 2006 in most of our major end use markets, including non-commercial construction, utility, industrial, and telecommunications. Industrial and commercial construction markets are expected to improve from the lower levels of activity experienced in 2004 and 2005, partially boosted by the hurricane-related rebuilding efforts. Domestic utility markets are expected to move along with the overall economy. However, we do not anticipate any significant increase in demand for our power products in 2006 resulting from infrastructure changes in the utility industry. Residential markets are expected to slow in 2006 due in part to higher mortgage rates, although, we anticipate modest growth in this portion of our business through new product introductions and increased market share. This outlook for our markets assumes no further shocks to the economy, in particular higher energy prices, which could dampen consumer spending and business investments. In addition, commodity costs remain highly volatile, with global demand driving higher prices for copper, aluminum, zinc and nickel. We will attempt to recover higher costs in either of these areas with increases in selling prices, as has been the case throughout 2004-2005. However, excluding significant incremental pricing actions, we expect overall growth in 2006 sales versus 2005 to be in a range of 5%-7%, excluding any effects of fluctuations in foreign currency exchange rates. Sales increases compared to 2005 are expected to be led by our Electrical and Industrial Technology segments while the Power segment should experience more modest growth compared to a record year in 2005. The full year impact of our 2005 acquisitions is expected to contribute 1%-2% of these amounts. The carryover impact of previously announced price increases should comprise approximately 1% of the year-over-year sales growth.

Operating Results

Full year 2006 operating profit margin is expected to be equal to or slightly lower compared to 2005. In 2006, the Company will record stock-based compensation cost including expensing stock options in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), "Shared-Based Payment", ("SFAS 123(R)"). We estimate the impact of total stock-based compensation in 2006 to decrease operating profit margins by approximately one-half of a percentage point. Several key initiatives are expected to benefit operating margins including the ongoing lighting integration and rationalization program, expansion of global product sourcing initiatives, new product launches and lean process improvement projects. We expect that the pricing actions taken in 2005 as well as additional planned increases in 2006 will offset higher levels of raw material commodity costs and higher energy related costs. However, commodity and energy costs are expected to remain volatile and further increases in these costs in 2006 may not be fully offset with price increases.

We expect to continue to integrate and streamline our operations, particularly within our lighting businesses. These actions could result in charges being recorded in 2006 related to asset write-downs, severance and other costs to consolidate operations at amounts consistent with the $11 million recorded in 2005 as special charges. Amounts actually recorded in 2006 will depend on the nature and timing of when plans are finalized and approved.

Our business information system initiative is expected to facilitate consolidation of business support processes. We estimate total 2006 expenses related to the implementation of our SAP enterprise-wide information system, will be in a range of $8-$12 million and capitalized costs will be in a range of $6-$10 million. In addition, non-cash amortization expenses associated with capitalization will approximate $8 million.

Taxation

We estimate the effective tax rate in 2006 will be approximately 29.5% compared with 23.5% reported in 2005. The increase is primarily due to an anticipated higher level of U.S. taxable income and the absence of a tax settlement recorded in 2005.

Earnings Per Share

Overall, diluted earnings per share is expected to be in the range of $2.60-$2.80, including the impact of special charges and approximately $.11 per diluted share for stock-based compensation expense.

Cash Flow

We expect to increase working capital efficiency in 2006 as a result of improvements in days supply of inventory and accounts payable days outstanding. Capital spending in 2006 is expected to be approximately $10-$20 million higher than in 2005 primarily as a result of the construction of our new lighting headquarters facility, the business system initiative and other strategic initiatives including equipment purchases. We expect total share repurchases in 2006 to approximate $70 million, however, total repurchases may vary depending upon the level of other investing activities. In February 2006, the Board of Directors approved an additional stock repurchase program and authorized the purchase of up to $100 million of the Company's Class A and Class B common stock to be completed over a three year period. The repurchase program will be implemented upon completion of the current $60 million repurchase program announced in June 2005, which at March 1, 2006 had a remaining authorization of approximately $20 million. Free cash flow (defined as cash flow from operations less capital spending) in 2006 is expected to range from $100-$150 million.

Growth

Our growth strategy contemplates acquisitions in our core businesses. The rate and extent to which appropriate acquisition opportunities become available, acquired companies are integrated and anticipated cost savings are achieved can affect our future results. We anticipate investing in 2006 in acquisitions at or above the level in 2005, however, actual spending may vary depending upon the timing and availability of appropriate acquisition opportunities.

RESULTS OF OPERATIONS

Our operations are classified into three segments: Electrical, Power, and Industrial Technology. For a complete description of the Company's segments, see Part I, Item 1. of this Annual Report on Form 10-K. Within these segments, Hubbell primarily serves customers in the commercial and residential construction, industrial, utility, and telecommunications industries.

The table below approximates percentages of our total 2005 net sales generated by the market segments indicated.

Served Market Segments

Segment	Commercial	Residential	Industrial	Utility	Telecommunication/ Other	Total
Electrical	51%	22%	24%	—	3%	100%
Power	3%	3%	—	91%	3%	100%
Industrial Technology	9%	—	60%	6%	25%	100%
Hubbell Consolidated	39%	17%	22%	18%	4%	100%

In 2005, we experienced significant growth in orders and sales in our Power and Industrial Technology segments due in part to the contributions from acquisitions, significant storm related shipments of utility repair and replacement products and higher selling prices. Market conditions in these segments were generally favorable due to the strong worldwide utility demand and a good North American industrial economy. Principal markets affecting the Electrical segment were mixed. In particular, improvements in residential/ DIY and industrial markets in the U.S. were offset by lower levels of business activity in commercial construction.

Summary of Consolidated Results

	For the Year Ending December 31,					
	2005	% of Net Sales	2004	% of Net Sales	2003	% of Net Sales
Net sales	$ 2,104.9		$ 1,993.0		$ 1,770.7	
Cost of goods sold	1,509.9		1,431.1		1,289.2	
Gross profit	595.0	28.3%	561.9	28.2%	481.5	27.2%
Selling & administrative expenses	357.9	17.0%	333.9	16.8%	303.9	17.2%
Special charges, net	10.3	0.5%	15.4	0.8%	5.7	0.3%
Operating income	226.8	10.8%	212.6	10.7%	171.9	9.7%
Earnings per share — diluted	$ 2.67		$ 2.51		$ 1.91	

2005 Compared to 2004

Net Sales

Consolidated net sales for the year ended December 31, 2005 were $2.1 billion, an increase of 5.6% over the year ended December 31, 2004. The increase was led by our Power and Industrial Technology segments where sales increased by 18% and 17%, respectively, over amounts reported in 2004.

The majority of the increase in net sales in 2005 versus 2004 resulted from the carryover effect of price increases implemented throughout 2004 and 2005, higher storm related shipments in the Power segment and several small acquisitions. Although underlying demand in many of our core markets improved year-over-year, continued softness in commercial construction markets, which represents our largest served market, negatively affected orders and sales particularly in the Electrical segment. We estimate that selling price increases accounted for approximately 2-3 percentage points of the year-over-year increase in sales. Refer to the table above under "Served Market Segments" for further details on how the underlying market demand can impact each segment's revenues. Also refer to "Segment Results" within this Management's Discussion and Analysis for more detailed information on performance by segment.

Gross Profit

The consolidated gross profit margin for 2005 improved slightly to 28.3% compared to 28.2% in 2004. The improvement in gross profit margin is attributable to the favorable effects of higher selling prices in excess of commodity cost increases, lower product costs from strategic sourcing initiatives, productivity gains, and cost savings from our lighting integration and rationalization program. Substantially offsetting these increases versus 2004 were the negative impact of unabsorbed factory costs in certain of our manufacturing plants as a result of lower unit volumes and higher year-over-year energy prices, which have negatively impacted costs including transportation and utilities.

In total, we estimate that price increases of approximately 2%-3% of net sales were realized to offset raw material, energy and transportation cost increases of approximately 2.5%-3.5% of sales, resulting in net unrecovered cost increases of approximately $10-$15 million. By segment, net benefits were realized in the Power and Industrial Technology segments, while the Electrical segment experienced cost increases in excess of price increases. Higher costs of certain raw materials along with higher energy and transportation costs were a major challenge in 2005 as they occurred across each of our businesses. These increases required us to increase selling prices which, particularly in our Electrical segment, were often not fully realized or required up to 90-120 days to become effective and begin to offset the higher costs, which in many cases were immediate.

In our lighting business, gross profit margins declined as a result of lower volume, unabsorbed factory costs and higher transportation costs partially offset by cost savings associated with our lighting integration and rationalization program. Our wiring systems business reported lower gross profit percentages in 2005 versus the prior year due to factory inefficiencies, due in part to the implementation of SAP, higher transportation and utility costs and increased costs associated with the launch of new products. Power segment gross margin improved for the year primarily due to higher volume, increased selling prices and improved factory performance. Gross profit margins in our Industrial Technology segment improved as a result of higher volume and price increases in excess of commodity cost increases.

Selling & Administrative Expenses

Selling and administrative (S&A) expenses increased 7.2% compared to 2004. The increase is due to higher expenses associated with the SAP enterprise-wide information system, new product launches and an unusual item recorded in the first quarter of 2005. These increases were partially offset by a $4.9 million gain on sale of a building that was recorded in the fourth quarter of 2005. The SAP information systems initiative generated higher year-over-year costs primarily due to higher resource needs in support of both legacy and SAP information platforms and amortization of capitalized implementation costs. The unusual item consisted of $4.6 million, pretax, of transactional expenses in support of our strategic growth initiatives.

Special Charges

Full year operating results in 2005, 2004 and 2003 include pretax special charges primarily related to programs approved following our acquisition of LCA in April 2002, which were undertaken to integrate and rationalize the combined lighting operations.

The following table summarizes activity by year with respect to special charges for the three years ending December 31, 2005 (in millions):

	CATEGORY OF COSTS				
Year/Program	**Severance and Other Benefit Costs**	**Facility Exit and Integration**	**Asset Impairments**	**Inventory Write-Downs***	**Total**
2003					
Lighting integration	$ 0.2	$ 6.3	$ (0.8)	$ 2.4	$ 8.1
2004					
Lighting integration	3.3	2.8	2.1	1.3	9.5
Other capacity reduction	2.0	0.3	4.9	—	7.2
	$ 5.3	$ 3.1	$ 7.0	$ 1.3	$ 16.7
2005					
Lighting integration	5.7	2.7	1.2	0.4	10.0
Other capacity reduction	—	0.6	—	0.3	0.9
	$ 5.7	$ 3.3	$ 1.2	$ 0.7	$ 10.9

* Included in Cost of goods sold

Lighting Business Integration and Rationalization Program (the "Program")

The integration and rationalization of our lighting operations is a multi-year initiative. Individual projects within the Program consist of factory, office and warehouse closures, personnel realignments, and costs to streamline and combine product offerings. Total costs from the start of the Program in 2002 through its substantial completion in 2006 are expected to approximate $60 million. In addition, capital expenditures of $45-55 million are forecast, most of which have not yet been spent. State and local tax incentives are also expected to be available to offset certain of these costs. Program costs related to severance, asset impairments, and facility closures in conjunction with exit activities are generally reflected as Special charges, net within the Consolidated Statement of Income. Inventory write-downs related to exit activities are recorded as a component of Cost of goods sold. Other costs associated with the Program are recorded as Cost of goods sold or Selling & administrative expenses depending on the nature of the cost.

The Program is comprised of three phases. Program costs by phase have been expensed as follows:

	Phase I	Phase II	Phase III	Total
2002	$ 10.3	$ —	$ —	$ 10.3
2003	8.1	—	—	8.1
2004	5.5	6.2	—	11.7
2005	2.2	11.3	1.3	14.8
	26.1	17.5	1.3	44.9

Phase I of the Program began in 2002 soon after the LCA acquisition was completed and consisted of many individually identified actions which incurred costs totaling approximately $26 million. Phase I activities were focused on integrating the acquired operations with Hubbell's legacy lighting operations. In accordance with applicable accounting rules, amounts were expensed either as actions were approved and announced or as costs were incurred. Reorganization actions primarily consisted of factory closures, warehouse consolidations and workforce realignment. These actions were substantially completed as of December 31, 2005.

Phase II of the Program began in the second quarter of 2004. Many of the actions contemplated were similar to actions completed or underway from Phase I. However, these actions were increasingly focused on rationalizing the combined businesses. In the second quarter of 2004, a commercial products plant closure was announced and charges were recorded, primarily for asset impairments. In the third quarter of 2004, we announced two actions: (1) consolidation of selling, administrative and engineering support functions within the commercial lighting businesses, and (2) the selection of Greenville, South Carolina as the site for a new $40-$45 million lighting headquarters facility to be constructed over the next two years. In addition, in the 2004 fourth quarter, a further move of commercial lighting manufacturing to Mexico was approved. The cost of the office functions consolidation was substantially completed by December 31, 2005 and consisted primarily of cash expenditures for employee severance and relocation, the latter of which was included in S&A expenses as incurred. The cost of the plant consolidations is estimated at $21-$23 million, consisting of approximately $5 million of capital expenditures and $16-18 million of expense, of which approximately $18 million has been spent through December 31, 2005.

In 2005, we announced another Phase II action consisting of the consolidation and closure of a commercial lighting leased office complex. In 2005, $1.8 million of costs were recorded, primarily related to severance, in connection with this announcement. Approximately 40 people were affected by this action, all of whom have left the Company by the end of the third quarter of 2005. Through December 31, 2005, $17.5 million of total expenses have been recorded for plant consolidations and the consolidation of support functions related to Phase II actions. In total, Phase II actions are expected to result in $23 million of expense through the end of 2006. In addition to the announced actions, primarily cash expenses are expected to be associated with further consolidation of commercial lighting manufacturing operations, as well as further office consolidations. Approximately 80-90% of the total amount expensed is expected to be associated with cash outlays. The new headquarters facility represents the largest remaining capital cost forecast to be required for these projects. Cash outlays in 2006 are expected to range from $5-$7 million, excluding capital costs of $30-$35 million.

Phase III actions are characterized by commercial manufacturing space elimination actions. In the fourth quarter of 2005, the first Phase III action was approved related to the consolidation and relocation of administrative and engineering functions of a commercial lighting facility to South Carolina. In connection with this approval, we recorded a non-cash pension curtailment charge of approximately $1.3 million.

Approximately 100 employees are expected to be affected by this action over the next six to nine months. In 2006, an additional $8-$10 million of Phase III program costs are expected to be expensed under the Program. Cash expenditures should comprise a majority of this amount.

Other Capacity Reduction Actions

In addition to the Program within the lighting business, in the second quarter of 2004, we announced the closure of a 92,000 square foot wiring device factory in Puerto Rico. Increased productivity facilitated by lean initiatives and cost savings opportunities resulting from low cost country sourcing contributed to the decision to close this leased facility. As a result, $7.2 million in special charges were recorded in 2004 in the Electrical segment of which $4.9 million related to impairments to fixed assets, $2.0 million provided for severance costs and $0.3 million related to facility exit costs. During the second quarter of 2005, the factory closed and substantially all employees left the Company. In the second quarter of 2005, we recorded an additional $0.9 million of special charges associated with this closure, of which $0.3 million related to inventory write-downs and $0.6 million related to additional facility exit costs. Only the severance and exit costs will result in a cash outlay. Annual, pretax savings from these actions are expected to be $3-$5 million when fully implemented in 2006, with the entire amount benefiting Cost of goods sold in the Electrical segment. Net benefits realized in the segment are likely to be lower and will be used to offset cost increases and other competitive pressures.

Additional information with respect to special charges is included in Note 2 — Special Charges included in the Notes to Consolidated Financial Statements.

Operating Income

Operating income increased 7% primarily due to the higher sales levels and $5.8 million of lower pretax special charges (including amounts charged to Cost of goods sold). Operating margins of 10.8% in 2005 were relatively flat compared to 10.7% in 2004 as a result of higher sales, improved gross profit margins and lower special charges, partially offset by higher S&A expenses.

Other Income/ Expense

In 2005, investment income increased $3.0 million versus 2004 due to higher average cash and investment balances and higher average interest rates earned on cash and investments. Interest income in 2004 also included $1.0 million related to a tax settlement in the prior year. Interest expense was $19.3 million in 2005 compared to $20.6 million in 2004. The decrease was due to a lower level of fixed rate indebtedness in 2005 compared to 2004. In October 2005, we repaid $100 million of senior notes upon maturity. Other income (expense), net, in 2005 was $1.3 million of expense compared to $1.2 million of expense in 2004.

Income Taxes

Our effective tax rate was 23.5% in 2005 compared to 21.6% in 2004. The 2005 consolidated effective tax rate reflected the impact of tax benefits of $10.8 million recorded in connection with the closing of an IRS examination of the Company's 2002 and 2003 tax returns. The 2004 rate reflected the impact of tax benefits of $10.2 million recorded in connection with the closing of an IRS examination of our tax returns through 2001, which included refund claims for the years 1995 through 2000 related to research and development activities during these years. These benefits reduced the statutory tax rate by 5.1 percentage points and 5.3 percentage points in 2005 and 2004, respectively.

We have certain operations in Puerto Rico that were eligible for U.S. tax benefits under Section 936/30A of the Internal Revenue Code. The U.S. federal tax benefits derived from our Puerto Rico operations expired on December 31, 2005. We converted our Puerto Rico operations to two wholly-owned, controlled foreign corporations and shifted more production to low cost sources. We intend to permanently reinvest the earnings from these operations outside the U.S. As permitted in APB Opinion No. 23, "Accounting for Income Taxes," we do not provide U.S. income taxes on a controlled foreign corporation's undistributed earnings that are intended to be permanently reinvested outside the U.S. Therefore, our effective tax rate following expiration of these tax benefits should reflect the permanent reinvestment of these foreign earnings outside the U.S. See further information in Note 13 — Income Taxes in the Notes to Consolidated Financial Statements.

Net Income and Earnings Per Share

Net income and diluted earnings per share in 2005 improved versus 2004 as a result of higher net sales, lower special charges and favorable other income/expense, partially offset by higher S&A expenses and an increase in the effective tax rate.

Segment Results

Electrical Segment

	2005	2004
	(In millions)	
Net Sales	$ 1,496.8	$ 1,476.8
Operating Income	$ 142.2	$ 156.7
Operating Margin	9.5%	10.6%

Electrical segment net sales increased 1% in 2005 versus 2004 primarily as a result of higher selling prices which were partially offset by lower unit volumes. Higher selling prices were implemented and have been realized in most of the businesses within the segment in an effort to recover cost increases, primarily related to higher raw material, energy and freight costs.

Lighting fixture sales represented in excess of 50% of total net sales reported in the Electrical segment in both 2005 and 2004. Sales of lighting fixtures declined modestly as lower shipments of commercial and industrial lighting fixtures were substantially offset by higher residential fixture sales. Residential products benefited from the continued favorable market conditions due in part to historically low mortgage interest rates and market share gains. The commercial and industrial ("C&I") lighting businesses were negatively impacted by lower levels of construction projects in the U.S. which have intensified competitiveness and made price realization difficult.

Wiring system sales were level with sales reported in the comparable prior year period as stronger industrial market demand was offset by weak commercial markets. Wiring systems sales are believed to be below the levels of improvement in the underlying markets served by this business due in part to lower order input levels and inefficiencies associated with the closure of a factory, outsourcing and the business system implementation.

Rough-in electrical sales increased mainly as a result of higher selling prices, partially offset by lower volume due to weak commercial markets. Sales of harsh and hazardous products increased year-over-year by double digits primarily due to higher oil and gas project shipments related to strong market conditions worldwide.

Operating margin in the segment was lower in 2005 versus 2004 primarily due to unabsorbed costs in our manufacturing facilities resulting from lower unit volumes, as well as higher commodity raw material, freight and utility costs which were not fully offset by selling price increases. As part of our lighting integration and rationalization program, we were engaged in plant relocations that have temporarily added costs and lowered factory efficiencies. In addition, operating margins in our wiring systems business were negatively affected year-over-year versus 2004 by higher costs and training and processing inefficiencies associated with the implementation of the SAP business system as well as a factory closure. Wiring systems also incurred higher than normal costs associated with new product programs. Harsh and hazardous margins were higher year-over-year, consistent with increases in sales, due to higher order input levels and a better mix of sales. Overall, the segment incurred higher S&A expenses year-over-year due to new product initiatives, office consolidations and higher SAP amortization charges, partially offset by a $4.9 million pretax gain on sale of a building. Special charges in 2005 were lower by $5.8 million compared with 2004. See discussions above under “Special Charges”.

Power Segment

	2005	2004
	(In millions)	
Net Sales	$ 455.6	$ 386.2
Operating Income	$ 68.8	$ 41.2
Operating Margin	15.1%	10.7%

Power segment net sales increased 18% in 2005 versus the prior year due to the carryover effect of price increases, the addition of two acquisitions and higher storm-related shipments. Price increases were implemented across most product lines throughout 2004 and into 2005 where costs have risen due to increased metal and energy costs. We estimate that price increases accounted for approximately one-third of the year-over-year sales increase. Two acquisitions accounted for approximately 5 percentage points of the year-over-year increase and incremental storm-related shipments comprised another 3 percentage points of the improvement.

Operating margins improved in 2005 versus 2004 as a result of the increase in volume, an improved mix of higher margin products, productivity improvements including strategic sourcing and lean programs and selling price increases realized above the comparable level of cost increases.

Industrial Technology Segment

	2005	2004
	(In millions)	
Net Sales	$ 152.5	$ 130.0
Operating Income	$ 20.4	$ 14.7
Operating Margin	13.4%	11.3%

Industrial Technology segment net sales increased 17% in 2005 versus 2004 as many of the businesses within this segment benefited from strong oil and gas markets and improvement in industrial market activity as evidenced by rising capacity utilization rates. This segment’s technology-oriented high voltage test equipment increased year-over-year sales by double-digits. In addition, we acquired two businesses which accounted for approximately 5 percentage points of the segment sales increase. Operating income and margins for the full year 2005 improved versus 2004 primarily as a result of increased volume, productivity improvements and a more favorable product mix. Acquisitions had only a modest impact on the year-over-year profitability improvement in the segment as a result of costs incurred to integrate the acquired operations into existing segment facilities.

2004 Compared to 2003

Net Sales

Consolidated net sales for the year ended December 31, 2004 were $1,993.0 million, an increase of 13% over the year ended December 31, 2003. All segments contributed to the increase, led by our Electrical and Power segments where sales increased by 12% and 16%, respectively, over amounts reported in 2003.

The increase in net sales in 2004 versus 2003 was primarily the result of improved market conditions within each of our business segments. With the exception of non-residential construction markets, higher end user demand was experienced consistently throughout 2004 and benefited many of our businesses serving industrial, residential and utility markets. In addition, 1%-2% of the year-over-year increase in sales was due to increases in selling prices which were implemented throughout 2004 as a result of rapid increases in the cost of many commodity raw materials which go into our products including steel, aluminum, copper and bronze. Refer to the table “Served Market Segments” under “Results of Operations” within this Management’s

Discussion and Analysis for further details on the extent to which changes in underlying market demand can impact each segment's revenues.

Gross Profit

The consolidated gross profit margin for 2004 improved by 100 basis points to 28.2% compared to 27.2% in 2003. The improvement in gross profit margin was attributable to increased sales volume in 2004 compared to 2003, productivity improvements as a result of lean initiatives and streamlining programs and an improvement in sales mix. However, these gains were partially offset by the net impact of higher raw material commodity costs in excess of realized selling price increases and higher freight and energy costs.

In total, we estimate that price increases of approximately 1%-2% of net sales were realized to offset raw material commodity cost increases of approximately 2%-3% of sales, resulting in a net shortfall of cost increases versus costs recovered of approximately 1% of net sales or $15-$20 million, split approximately evenly between the Electrical and Power segments. Raw material cost increases were a major management challenge in 2004 as they occurred at frequent intervals across each of our businesses which have products comprised of basic metals. These increases required us to increase selling prices which, due to the competitive nature of our served markets, were often not fully realized or required up to 90-120 days to become effective and begin to offset the higher costs, which in many cases were immediate.

In our lighting fixtures business, gross profit margins improved as a result of higher volume and cost savings associated with the lighting integration program, partially offset by increased commodity costs. Our wiring systems and electrical products businesses reported increased gross profit percentages in 2004 versus 2003 due to a more favorable product sales mix and productivity improvements. Power segment gross margin improved in 2004 despite unprecedented increases in commodity costs primarily due to higher volume, increased selling prices and improved factory performance. Gross profit margins in our Industrial Technology segment improved as a result of a more favorable industrial product mix as well as a return to profitability in our high voltage businesses. A pretax gain on sale of a warehouse in the Electrical segment of $1.5 million in 2004 compares with a $1.6 million favorable legal settlement in 2003 in the Power segment.

Selling & Administrative Expenses

S&A expenses were 16.8% of net sales in 2004 compared with 17.2% in 2003. The decrease in S&A expenses as a percentage of sales reflects the leveraging of fixed costs on higher sales and a reduction in customer accounts receivable allowances associated with improved credit quality of certain customers in the Electrical segment. These declines were partially offset by approximately $7 million of increased expenses related to our business system initiative, and higher employee benefits and public company compliance costs.

Special Charges

See separate discussion under "2005 Compared to 2004" within this Management's Discussion and Analysis.

Operating Income

Operating income increased 24% primarily due to the higher sales levels, offset by $8.6 million of higher pretax special charges (including amounts charged to Cost of goods sold). Operating margins improved by one percentage point due to higher sales, improved gross profit margins and lower S&A expenses as a percentage of sales.

Other Income/ Expense

In 2004, investment income increased $2.8 million versus 2003 due to higher average cash and investment balances and higher average interest rates received on cash and investments. A tax settlement resulted in interest income of $1.0 million. Interest expense was virtually unchanged in 2004 compared to 2003 as a result of a comparable amount of fixed rate indebtedness. The weighted-average interest rate applicable to total debt outstanding during 2004 and 2003 was 6.5%. Other income (expense), net, in 2004 was $1.2 million of expense compared to $0.5 million of income in 2003. The reduction was primarily due to higher foreign currency transaction losses in 2004 as compared to 2003.

Income Taxes

Our effective tax rate was 21.6% in 2004 compared to 26% in 2003. The 2004 rate reflected the impact of tax benefits of $10.2 million recorded in connection with the closing of an IRS examination of our tax returns through 2001, which included refund claims for the years 1995 through 2000 related to research and development activities during these years. Excluding the impact of the tax benefit, the effective tax rate was higher in 2004 versus 2003 as a result of having higher U.S.-based income in 2004 at comparably higher tax rates.

Net Income and Earnings Per Share

Net income and diluted earnings per share in 2004 improved versus 2003 as a result of higher net sales, increased gross profit margins and a lower tax rate, partially offset by increased special charges, higher S&A expenses and an increase in the number of average shares outstanding. The following items affect the comparability of 2004 and 2003 net income and earnings per share (after tax, in millions):

	Expense/(Income) 2004	2003
Lighting integration costs (included in Cost of goods sold)	$ 0.9	$ 1.5
Special charges, net	10.1	3.5
Reduction in tax expense due to settlement with IRS	(10.2)	—

Segment Results

Electrical Segment

	2004	2003
	(In millions)	
Net Sales	$ 1,476.8	$ 1,313.7
Operating Income	$ 156.7	$ 128.2
Operating Margin	10.6%	9.8%

Electrical segment net sales increased 12% in 2004 versus 2003 as a result of improved market conditions, a modest gain in market share and higher average selling prices. We estimate increases in selling prices contributed approximately 1%-2% to the increase in sales in 2004 versus 2003. Lighting fixture sales represented in excess of 50% of total net sales reported in the Electrical segment in both 2004 and 2003.

By business unit, sales of lighting fixtures increased by double digits with the growth fairly evenly split between residential and C&I application products. These results reflect a strong housing market, share gain in residential and commercial application products and higher sales resulting from customer orders placed in advance of selling price increases in the fourth quarter.

Wiring system sales improved near double digits year-over-year reflecting strong sales of commercial and industrial application wiring device products due to increased end user demand for industrial maintenance, repair and operations products. Rough-in electrical sales increased as a result of strong retail channel sales, new product sales, higher selling prices and modest share of market gains in electrical outlet box sales. Harsh and hazardous sales grew in markets outside the U.S. due to higher oil and gas project shipments and favorable foreign currency exchange rates.

Operating margin improvement was primarily due to higher gross profit margins driven by higher sales and a favorable mix of higher margin products. Lower product costs resulting from product outsourcing, profitability improvements in connection with our lean initiatives and realized savings from the lighting integration program also contributed to operating margin improvements. Margin improvement occurred in all major product categories within the segment and was particularly strong in wiring devices, commercial lighting fixtures, electrical products and harsh and hazardous businesses where we experienced sales increases in more profitable product categories along with improved factory performance. The segment also benefited from a $1.5 million pretax gain on sale of a warehouse. These margin improvements were partially offset by commodity costs increases in excess of higher selling prices, and higher special charges. Within S&A, increased spending in connection with the information system initiative was partially offset by a reduction of accounts receivable allowances as a result of the improved financial condition and credit quality of previously reserved customer accounts.

Power Segment

	2004	2003
	(In millions)	
Net Sales	$ 386.2	$ 332.5
Operating Income	$ 41.2	$ 32.9
Operating Margin	10.7%	9.9%

Power segment net sales increased 16% in 2004 versus the prior year as a result of increased spending by domestic utility accounts, price increases and increased hurricane and storm related shipments. Price increases were implemented across all product lines where costs rose due to increased metal and energy costs. We estimate that price increases accounted for approximately 3 percentage points of the year-over-year sales increase with increased storm-related shipments comprising another one percentage point of the improvement. Segment operating income increased year-over-year as a result of higher sales, a favorable mix of higher margin products and improved factory performance as a result of our lean initiatives, partially offset by a significant escalation in commodity raw material costs. The commodity cost increases, primarily steel, aluminum, copper and zinc, outpaced our actions to increase selling prices. We estimate that the negative impact in 2004 of cost increases in excess of pricing actions was $6-$8 million for this segment. In addition, segment operating income in 2003 reflected the benefit of a pretax legal settlement of $1.6 million for a patent infringement case.

Industrial Technology Segment

	2004	2003
	(In millions)	
Net Sales	$ 130.0	$ 124.5
Operating Income	$ 14.7	$ 10.8
Operating Margin	11.3%	8.7%

Industrial Technology segment net sales increased 4% versus 2003 as a result of increased demand for products in heavy industry including industrial controls, reels and other cable management products. These businesses benefited from the improvement in industrial activity and increased capital spending facilitated by higher steel and other metals costs, which benefits many of the customers served by this segment. Operating margins for the full year 2004 improved versus 2003 primarily as a result of a more favorable industrial product mix as well as elimination of losses in our high voltage test and instrumentation businesses as a result of cost reductions.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

	December 31, 2005	December 31, 2004
	(In millions)	
Net cash provided by (used in):		
Operating activities	$ 184.1	$ 184.1
Investing activities	(30.4)	(108.7)
Financing activities	(182.1)	(55.6)
Foreign exchange effect on cash	(0.9)	1.0
Net change in cash and cash equivalents	$ (29.3)	$ 20.8

Cash provided by operating activities in 2005 of $184.1 million equalled cash provided by operating activities in 2004. Significant changes in elements of operating cash flow year-over-year include accounts receivable balances which increased $16.9 million in 2005 compared to an increase of $61.5 million in 2004 resulting in a lower use of cash in 2005. Partially offsetting the change in accounts receivable was lower cash provided by increases in current liabilities and accounts payable as a result of lower levels of growth in the business in 2005 compared to growth levels in 2004. Current liability balances in 2005 were impacted by higher disbursements primarily related to customer incentives, employee incentive compensation levels and the timing of tax payments year-over-year. We made cash contributions of approximately $28 million and $25 million to our domestic, qualified, defined benefit pension plans in 2005 and 2004, respectively. Information regarding our pension plans is included in Note 11 — Retirement Benefits in the Notes to Consolidated Financial Statements. Included in Other, net within cash provided by operating activities are income tax benefits from employee exercises of stock options of $7.8 million in 2005 and $6.7 million in 2004.

Cash flows from investing activities include capital expenditures of $73.4 million in 2005 compared to $39.1 million in 2004. The $34.3 million increase is attributed to higher expenditures of $17.6 million for investments in new equipment and facility improvements, $10.1 million of higher cash expenditures for software, primarily related to the enterprise-wide business system and $6.6 million of expenditures related to the construction of a new lighting headquarters. Cash outlays to acquire new businesses amounted to $54.3 million in 2005. Purchases and maturities/sales of investments provided net cash proceeds of $81.1 million in 2005 compared to net cash outlays of $86.0 million in 2004. Proceeds from disposition of assets increased to $14.6 million in 2005 compared to $10.7 million in 2004. Included in Other, net within cash flows from investing activities are proceeds related to company owned life insurance of $2.1 million and $2.9 million in 2005 and 2004, respectively, and proceeds from the sale of investment properties of $0.2 million and $1.7 million in 2005 and 2004, respectively.

Financing cash flows used $182.1 million of cash in 2005 compared to $55.6 million of cash in 2004. Cash used in 2005 reflects the repayment of $100.0 million of senior notes at maturity. Proceeds from borrowings of other short-term debt totaled $29.6 million in 2005. Cash outlays to pay dividends in 2005 and 2004 totaled $80.6 million and $79.9 million, respectively. Cash generated as a result of stock options exercised totaled $32.8 million in 2005 compared to $30.5 million in 2004. We repurchased $62.7 million and $6.2 million of common stock in 2005 and 2004, respectively, under our stock repurchase programs.

Working Capital

	December 31, 2005	December 31, 2004
	(In millions)	
Current Assets	$ 820.1	$ 906.4
Current Liabilities	360.5	423.3
Working Capital	$ 459.6	$ 483.1

Working capital decreased $23.5 million, or 4.9%, in 2005 compared to 2004. The decrease is primarily due to a decrease in cash and cash equivalents and short-term investments in 2005 compared to 2004. In 2005, a total of $54.3 million was used to acquire five new businesses. In addition, $62.7 million was used to repurchase common shares in 2005 compared to $6.2 million in 2004. Working capital initiatives which emphasize improved inventory management, faster collections of accounts receivable and negotiation of more favorable supplier payment terms are in place at all of our business units. Improving working capital efficiency, primarily related to inventory and accounts payable, will continue to be a primary focus for management in 2006.

Investments in the Business

We define investments in our business to include both normal expenditures required to maintain the operations of our equipment and facilities as well as expenditures in support of our strategic initiatives.

During 2005, capital expenditures were $73.4 million. Additions to property, plant, and equipment were $51.7 million in 2005 compared to $27.5 million in 2004 as a result increased investments made in new equipment and facility improvements. Higher expenditures were also incurred related to the construction of the lighting headquarters and facility expansion in our factory in Mexico. In 2005, we capitalized $20.5 million of software, primarily in connection with our business information system initiative (recorded in Intangible assets and other in the Consolidated Balance Sheet).

In 2005, we acquired five businesses for a total of $54.3 million. These businesses are expected to provide approximately $50 million of annual net sales of which approximately 45% will be added to each of our Industrial Technology and Power segments, with approximately 10% added to our Electrical segment. Although not significant to our consolidated results, these acquisitions are part of our core markets growth strategy.

We continue to invest in process improvement through our lean initiatives. Although we have just completed our fourth year of the lean journey, we still consider ourselves in the early part of this initiative. We expect benefits from this investment will improve our operating results primarily through increased productivity.

In 2003 our Board of Directors approved a stock repurchase program and authorized the repurchase of up to $60.0 million of our Class A and Class B common stock. As of September 30, 2005 purchases under this program were completed. In June 2005 our Board of Directors approved a new stock repurchase program which authorized the repurchase of an additional $60 million of the Company’s Class A and Class B common stock. Stock repurchases are being implemented through open market and privately negotiated transactions. The timing of such transactions depends on a variety of factors, including market conditions. In 2005, we spent a total of $62.7 million on the repurchase of common shares compared to $6.2 million spent on the repurchase of common shares in 2004. Additional information with respect to share repurchases is included in Part II, Item 5 of this Annual Report on Form 10-K.

Additional information with respect to future investments in the business can be found under “Outlook” within Management’s Discussion and Analysis.

Capital Structure

Debt to Capital

Net debt as disclosed below is a non-GAAP measure that may not be comparable to definitions used by other companies. We consider Net debt to be more appropriate than Total Debt for measuring our financial leverage as it better measures our ability to meet our funding needs.

	December 31, 2005	December 31, 2004
	(In millions)	
Total Debt	$ 228.8	$ 299.0
Total Shareholders' Equity	998.1	944.3
Total Capitalization	$ 1,226.9	$ 1,243.3
Debt to Total Capital	19%	24%
Cash and Investments	$ 310.7	$ 421.2
Net Debt, (Total debt less cash and investments)	$ (81.9)	$ (122.2)

As of December 31, 2005, the debt to capital ratio decreased to 19% from 24% as of December 31, 2004 primarily due to lower outstanding debt as a result of a $100 million repayment of senior notes.

Debt Structure

	December 31, 2005	December 31, 2004
	(In millions)	
Short-term and current portion of long-term debt	$ 29.6	$ 99.9
Long-term debt	199.2	199.1
Total Debt	$ 228.8	$ 299.0

At December 31, 2005, Short-term and current portion of long-term debt in our Consolidated Balance Sheet consisted of a $7.5 million money market loan, $22.0 million of borrowings against our credit facility and $0.1 million of other borrowings. The money market loan represents a line of credit to borrow up to 5.0 million pounds sterling (U.S. $ equivalent at December 31, 2005 was $8.8 million) and was entered into by our UK subsidiary in order to fund a portion of the purchase price of a new business. The loan provides for an interest rate of one-half of a percentage point above the London Interbank Offered Rate ("LIBOR"). The loan is due within one year. Borrowings of $22.0 million were drawn against our $200 million credit facility and used along with available cash to repatriate foreign earnings from one of our foreign subsidiaries under the provisions of the American Jobs Creation Act of 2004.

At December 31, 2004, Short-term and current portion of long-term debt in our Consolidated Balance Sheet consisted of $100 million, excluding unamortized discount, of senior notes with a maturity date of October 2005. The $100 million of senior notes was repaid on October 1, 2005. At December 31, 2005 and 2004, Long-term debt in our Consolidated Balance Sheet consisted of $200 million, excluding unamortized discount, of senior notes with a maturity date of 2012. These notes are fixed rate indebtedness, are not callable and are only subject to accelerated payment prior to maturity if we fail to meet certain non-financial covenants, all of which were met at December 31, 2005 and 2004. The most restrictive of these covenants limits our ability to enter into mortgages and sale-leasebacks of property having a net book value in excess of $5 million without the approval of the Note holders. In 2002, prior to the issuance of the $200 million notes, we entered into a forward interest rate lock to hedge our exposure to fluctuations in treasury interest rates, which resulted in a loss of $1.3 million in 2002. This amount was recorded in Accumulated other comprehensive income (loss) and is being amortized over the life of the notes.

At December 31, 2005, we had $178 million of available borrowings under our $200 million committed bank credit facility. This credit facility was amended during the year to admit a wholly-owned foreign subsidiary as a borrower and will expire in October 2009. This credit facility also serves as a back up to our commercial paper program. Borrowings under this credit agreement generally are available with an interest rate equal to the prime rate or at a spread over LIBOR. Annual commitment fee requirements to support availability of the credit facility total approximately $0.2 million.

Although not the principal source of our liquidity, we believe these facilities are capable of providing adequate financing at reasonable rates of interest. However, a significant deterioration in results of operations or cash flows, leading to deterioration in financial condition, could either increase our future borrowing costs or restrict our ability to sell commercial paper in the open market. We have not entered into any other guarantees, commitments or obligations that could give rise to unexpected cash requirements.

Liquidity

We measure our liquidity on the basis of our ability to meet short-term and long-term operational funding needs, fund additional investments, including acquisitions, and make dividend payments to shareholders. Significant factors affecting the management of liquidity are the level of cash flows from operating activities, capital expenditures, access to bank lines of credit and our ability to attract long-term capital with satisfactory terms.

Normal internal cash generation from operations together with currently available cash and investments, available borrowing facilities, and an ability to access credit lines, if needed, are expected to be more than sufficient to fund operations, the current rate of dividends, capital expenditures, stock repurchases and any increase in working capital that would be required to accommodate a higher level of business activity. We actively seek to expand by acquisition as well as through the growth of our present businesses. While a significant acquisition may require additional borrowings, we believe we would be able to obtain financing based on our favorable historical earnings performance and strong financial position.

Pension Funding Status

We have a number of funded and unfunded non-contributory U.S. and foreign defined benefit pension plans. Benefits under these plans are generally provided based on either years of service and final average pay or a specified dollar amount per year of service. Effective January 1, 2004, the defined benefit pension plan for U.S. salaried and non-collectively bargained hourly employees was closed to employees hired on or after January 1, 2004. Effective January 1, 2006, the defined benefit pension plan for the Hubbell Canada salaried employees was closed to existing employees who did not meet certain age and service requirements as well as all new employees hired on or after January 1, 2006. These U.S. and Canadian employees are instead eligible for defined contribution plans.

The funded status of our qualified, defined benefit pension plans is dependant upon many factors including future returns on invested pension assets, the level of market interest rates, employee earnings and employee demographics. Changes in the value of the defined benefit plan assets and liabilities will affect the amount of pension expense ultimately recognized. Differences between actuarial assumptions and actual results are deferred as unrecognized gains and losses. Unrecognized gains and losses in excess of an annual calculated minimum amount (the greater of 10% of the projected benefit obligation or 10% of the market value of assets) are amortized and recognized in net periodic pension cost over our average remaining service period of active employees which approximates 13-15 years. At December 31, 2005 the total unrecognized actuarial loss for our defined benefit pension plans was $99.7 million, which is primarily a result of using a lower discount rate in the calculation of plan liabilities in each of the proceeding four years. During this period, the rate has declined from 7.25% at December 31, 2001 to 5.45% at December 31, 2005. During 2005, we recorded $2.3 million of pension expense related to the amortization of these unrecognized losses. We expect to record a similar amount of expense related to unrecognized losses in 2006.

The actual return on our pension assets in the current year as well as the cumulative return over the past five and ten year periods has exceeded our expected return for the same periods. Offsetting these favorable returns has been a decline in long-term interest rates and a resulting increase in our pension liabilities. These declines in long-term interest rates have had a negative impact on the funded status of the plans. Consequently, we contributed $25 million in each of the years 2002, 2003, and 2004 and $28 million in 2005 to our domestic, defined benefit pension plans. Additional contributions have also been made to our foreign defined benefit plans. These contributions along with favorable investment performance of the plan assets have improved the funded status of the plans. In 2006 we anticipate that we will make a contribution to our domestic qualified defined benefit plans of between $15 — $20 million and between $5 — $7 million to our foreign plans. This level of funding is not expected to have any significant impact on our overall liquidity.

Assumptions

The following assumptions were used to determine projected pension and other benefit obligations at the measurement date and the net periodic benefit costs for the year:

	Pension Benefits		Other Benefits	
	2005	2004	2005	2004
Weighted-average assumptions used to determine benefit obligations at December 31				
Discount rate	5.45%	5.75%	5.50%	5.75%
Rate of compensation increase	4.25%	4.25%	N/A	N/A
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31				
Discount rate	5.75%	6.25%	5.75%	6.25%
Expected return on plan assets	8.00%	8.25%	N/A	N/A
Rate of compensation increase	4.25%	4.25%	N/A	N/A

At the end of each year, we estimate the expected long-term rate of return on pension plan assets based on the strategic asset allocation for our plans. In making this determination, we utilized expected rates of return for each asset class based upon current market conditions and expected risk premiums for each asset class. A one percentage point change in the expected long-term rate of return on pension fund assets would have an impact of approximately $4.8 million on 2006 pretax pension expense. The expected long-term rate of return on pension fund assets is applied to the fair market value of pension fund assets to produce the expected return on fund assets that is included in pension expense. The difference between this expected return and the actual return on plan assets is deferred. The net deferral of past asset gains (losses) ultimately affects future pension expense through the amortization of gains (losses).

At the end of each year, we determine the discount rate to be used to calculate the present value of pension plan liabilities. The discount rate is an estimate of the current interest rate at which the pension plan's liabilities could effectively be settled. In estimating this rate, we look to rates of return on high-quality, fixed-income investments with maturities that closely match the expected funding period of our pension liability. The discount rate of 5.50% which we used to determine the projected benefit obligation for our U.S. pension plans at December 31, 2005 was determined using the Citigroup Pension Discount Curve applied to our expected annual future pension benefit payments. In prior years, we used the Moody's Aa Corporate bond rate to determine our discount rate. We believe that using the Citigroup Pension Discount Curve produces a more precise estimate of pension liabilities. An increase of one percentage point in the discount rate would lower 2006 pretax pension expense by approximately $3.4 million. A discount rate decline of one percentage point would increase pretax pension expense by approximately $7.9 million.

Our shareholders' equity is impacted by a variety of factors, including those items that are not reported in earnings but are reported directly in equity. In 2002, we recorded a $12.4 million after-tax charge to equity, reflecting the increase in the pension plan additional minimum liability. In 2003 and 2004, we recorded reductions of $8.3 million and $2.2 million, respectively, of the after-tax charge to equity, reflecting a reduction of the pension plan additional minimum liability. In 2005, we increased this after-tax charge by $2.2 million.

Other Post Employment Benefits

We had health care and life insurance benefit plans covering eligible employees who reached retirement age while working for the Company. These benefits were discontinued in 1991 for substantially all future retirees with the exception of certain operations in our Power segment which still maintain a limited retiree medical plan for their union employees. These plans are not funded and, therefore, no assumed rate of return on assets is required. The discount rate of 5.50% used to determine the projected benefit obligation at December 31, 2005 was based upon the Citigroup Pension Discount Curve as applied to our projected annual benefit payments for these plans. The unrecognized loss for these plans was $11.6 million at December 31, 2005.

Off-Balance Sheet Arrangements

Off-balance sheet arrangements are defined as any transaction, agreement or other contractual arrangement to which an entity that is not included in our consolidated results is a party, under which we, whether or not a party to the arrangement, have, or in the future may have: (1) an obligation under a direct or indirect guarantee or similar arrangement (2) a retained or contingent interest in assets or (3) an obligation or liability, including a contingent obligation or liability, to the extent that it is not fully reflected in the financial statements.

We do not have any off-balance sheet arrangements as defined above which have or are likely to have a material effect on financial condition, results of operations or cash flows.

Contractual Obligations

A summary of our contractual obligations and commitments at December 31, 2005 is as follows (in millions):

Contractual Obligations	Total	Payments due by period Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years
Debt obligations	$ 229.6	$ 7.6	$ —	$ 22.0	$ 200.0
Expected interest payments	85.1	13.6	26.4	25.9	19.2
Operating lease obligations	40.8	8.8	11.1	5.1	15.8
Purchase obligations	193.1	182.0	10.6	0.5	—
Obligations under customer incentive programs	21.2	21.2	—	—	—
Total	$ 569.8	$ 233.2	$ 48.1	$ 53.5	$ 235.0

Our purchase obligations include amounts committed under legally enforceable contracts or purchase orders for goods and services with defined terms as to price, quantity, delivery and termination liability. These obligations primarily consist of inventory purchases made in the normal course of business to meet operational requirements, contracts for the construction of the lighting headquarters, consulting arrangements and commitments for equipment purchases. Other long-term liabilities reflected in our consolidated balance sheet at December 31, 2005 have been excluded from the table above and primarily consist of costs associated with retirement benefits. See Note 11 — Retirement Benefits in the Notes to Consolidated Financial Statements for estimates of future benefit payments under our benefit plans.

Critical Accounting Policies

Note 1 of the Notes to Consolidated Financial Statements describes the significant accounting policies used in the preparation of our financial statements.

Use of Estimates

We are required to make estimates and judgments in the preparation of our financial statements. These estimates and judgments affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures. We continually review these estimates and their underlying assumptions to ensure they are appropriate for the circumstances. Changes in estimates and assumptions used by us could have a significant impact on our financial results. We believe that the following are among our most significant accounting policies. These policies utilize estimates about the effect of matters that are inherently uncertain and therefore are based on our judgment.

Revenue Recognition

We recognize revenue in accordance with SEC Staff Accounting Bulletin No. 101, “Revenue Recognition in Financial Statements” and the SEC revisions in SEC Staff Accounting Bulletin No. 104. Revenue is recognized when title to goods and risk of loss have passed to the customer, there is persuasive evidence of a purchase arrangement, delivery has occurred or services rendered and the price is determinable and collectibility reasonably assured. Revenue is typically recognized at the time of shipment. Sales are recorded net of estimated product returns, customer rebates and price discounts. Refer also to Customer Credit and Collections below. Also See Note 1 — Significant Accounting Policies of the Notes to Consolidated Financial Statements.

Inventory Valuation

We routinely evaluate the carrying value of our inventories to ensure they are carried at the lower of cost or market value. Such evaluation is based on our judgment and use of estimates, including sales forecasts, gross margins for particular product groupings, planned dispositions of product lines, technological events and trends and overall industry trends. In addition, the evaluation is based on changes in inventory management practices which may influence the timing of exiting products and method of disposing of excess inventory.

Excess inventory is generally identified by comparing future expected inventory usage to actual on-hand quantities. Reserves are provided for on-hand inventory in excess of pre-defined usage forecasts. Forecast usage is primarily determined by projecting historical (actual) sales and inventory usage levels forward to future periods. Application of this reserve methodology can have the effect of increasing reserves during periods of declining demand and, conversely, reducing reserve requirements during periods of accelerating demand. This reserve methodology is applied based upon a current stratification of inventory, whether by commodity type, product family, part number, stock keeping unit, etc. As a result of our lean process improvement initiatives, we continue to develop improved information concerning demand patterns for inventory consumption. This improved information is introduced into the excess inventory reserve calculation as it becomes available and may impact required levels of reserves.

Customer Credit and Collections

We maintain allowances for doubtful accounts receivable in order to reflect the potential uncollectibility of receivables related to purchases of products on open credit. If the financial condition of our customers were to deteriorate, resulting in their inability to make required payments, we may be required to record additional allowances for doubtful accounts. Further, certain of our businesses account for sales discounts and allowances based on sales volumes, specific programs and customer deductions and debits, as is customary in electrical products markets. These items primarily relate to sales volume incentives, special pricing allowances, and returned goods. This requires us to estimate at the time of sale the value of shipments that should not be recorded as revenue equal to the amount which is not expected to be collected in cash from customers. We rely on specific customer agreements, historical experience and known future trends to estimate these amounts at the time of shipment.

Capitalized Computer Software Costs

We capitalize certain costs of internally developed software in accordance with Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". Capitalized costs include purchased materials and services and payroll and payroll related costs. General and administrative, overhead, maintenance and training costs, as well as the cost of software that does not add functionality to the existing system, are expensed as incurred. The cost of internally developed software is amortized on a straight-line basis over appropriate periods, generally five years. The unamortized balance of internally developed software is included in Intangible assets and other in the Consolidated Balance Sheet.

Employee Benefits Costs and Funding

We sponsor domestic and foreign defined benefit pension, defined contribution and other postretirement plans. Major assumptions used in the accounting for these employee benefit plans include the discount rate, expected return on the pension fund assets, rate of increase in employee compensation levels and health care cost increase projections. These assumptions are determined based on company data and appropriate market indicators, and are evaluated each year as of the plans' measurement date. Further discussion on the assumptions used in 2004 and 2005 are included above under "Pension Funding Status" and in Note 11 — Retirement Benefits in the Notes to Consolidated Financial Statements.

Taxes

We account for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes" which requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax basis of recorded assets and liabilities. SFAS No. 109 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The factors used to assess the likelihood of realization of deferred tax assets are the forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. Failure to achieve forecasted taxable income can affect the ultimate realization of net deferred tax assets.

In addition, we operate within multiple taxing jurisdictions and are subject to audit in these jurisdictions. The IRS and other tax authorities routinely review our tax returns. These audits can involve complex issues, which may require an extended period of time to resolve. The impact of these examinations on our liability for income taxes cannot be presently determined. In management's opinion, adequate provision has been made for potential adjustments arising from these examinations.

Contingent Liabilities

We are subject to proceedings, lawsuits, and other claims or uncertainties related to environmental, legal, product and other matters. We routinely assess the likelihood of an adverse judgment or outcome to these matters, as well as the range of potential losses. A determination of the reserves required, if any, is made after careful analysis, including consultations with outside advisors, where applicable. The required reserves may change in the future due to new developments.

Valuation of Long-Lived Assets

Our long-lived assets include land, buildings, equipment, molds and dies, software, goodwill and other intangible assets. Long-lived assets, other than goodwill and indefinite-lived intangibles, are depreciated over their estimated useful lives. We review depreciable long-lived assets for impairment to assess recoverability from future operations using undiscounted cash flows. For these assets, no impairment charges were recorded in 2005 or 2004, except for certain assets affected by the lighting integration program, and within wiring systems as a result of our decision to exit a leased facility as discussed under "Special Charges" within this Management's Discussion and Analysis.

Goodwill and indefinite-lived intangible assets are reviewed annually for impairment unless circumstances dictate the need for more frequent assessment under the provisions of SFAS No. 142, “Goodwill and Other Intangible Assets”. The identification and measurement of impairment of goodwill involves the estimation of the fair value of reporting units. The estimates of fair value of reporting units are based on the best information available as of the date of the assessment, which primarily incorporate our assumptions about discounted expected future cash flows. Future cash flows can be affected by changes in industry or market conditions or the rate and extent to which anticipated synergies or cost savings are realized from newly acquired entities. The identification and measurement of impairment of indefinite-lived intangible assets involves testing which compares carrying values of assets to the estimated fair values of assets. When appropriate, the carrying value of assets will be reduced to estimated fair values.

Forward-Looking Statements

Some of the information included in this Management’s Discussion and Analysis of Financial Condition and Results of Operations, and elsewhere in this Form 10-K and in the Annual Report attached hereto, which does not constitute part of this Form 10-K, contain “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. These include statements about capital resources, performance and results of operations and are based on our reasonable current expectations. In addition, all statements regarding anticipated growth or improvement in operating results, anticipated market conditions, and economic recovery are forward looking. Forward-looking statements may be identified by the use of words, such as “believe”, “expect”, “anticipate”, “intend”, “depend”, “should”, “plan”, “estimated”, “could”, “may”, “subject to”, “continues”, “growing”, “prospective”, “forecast”, “projected”, “purport”, “might”, “if”, “contemplate”, “potential”, “pending,” “target”, “goals”, “scheduled”, “will likely be”, and similar words and phrases. Discussions of strategies, plans or intentions often contain forward-looking statements. Factors, among others, that could cause our actual results and future actions to differ materially from those described in forward-looking statements include, but are not limited to:

- Changes in demand for our products, market conditions, or product availability adversely affecting sales levels.
- Changes in markets or competition adversely affecting realization of price increases.
- The amounts of net cash expenditures, benefits, including available state and local tax incentives, the timing of actions and impact of personnel reductions in connection with the ongoing lighting business integration and rationalization program and other special charges.
- Net cash expenditures and timing of actions in connection with restructuring and special charges.
- Failure to achieve projected levels of efficiencies, cost savings and cost reduction measures, including those expected as a result of our lean initiative and strategic sourcing plans.
- The amounts of cash expenditures, benefits and the timing of actions in connection with our enterprise-wide business system implementation.
- Availability and costs of raw materials, purchased components, energy and freight.
- Changes in expected levels of operating cash flow and uses of cash.
- General economic and business conditions in particular industries or markets.
- Regulatory issues, changes in tax laws or changes in geographic profit mix affecting tax rates and availability of tax incentives.
- Failure to achieve expected benefits of process improvements and other lean initiatives as a result of changes in strategy or level of investments made.
- A major disruption in one of our manufacturing or distribution facilities or headquarters, including the impact of plant consolidations, relocations and the construction of a new lighting headquarters.

- Impact of productivity improvements on lead times, quality and delivery of product.
- Future levels of indebtedness and capital spending.
- Anticipated future contributions and assumptions with respect to pensions.
- Adjustments to product warranty accruals in response to claims incurred, historical experiences and known costs.
- Unexpected costs or charges, certain of which might be outside of our control.
- Changes in strategy, economic conditions or other conditions outside of our control affecting anticipated future global product sourcing levels.
- Intense or new competition in the markets in which we compete.
- Ability to carry out future acquisitions and strategic investments in our core businesses and costs relating to acquisitions and acquisition integration costs.
- Anticipated levels of future sales related to completed acquisitions.
- Future repurchases of common stock under our common stock repurchase programs.
- Changes in customers' credit worthiness adversely affecting the ability to continue business relationships with major customers.
- The outcome of environmental, legal and tax contingencies or costs compared to amounts provided for such contingencies.
- Changes in accounting principles, interpretations, or estimates, including the impact of expensing stock options pursuant to SFAS No. 123(R).
- Adverse changes in foreign currency exchange rates and the potential use of hedging instruments to hedge the exposure to fluctuating rates of foreign currency exchange on inventory purchases.
- Other factors described in our SEC filings, including the "Business" and "Risk Factors" Section in this Annual Report on Form 10-K for the year ended December 31, 2005.

Any such forward-looking statements are not guarantees of future performances and actual results, developments and business decisions may differ from those contemplated by such forward-looking statements. The Company disclaims any duty to update any forward-looking statement, all of which are expressly qualified by the foregoing, other than as required by law.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

In the operation of our business, we have various exposures to areas of risk related to factors within and outside the control of management. Significant areas of risk and our strategies to manage the exposure are discussed below.

We manufacture our products in the United States, Canada, Switzerland, Puerto Rico, Mexico, Italy, the United Kingdom and Brazil and sell products in those markets as well as through sales offices in Singapore, the People's Republic of China, Mexico, Hong Kong, South Korea and the Middle East. International shipments from non-U.S. subsidiaries were 11% of the Company's total net sales in 2005 and 10% in 2004 and 2003. The Canadian market represents 42%, United Kingdom 33%, Switzerland 10%, Mexico 9%, and all other areas 6% of total 2005 international sales. As such, our operating results could be affected by changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which we sell our products. To manage this exposure, we closely monitor the working capital requirements of our international units and to the extent possible maintain their monetary assets in U.S. dollar instruments. In 2005, we entered into a series of forward exchange contracts on behalf of our Canadian operation to purchase U.S. dollars in order to hedge part of their exposure to fluctuating rates of exchange on anticipated inventory purchases. As of

December 31, 2005 we had six outstanding contracts for $1 million each, which expire ratably through June 2006.

Product purchases representing approximately 10% of our net sales are sourced from unaffiliated suppliers located outside the United States, primarily in China and other Asian countries, Europe and Mexico. We are actively seeking to expand this activity, particularly related to purchases from low cost areas of the world. Foreign sourcing of products may result in unexpected fluctuations in product cost or increased risk of business interruption due to lack of product or component availability due to any one of the following:

- Political or economic uncertainty in the source country.
- Fluctuations in the rate of exchange between the U.S. dollar and the currencies of the source countries.
- Increased logistical complexity including supply chain interruption or delay, port of departure or entry disruption, overall time to market.
- Loss of proprietary information.

We have developed plans that address some of these risks. Such actions include careful selection of products to be outsourced and the suppliers selected; ensuring multiple sources of supply; limiting concentrations of activity by port, broker, freight forwarder, etc, and; maintaining control over operations, technologies and manufacturing deemed to provide competitive advantage.

Many of our businesses have a dependency on certain basic raw materials needed to produce their products including steel, brass, copper, aluminum, bronze, plastics, phenols, zinc, nickel, elastomers and petrochemicals as well as purchased electrical and electronic components. Our financial results could be affected by the availability and changes in prices of these materials and components. Certain of these materials are sourced from a limited number of suppliers. These materials are also key source materials for many other companies in our industry and within the universe of industrial manufacturers in general. As such, in periods of rising demand for these materials, we may experience both (1) increased costs and (2) limited supply. These conditions can potentially result in our inability to acquire these key materials on a timely basis to produce our products and satisfy our incoming sales orders. Similarly, the cost of these materials can rise suddenly and result in materially higher costs of producing our products. We believe we have adequate primary and secondary sources of supply of each of our key materials and that, in periods of rising prices, we are able to recover a majority of the increased cost in the form of higher selling prices. However, recoveries typically lag the effect of cost increases due to the nature of our markets.

Our financial results are subject to interest rate fluctuations to the extent that there is a difference between the amount of our interest-earning assets and the amount of interest-bearing liabilities. The principal objective of our investment management activities is to maximize net investment income while maintaining acceptable levels of interest rate and liquidity risk and facilitating our funding needs. As part of our investment management strategy, we may use derivative financial products such as interest rate hedges and interest rate swaps. Refer to further discussion under “Capital Structure” within this Management’s Discussion and Analysis.

From time to time or when required, we issue commercial paper, which exposes us to changes in interest rates. Our cash position includes amounts denominated in foreign currencies. We manage our worldwide cash requirements by considering available funds held by our subsidiaries and the cost effectiveness with which these funds can be accessed.

We continually evaluate risk retention and insurance levels for product liability, property damage and other potential exposures to risk. We devote significant effort to maintaining and improving safety and internal control programs, which are intended to reduce our exposure to certain risks. We determine the level of insurance coverage and the likelihood of a loss and believe that the current levels of risk retention are consistent with those of comparable companies in the industries in which we operate. There can be no assurance that we will not incur losses beyond the limits of our insurance. However, our liquidity, financial position and profitability are not expected to be materially affected by the levels of risk retention that we accept.

The following table presents cost information related to interest risk sensitive instruments by maturity at December 31, 2005 (dollars in millions):

	2006	2007	2008	2009	2010	Thereafter	Total	Fair Value 12/31/05
Assets								
Available-for-sale Investments	$ 10.9	$ 36.6	$ 7.4	$ 11.1	$ 9.4	$ 4.0	$ 79.4	$ 78.8
Avg. Interest Rate	3.88%	3.29%	4.25%	4.69%	4.45%	6.27%	—	—
Held-to-maturity Investments	$ 21.3	$ —	$ —	$ —	$ —	$ —	$ 21.3	$ 21.4
Avg. Interest Rate	4.35%	—	—	—	—	—	—	—
Liabilities								
Long-term Debt	$ —	$ —	$ —	$ —	$ —	$ 199.2	$ 199.2	$ 215.1
Avg. Interest Rate	—	—	—	—	—	6.38%	6.38%	—

All of the assets and liabilities above are fixed rate instruments. Other available-for-sale securities with a carrying value of $100 million are adjustable rate instruments which are not interest risk sensitive and are not included in the table above. Short-term debt of $29.6 million included in Short-term and current portion of long-term debt in the Consolidated Balance Sheet as of December 31, 2005 includes variable rate debt which is not considered interest risk sensitive. We use derivative financial instruments only if they are matched with a specific asset, liability, or proposed future transaction. We do not speculate or use leverage when trading a financial derivative product.

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Item 8. ***Financial Statements and Supplementary Data***

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

REPORT OF MANAGEMENT
HUBBELL INCORPORATED AND SUBSIDIARIES

Report on Management's Responsibility for Financial Statements

Our management is responsible for the preparation, integrity and fair presentation of its published financial statements. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include amounts based on informed judgments made by management.

We believe it is critical to provide investors and other users of our financial statements with information that is relevant, objective, understandable and timely, so that they can make informed decisions. As a result, we have established and we maintain systems and practices and internal control processes designed to provide reasonable, but not absolute assurance that transactions are properly executed and recorded and that our policies and procedures are carried out appropriately. Management strives to recruit, train and retain high quality people to ensure that controls are designed, implemented and maintained in a high-quality, reliable manner.

Our independent registered public accounting firm audited our financial statements and management's assessment of the effectiveness of our internal control over financial reporting, in accordance with Standards established by the Public Company Accounting Oversight Board (United States). Their report appears on pages 44-45.

Our Board of Directors normally meets five times per year to provide oversight, to review corporate strategies and operations, and to assess management's conduct of the business. The Audit Committee of our Board of Directors (which normally meets eleven times per year) is comprised of at least three individuals all of whom must be "independent" under current New York Stock Exchange listing standards and regulations adopted by the SEC under the federal securities laws. The Audit Committee meets regularly with our internal auditors and independent registered public accounting firm, as well as management to review, among other matters, accounting, auditing, internal controls and financial reporting issues and practices. Both the internal auditors and independent registered public accounting firm have full, unlimited access to the Audit Committee.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate systems of internal control over financial reporting as defined by Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2005. In making this assessment, management used the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2005.

Management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2005 has been audited by our independent registered public accounting firm as stated in their report which is included on pages 44-45.

Timothy H. Powers
Chairman of the Board,
President & Chief Executive Officer

David G. Nord
Senior Vice President and
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Hubbell Incorporated:

We have completed integrated audits of Hubbell Incorporated and its subsidiaries' 2005 and 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2005, and an audit of its 2003 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements and financial statement schedule

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Hubbell Incorporated and its subsidiaries (the "Company") at December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements 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. An audit of financial statements includes 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. We believe that our audits provide a reasonable basis for our opinion.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in Management's Report on Internal Control over Financial Reporting appearing under Item 8, that the Company maintained effective internal control over financial reporting as of December 31, 2005 based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005, based on criteria established in *Internal Control — Integrated Framework* issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting 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 effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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 its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

Stamford, Connecticut
March 1, 2006

HUBBELL INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

	Year Ended December 31		
	2005	2004	2003
		(In millions except per share amounts)	
Net sales	$ 2,104.9	$ 1,993.0	$ 1,770.7
Cost of goods sold	1,509.9	1,431.1	1,289.2
Gross profit	595.0	561.9	481.5
Selling & administrative expenses	357.9	333.9	303.9
Special charges, net	10.3	15.4	5.7
Operating income	226.8	212.6	171.9
Investment income	9.5	6.5	3.7
Interest expense	(19.3)	(20.6)	(20.6)
Other income (expense), net	(1.3)	(1.2)	0.5
Total other income (expense)	(11.1)	(15.3)	(16.4)
Income before income taxes	215.7	197.3	155.5
Provision for income taxes	50.6	42.6	40.4
Net income	$ 165.1	$ 154.7	$ 115.1
Earnings per share			
Basic	$ 2.71	$ 2.55	$ 1.93
Diluted	$ 2.67	$ 2.51	$ 1.91
Average number of common shares outstanding			
Basic	61.0	60.7	59.5
Diluted	61.8	61.6	60.1
Cash dividends per common share	$ 1.32	$ 1.32	$ 1.32

See notes to consolidated financial statements.

HUBBELL INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	At December 31, 2005	2004
	(Dollars in millions)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 110.6	$ 139.9
Short-term investments	121.3	215.6
Accounts receivable, net	310.4	288.5
Inventories, net	237.1	216.1
Deferred taxes and other	40.7	46.3
Total current assets	820.1	906.4
Property, Plant, and Equipment, net	267.8	261.8
Other Assets		
Investments	78.8	65.7
Goodwill	351.5	326.6
Intangible assets and other	148.8	95.9
Total Assets	$ 1,667.0	$ 1,656.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term and current portion of long-term debt	$ 29.6	$ 99.9
Accounts payable	159.5	146.1
Accrued salaries, wages and employee benefits	41.4	46.8
Accrued income taxes	20.0	24.4
Dividends payable	20.2	20.2
Other accrued liabilities	89.8	85.9
Total current liabilities	360.5	423.3
Long-Term Debt	199.2	199.1
Other Non-Current Liabilities	109.2	89.7
Total Liabilities	668.9	712.1
Commitments and Contingencies		
Common Shareholders' Equity		
Common Stock, par value $.01		
Class A — authorized 50,000,000 shares, outstanding 9,127,960 and 9,350,747 shares	0.1	0.1
Class B — authorized 150,000,000 shares, outstanding 51,962,990 and 51,864,128 shares	0.5	0.5
Additional paid-in capital	267.2	280.7
Retained earnings	749.1	664.5
Unearned compensation	(8.0)	—
Accumulated other comprehensive loss	(10.8)	(1.5)
Total Common Shareholders' Equity	998.1	944.3
Total Liabilities and Shareholders' Equity	$ 1,667.0	$ 1,656.4

See notes to consolidated financial statements.

HUBBELL INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended December 31,		
	2005	2004	2003
	(Dollars in millions)		
Cash Flows From Operating Activities			
Net income	$ 165.1	$ 154.7	$ 115.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of assets	(5.4)	(1.5)	—
Depreciation and amortization	50.4	48.9	52.6
Deferred income taxes	6.4	17.1	12.4
Non-cash special charges	1.9	8.3	4.2
Stock-based compensation	0.7	—	—
Changes in assets and liabilities:			
Increase in accounts receivable	(16.9)	(61.5)	(5.8)
(Increase) Decreases in inventories	(13.2)	(9.1)	52.9
(Increase) Decrease in other current assets	2.6	6.1	(1.4)
Increase in current liabilities	2.0	28.8	21.9
Changes in other assets and liabilities, net	11.5	8.7	13.5
Contribution to domestic, qualified, defined benefit pension plans	(28.0)	(25.0)	(25.0)
Other, net	7.0	8.6	8.5
Net cash provided by operating activities	184.1	184.1	248.9
Cash Flows From Investing Activities			
Acquisition of businesses, net of cash acquired	(54.3)	—	—
Proceeds from disposition of assets	14.6	10.7	1.4
Capital expenditures	(73.4)	(39.1)	(27.6)
Purchases of available-for-sale investments	(238.6)	(415.0)	(172.9)
Proceeds from sale of available-for-sale investments	302.5	329.0	52.1
Purchases of held-to-maturity investments	—	—	(15.0)
Proceeds from maturities/sales of held-to-maturity investments	17.2	—	30.2
Other, net	1.6	5.7	9.6
Net cash used in investing activities	(30.4)	(108.7)	(122.2)
Cash Flows From Financing Activities			
Borrowings of other debt	29.6	—	—
Payment of other debt	(1.2)	—	—
Payment of senior notes	(100.0)	—	—
Payment of dividends	(80.6)	(79.9)	(78.4)
Acquisition of common shares	(62.7)	(6.2)	(5.3)
Proceeds from exercise of stock options	32.8	30.5	26.5
Net cash used in financing activities	(182.1)	(55.6)	(57.2)
Effect of exchange rate changes on cash	(0.9)	1.0	1.4
Increase (Decrease) in cash and cash equivalents	(29.3)	20.8	70.9
Cash and cash equivalents			
Beginning of year	139.9	119.1	48.2
End of year	$ 110.6	$ 139.9	$ 119.1

See notes to consolidated financial statements.

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HUBBELL INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Three Years Ended December 31, 2005, 2004 and 2003 (in millions except per share amounts)

	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital	Retained Earnings	Unearned Compensation	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at December 31, 2002	$ 0.1	$ 0.5	$ 220.6	$ 553.7	$ —	$ (30.7)	$ 744.2
Net income				115.1			115.1
Minimum pension liability adjustment, net of related tax effect of $5.2						8.3	8.3
Translation adjustments						11.8	11.8
Unrealized loss on investments, net of tax						(0.2)	(0.2)
Amortization of cash flow hedging loss						0.1	0.1
Total comprehensive income							135.1
Exercise of stock options, including tax benefit of $7.9			34.4				34.4
Acquisition of common shares			(5.3)				(5.3)
Cash dividends declared ($1.32 per share)				(78.7)			(78.7)
Balance at December 31, 2003	$ 0.1	$ 0.5	$ 249.7	$ 590.1	$ —	$ (10.7)	$ 829.7
Net income				154.7			154.7
Minimum pension liability adjustment, net of related tax effect of $1.4						2.2	2.2
Translation adjustments						7.9	7.9
Unrealized loss on investments, net of tax						(0.3)	(0.3)
Unrealized loss on cash flow hedge, net of $0.1 of amortization						(0.6)	(0.6)
Total comprehensive income							163.9
Exercise of stock options, including tax benefit of $6.7			37.2				37.2
Acquisition of common shares			(6.2)				(6.2)
Cash dividends declared ($1.32 per share)				(80.3)			(80.3)
Balance at December 31, 2004	$ 0.1	$ 0.5	$ 280.7	$ 664.5	$ —	$ (1.5)	$ 944.3
Net income				165.1			165.1
Minimum pension liability adjustment, net of related tax effect of $1.4						(2.2)	(2.2)
Translation adjustments						(7.5)	(7.5)
Unrealized loss on investments, net of tax						(0.3)	(0.3)
Unrealized gain on cash flow hedge including $0.1 of amortization						0.7	0.7
Total comprehensive income							155.8
Issuance of restricted stock			8.3		(8.3)		—
Amortization of restricted stock					0.3		0.3
Issuance of common shares under compensation arrangements			0.3				0.3
Exercise of stock options, including tax benefit of $7.8			40.6				40.6
Acquisition of common shares			(62.7)				(62.7)
Cash dividends declared ($1.32 per share)				(80.5)			(80.5)
Balance at December 31, 2005	$ 0.1	$ 0.5	$ 267.2	$ 749.1	$ (8.0)	$ (10.8)	$ 998.1

See notes to consolidated financial statements.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include all subsidiaries; all significant intercompany balances and transactions have been eliminated. The Company has one joint venture which is accounted for using the equity method. Certain reclassifications have been made in prior year financial statements and notes to conform to the current year presentation.

Use of Estimates

The preparation of 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 in the Consolidated Financial Statements and accompanying Notes to Consolidated Financial Statements. Actual results could differ from the estimates that are used.

Revenue Recognition

Revenue is recognized when title to the goods sold and the risk of loss have passed to the customer, there is persuasive evidence of a purchase arrangement, delivery has occurred or services are rendered, the price is determinable and collectibility is reasonably assured. Revenue is typically recognized at the time of shipment as the Company's shipping terms are FOB shipping point. Sales are recorded net of estimated product returns, customer rebates and price discounts which are based on experience and recorded in the period in which the sale is recorded. The Company recognizes less than one-percent of total annual consolidated net revenue from post shipment obligations and service contracts, primarily within the Industrial Technology segment. Revenue is recognized under these contracts when the service is completed and all conditions of sale have been met.

Shipping and Handling Fees and Costs

The Company records shipping and handling costs as part of Cost of goods sold in the Consolidated Statement of Income. Any amounts billed to customers for reimbursement of shipping and handling are included in Net sales in the Consolidated Statement of Income.

Foreign Currency Translation

The assets and liabilities of international subsidiaries are translated to U.S. dollars at exchange rates in effect at the end of the year, and income and expense items are translated at average rates of exchange in effect during the year. The effects of exchange rate fluctuations on the translated amounts of foreign currency assets and liabilities are included as translation adjustments in Accumulated other comprehensive income within Shareholders' equity. Gains and losses from foreign currency transactions are included in income of the period.

Cash and Cash Equivalents

Cash equivalents consist of investments with original maturities of three months or less. The carrying value of cash equivalents approximates fair value because of their short maturities. Book overdraft cash balances have been reflected in Accounts payable beginning in 2005 and prior periods presented have been reclassified to conform to this presentation.

Investments

Short-term investments primarily consist of auction rate securities and also include other securities with original maturities of greater than three months but less than one year. Investments in debt and equity

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

securities are classified by individual security as either available-for-sale or held-to-maturity. Auction rate securities, which are classified as available-for-sale investments, are available to meet the Company's current operational needs and accordingly are classified as short-term. Available-for-sale investments are carried on the balance sheet at fair value with current period adjustments to carrying value recorded in Accumulated other comprehensive income within Shareholders' equity, net of tax. Debt securities which the Company has the positive intent and ability to hold to maturity, are classified as held-to-maturity and are carried on the balance sheet at amortized cost. The effects of amortizing these securities are recorded in current earnings. Realized gains and losses are recorded in income in the period.

Accounts Receivable and Allowances

Trade accounts receivable are recorded at the invoiced amount and generally do not bear interest. The allowance for doubtful accounts is based on an estimated amount of probable credit losses in existing accounts receivable. The allowance is calculated based upon a combination of historical write-off experience, fixed percentages applied to aging categories and specific identification based upon a review of past due balances and problem accounts. The allowance is reviewed on at least a quarterly basis. Account balances are charged off against the allowance when it is determined that internal collection efforts should no longer be pursued. The Company also maintains a reserve for credit memos, cash discounts and product returns which are calculated based upon specific customer agreements, historical experience as well as known future trends.

Inventories

Inventories are stated at the lower of cost or market value. The cost of substantially all domestic inventories (approximately 84% of total net inventory value) is determined utilizing the last-in, first-out (LIFO) method of inventory accounting. The cost of foreign inventories and certain domestic inventories is determined utilizing average cost or first-in, first-out (FIFO) methods of inventory accounting.

Property, Plant, and Equipment

Property, plant, and equipment values are stated at cost less accumulated depreciation. Maintenance and repair expenditures are charged to expense when incurred. Property, plant and equipment placed in service prior to January 1, 1999 are depreciated over their estimated useful lives, principally using accelerated methods. Assets placed in service subsequent to January 1, 1999 are depreciated over their estimated useful lives, using straight-line methods. Leasehold improvements are amortized over the shorter of their economic lives or the lease term. Gains and losses arising on the disposal of property, plant and equipment are included in Operating Income in the Consolidated Statement of Income.

Capitalized Computer Software Costs

Qualifying costs of internally developed software are capitalized in accordance with Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". Capitalized costs include purchased materials and services and payroll and payroll related costs. General and administrative, overhead, maintenance and training costs, as well as the cost of software that does not add functionality to existing systems, are expensed as incurred. The cost of internally developed software is amortized on a straight-line basis over appropriate periods, generally five years. The net book value of internally developed software is included in Intangible assets and other in the Consolidated Balance Sheet.

In 2005 and 2004, the Company capitalized $20.5 million and $12.8 million of software costs, respectively, primarily in connection with the enterprise-wide business system initiative. In 2004, capitalized costs included $1.2 million of costs for which cash had not yet been expended.

Goodwill and Other Intangible Assets

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired companies. Indefinite-lived intangible assets and goodwill are subject to annual impairment testing using the specific guidance and criteria described in Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets". This testing compares carrying values to estimated fair values and when appropriate, the carrying value of these assets will be reduced to estimated fair value. Fair values were calculated using a range of estimated future operating results and primarily utilized a discounted cash flow model. In the second quarter of 2005, the Company performed its annual impairment testing of goodwill and indefinite-lived intangible assets. This testing resulted in fair values for each reporting unit exceeding the reporting unit's carrying value, including goodwill. Similarly, there were no impairments of indefinite-lived intangible assets. The Company's policy is to perform its annual impairment assessment in the second quarter of each year, unless circumstances dictate the need for more frequent assessments. Intangibles with definite lives are being amortized over periods ranging from 7-30 years.

Other Long-Lived Assets

The Company evaluates the potential impairment of other long-lived assets when appropriate in accordance with the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". If the carrying value of assets exceeds the sum of the estimated future undiscounted cash flows, the carrying value of the asset is written down to estimated fair value. The Company continually evaluates events and circumstances to determine if revisions to values or estimates of useful lives are warranted.

Income Taxes

The Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. The IRS and other tax authorities routinely review the Company's tax returns. These audits can involve complex issues which may require an extended period of time to resolve. The Company makes adequate provisions for best estimates of exposures on previously filed tax returns. Deferred income taxes are recognized for the tax consequence of differences between financial statement carrying amounts and the tax basis of assets and liabilities by applying the currently enacted statutory tax rates in accordance with SFAS No. 109, "Accounting for Income Taxes". The effect of a change in statutory tax rates is recognized in income in the period that includes the enactment date. SFAS No. 109 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company uses factors to assess the likelihood of realization of deferred tax assets such as the forecast of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets.

Research, Development & Engineering

Research, development and engineering expenditures represent costs to discover and/or apply new knowledge in developing a new product, process, or in bringing about a significant improvement to an existing product or process. Research, development and engineering expenses are recorded as a component of Cost of goods sold. Expenses for research, development and engineering were $6.5 million in 2005, $6.2 million in 2004 and $6.3 million in 2003.

Retirement Benefits

The Company maintains various defined benefit pension plans for its U.S. and foreign employees. These plans are accounted for in accordance with SFAS No. 87, "Employers' Accounting for Pensions". The Company's policy is to fund pension costs within the ranges prescribed by applicable regulations. In addition to providing defined benefit pension benefits, the Company provides health care and life insurance benefits for some of its active and retired employees. The Company's policy is to fund these benefits through insurance premiums or as actual expenditures are made. The Company accounts for these benefits in accordance with SFAS No. 106, "Accounting for Other Postretirement Benefits".

Earnings Per Share

Basic earnings per share is calculated as reported net income divided by the weighted average number of shares of common stock outstanding and diluted earnings per share is calculated as reported net income divided by the weighted average number of shares outstanding of common stock and common stock equivalents.

Stock-Based Employee Compensation

In 2005, the Company issued restricted stock awards, performance based stock awards and stock appreciation rights pursuant to the Hubbell Incorporated 2005 Incentive Award Plan. The restricted stock awards and stock appreciation rights vest annually over a three year period. The performance based stock awards vest after three years if the performance based criteria are achieved. Additional information with respect to these arrangements is included in Note 17 — Stock-Based Compensation. The Company did not issue any stock option awards in 2005.

In 2004 and 2003, the Company issued stock option awards under its stock option plan to certain employees. All options granted had an exercise price equal to the market value of the underlying common stock on date of grant. These option awards vest annually over a three year period and expire after ten years.

The Company accounts for employee stock options under the recognition and measurement principles prescribed by Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees," where compensation expense is measured as the excess, if any, of the quoted market price of the Company's stock at the measurement date over the exercise price.

Effective January 1, 2006, the Company adopted SFAS No. 123(R) which requires the Company to expense the value of stock options and similar awards.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" for stock options (in millions, except per share amounts):

	Year Ended December 31		
	2005	2004	2003
Net income, as reported	$ 165.1	$ 154.7	$ 115.1
Deduct: Total stock-based employee compensation expense determined under fair value based method, net of related tax effects	(6.2)	(5.7)	(4.8)
Pro forma net income	$ 158.9	$ 149.0	$ 110.3
Earnings per share:			
Basic — as reported	$ 2.71	$ 2.55	$ 1.93
Basic — pro forma	$ 2.60	$ 2.45	$ 1.85
Diluted — as reported	$ 2.67	$ 2.51	$ 1.91
Diluted — pro forma	$ 2.58	$ 2.43	$ 1.84

The following table summarizes the assumptions used in applying the Black-Scholes option pricing model in the above pro-forma disclosure:

	Dividend Yield	Expected Volatility	Risk Free Interest Rate	Expected Option Term	Weighted Avg. Grant Date Fair Value of 1 Option
2004	2.5%	23.5%	4.0%	7 Years	$ 11.31
2003	3.0%	23.9%	3.9%	7 Years	$ 9.60

Comprehensive Income

Comprehensive income is a measure of net income and all other changes in Shareholders' equity of the Company that result from recognized transactions and other events of the period other than transactions with shareholders. See also Note 19 — Accumulated Other Comprehensive Income (Loss) in the Notes to Consolidated Financial Statements.

Derivatives

To limit financial risk in the management of its assets, liabilities and debt, the Company may use derivative financial instruments such as: foreign currency hedges, commodity hedges, interest rate hedges and interest rate swaps. Any derivative financial instruments are matched with an existing Company asset, liability or proposed transaction. Market value gains or losses on the derivative financial instrument are recognized in income when the effects of the related price changes of the underlying asset or liability are recognized in income. Prior to the issuance in 2002 of $200 million, ten year non-callable notes, the Company entered into a forward interest rate lock to hedge its exposure to fluctuations in treasury rates, which resulted in a loss of approximately $1.3 million. This amount was recorded in Accumulated other comprehensive income within Shareholders' equity and is being amortized over the life of the notes.

During 2005, the Company entered into a series of forward exchange contracts to purchase U.S. dollars in order to hedge its exposure to fluctuating rates of exchange on anticipated inventory purchases. These contracts, each for $1 million expire ratably over the next six months through June 2006, have been designated as cash flow hedges in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"), as amended.

As of December 31, 2005 and 2004, the Company had cash flow hedge losses of $0.1 million and $0.7 million, respectively, representing unrealized losses on foreign currency hedges and $0.9 million and $1.0 million, respectively, of unamortized losses on a forward interest rate lock arrangement recorded in Accumulated other comprehensive income (loss). Losses charged to income in 2005 and 2004 were immaterial.

Recently Issued Accounting Standards

In December 2004, the FASB issued SFAS No. 123(R), which requires expensing of stock options and other share-based payments, and replaces FASB's earlier SFAS No. 123 and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." This standard will require the Company to measure the cost of employee services received in exchange for an award of equity instruments based on a grant-date fair value of the award (with limited exceptions), and that cost will be recognized over the vesting period. The Company adopted SFAS No. 123(R) on January 1, 2006 using the modified prospective transition method. The Company anticipates that the adoption of this standard will reduce net income by an amount consistent with the impact disclosed above under Stock-Based Employee Compensation within this Note 1.

In February 2006, the FASB issued FASB Staff Position No. FAS 123(R)-4, "Classification of Options and Similar Instruments Issued as Employee Compensation That Allow for Cash Settlement upon the Occurrence of a Contingent Event" ("FSP 123(R)-4"). FSP 123(R)-4 addresses the classification of options and similar instruments issued as employee compensation that allow for cash settlement upon the occurrence of a contingent event. FSP 123(R)-4 amends paragraphs 32 and A229 of SFAS 123(R) to specifically exclude cash settlement features that can be exercised only upon the occurrence of a contingent event that is outside the employee's control until it becomes probable that the event will occur. FSP 123 (R)-4 is effective upon initial adoption of SFAS 123(R) which for the Company is January 1, 2006. The Company has cash settlement features in certain of its employee compensation arrangements upon a change in control. Since the Company does not believe that a change in control is probable in 2006, FSP 123(R)-4 did not have an impact on results of operations, financial conditions or cash flows when adopted on January 1, 2006.

Note 2 — Special Charges

Special Charges — 2005

Special charges for the full year 2005 were $10.9 million including $0.7 million recorded in Cost of goods sold. Of the total amount recorded, $10.0 million was recorded in connection with the Company's ongoing lighting business integration and rationalization program and $0.9 million was recorded in connection with the closure of a wiring device factory in Puerto Rico. All of the charges relate to actions taken within the Electrical segment.

Lighting Business Integration and Rationalization Program

The Company's ongoing lighting business integration and rationalization program was initiated in 2002 following the Company's acquisition of LCA and relates to both the integration and rationalization of the Company's acquired and legacy lighting operations. All charges over the past three years related to the Program are a result of a series of actions related to the consolidation of manufacturing, sales, and administrative functions occurring throughout the commercial and industrial lighting businesses and the relocation of the manufacturing and assembly of commercial lighting fixture products to low cost countries.

The 2005 charges associated with the ongoing integration and reorganization of the lighting businesses primarily resulted from the following actions:

- Consolidation of an indoor, commercial products facility within the U.S.
- Transition of manufacturing of an indoor, commercial product line to a low cost country
- Outsourcing/relocation of commercial product lines to low cost countries
- Consolidation of administrative functions into South Carolina

Charges recorded in 2005 related to the Program consist of $5.7 million of severance and other employee benefit costs including a pension curtailment, $1.6 million for the write-down of equipment to fair market value, the write-off of leasehold improvements and inventory write-downs, and $2.7 million of other facility exit costs. A reduction of approximately 490 employees is expected as a result of projects initiated in 2005, of which approximately 250 employees had left the Company as of December 31, 2005. A portion of the severance costs were recorded based upon the affected employees' remaining service period following announcement of the programs. Asset write-downs primarily consisted of the write-down of the assets of the outdoor, commercial facility to fair market value and other equipment write-downs to record the equipment at estimated salvage value. In addition to the above, the Company recorded expenses related to facility exit costs including plant shutdown and facility remediation.

Closure of a Wiring Device Factory

In 2004, the Company announced the closure of a wiring device factory in Puerto Rico. In conjunction with the announcement, the Company recorded special charges of $7.2 million in 2004. Refer below to Special Charges — 2004.

The factory closed in the second quarter of 2005. Production activities were either outsourced or transferred to other existing facilities. In June 2005, the Company recorded an additional $0.9 million of pretax special charges consisting of $0.3 million of inventory write-downs and $0.6 million of facility related exit costs. Approximately 200 employees were impacted by this action, of which substantially all had left the Company as of December 31, 2005.

The following table sets forth the components of special charges recorded in 2005 (in millions):

	Accrued Balance at 12/31/04	2005 Provision	2005 Cash Expenditures	Non-cash Write-downs	Accrued Balance at 12/31/05
Lighting Business Integration and Rationalization Program:					
Inventory write-downs	$ —	$ 0.4	$ —	$ (0.4)	$ —
Asset impairments	—	1.2	—	(1.2)	—
Employee termination costs	1.3	5.7	(3.2)	—	3.8
Exit and integration costs	—	2.7	(2.7)	—	—
	1.3	10.0	(5.9)	(1.6)	3.8
Wiring Device Factory Closure:					
Inventory write-downs	—	0.3	—	(0.3)	—
Employee termination costs	1.7	—	(1.4)	—	0.3
Other facility exit costs	0.3	0.6	(0.9)	—	—
	2.0	0.9	(2.3)	(0.3)	0.3
Total	$ 3.3	$ 10.9	$ (8.2)	$ (1.9)	$ 4.1

Special Charges — 2004

Full year operating results in 2004 include pretax charges totaling $16.7 million, all within the Electrical segment. Of the total amount, $9.5 million was recorded in connection with the Company's lighting Program. The remaining $7.2 million was incurred in connection with the closure of a wiring device factory.

Lighting Integration — Special Charge

The 2004 charges associated with the ongoing integration and reorganization of the lighting businesses included the following:

- Consolidation of an outdoor, commercial products facility within the U.S.
- Transition of manufacturing of an indoor, commercial product line to a low cost country
- Outsourcing of a commercial product line to a low cost country
- Consolidation of administrative functions into South Carolina

Of the $9.5 million pretax charge, $1.3 million was recorded in Cost of goods sold as it related to product line inventory write-downs. The remaining $8.2 million of special charges related to severance ($3.3 million), asset write-downs ($2.1 million) and facility exit costs ($2.8 million). Severance costs are a direct result of the relocation of two manufacturing facilities, outsourcing of a manufacturing facility to a low cost country, as well as the relocation of one office providing administrative functions to South Carolina. Approximately 500 employees were affected by the actions approved in 2004, of which approximately 360 had left the Company as of December 31, 2004, with the remainder separated in 2005.

Closure of a Wiring Device Factory

In 2004, the Company recorded pretax charges in connection with the closure of a wiring device factory in Puerto Rico. The $7.2 million special charge included $4.9 million of asset impairments including write-offs of leasehold improvements, and write-downs of equipment to fair market value, which approximated salvage value due to the overall age and location of the equipment. Severance costs of $2.0 million were recorded. In addition, $0.3 million was recorded related to facility exit costs.

The following table sets forth the components of special charges recorded in 2004 (in millions):

	2004 Provision	2004 Cash Expenditures	2004 Non-cash Write-downs	Accrued Balance December 31, 2004
Lighting Business Integration Program:				
Employee termination costs	$ 3.3	$ (2.0)	$ —	$ 1.3
Exit and integration costs	2.8	(2.8)	—	—
Asset impairments	2.1	—	(2.1)	—
Inventory write-downs	1.3	—	(1.3)	—
	9.5	(4.8)	(3.4)	1.3
Wiring Device Factory Closure:				
Employee termination costs	2.0	(0.3)	—	1.7
Asset impairments	4.9	—	(4.9)	—
Other exit costs	0.3	—	—	0.3
	7.2	(0.3)	(4.9)	2.0
Total	$ 16.7	$ (5.1)	$ (8.3)	$ 3.3

Special Charges — 2003

Full year operating results in 2003 include pretax special charges of $8.1 million consisting entirely of actions approved under the lighting Program. In accordance with applicable accounting rules, $2.4 million of the total lighting integration charge was recorded in Cost of goods sold related to product line inventory write-downs. Lighting integration charges of $8.1 million recognized in 2003 related to the following actions:

• Discontinuance of entertainment lighting product offering

In the 2003 second quarter, the Company recorded a pretax charge of $4.6 million to discontinue its entertainment lighting product offering. The largest component of the charge was a non-cash provision of $1.8 million against inventory related to the product line of which a majority was scrapped by December 31, 2003. This portion of the cost was recorded in Cost of goods sold. The remaining $2.8 million of costs related to this action were recorded in Special charges, net, and are comprised of $1.5 million of contract cancellation costs, $1.0 million of asset impairments and $0.3 million of exit costs. Total cash expenditures in 2003 were $1.8 million. This program was complete as of December 31, 2003.

• Ongoing Facility Exit, Relocation and Integration Costs

Throughout 2003, approximately $5.9 million of costs were recognized in the Consolidated Statement of Income related to the lighting Program initiated in 2002. This amount is comprised of $5.3 million of expenses recorded in Special charges, net, and $0.6 million of inventory write-downs included in Cost of goods sold. These costs were not accrued when the actions were approved in 2002 primarily because the nature of the expense would provide a benefit to the ongoing lighting operations and, accordingly, were expensed only when incurred in accordance with accounting principles generally accepted in the United States of America. The amounts recorded as Special charges, net, primarily relate to facility exit and relocation expenses of $2.1 million, asset write-downs of $0.8 million, new employee hiring and training costs of $0.7 million, employee recruiting and relocation expenses of $0.7 million, business systems consolidation costs of $0.5 million and other costs of $0.5 million. Also in 2003, income of approximately $2.6 million was recorded as an offset to these special charges primarily related to recovery upon sale of the carrying value of assets sold in 2003 that were written-down in 2002. The income associated with fixed asset recoveries occurred in connection with the closure of the Martin, TN facility, which was disposed of by sale in the fourth quarter of 2003. Lastly, severance costs of $0.2 million were incurred in the fourth quarter of 2003 to rationalize the architectural outdoor product offering and reduce the workforce by 33 people or 4% of the total employment associated with this product line. All employees had left the Company by December 31, 2003.

The following table sets forth the components of the Program's costs recorded in 2003, as well as activity in Program costs accrued as of December 31, 2002:

	Accrual Balance December 31, 2002	2003 Provision	2003 Cash Expenditures	2003 Non-cash Write-downs	Accrued Balance December 31, 2003
Inventory write-downs	$ —	$ 2.4	$ —	$ (2.4)	$ —
Asset impairments	—	1.8	—	(1.8)	—
Exit and integration costs	0.7	6.3	(7.0)	—	—
Severance and other termination costs	3.1	0.2	(3.3)	—	—
Recovery/ Proceeds from asset sales	—	(2.6)	2.6	—	—
	$ 3.8	$ 8.1	$ (7.7)	$ (4.2)	$ —

Note 3 — Business Combinations

Acquisitions

In 2005, the Company acquired five businesses through separate transactions. Total cash expended in 2005 on these acquisitions, including fees and expenses and net of cash acquired and debt assumed, was $54.3 million. The Company had no acquisitions in 2004 or 2003.

A total of $23.9 million of purchase price including fees and expenses is attributable to the purchase of two businesses in the Industrial Technology segment; one which manufactures pressure switches for industrial markets and the other which manufactures contactors and switches used in the locomotive and industrial markets.

A total of $11.8 million of purchase price including fees and expenses is attributable to the purchase of a harsh and hazardous lighting company located in the UK, which has been added to the Electrical segment.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

A total of $18.6 million of purchase price including fees and expenses and net of cash acquired and debt assumed is attributable to the purchase of two businesses in the Power segment; a civil anchor business and a Brazilian manufacturer of surge arresters, cutouts and other products serving the utility industry.

The following summarizes the results of the purchase accounting for the five acquisitions completed in 2005 (in millions):

Total purchase price including fees and expenses, net of cash acquired	$ 54.3
Fair value allocated to other net assets acquired	12.4
Amounts allocated to intangible assets	13.2
Amounts allocated to goodwill	28.7

Intangible assets identified consist primarily of tradenames and customer lists. The tradenames are being amortized over a period of 30 years. The customer lists and other intangibles are generally amortized over periods ranging from 7-15 years. The valuation and allocation of the purchase price for the four acquisitions that occurred in the third quarter of 2005 are substantially complete, however, these amounts may be subject to adjustment in subsequent quarters. Goodwill recorded in connection with the purchase accounting of these acquisitions is expected to be deductible for tax purposes. The acquisitions have been included in the Company's consolidated financial statements from the respective dates of acquisition.

Note 4 — Receivables and Allowances

Receivables consist of the following components at December 31, (in millions):

	2005	2004
Trade accounts receivable	$ 322.6	$ 304.7
Other accounts receivable	9.3	7.6
Accounts receivable, gross	331.9	312.3
Allowance for credit memos, returns, and cash discounts	(17.3)	(17.7)
Allowance for doubtful accounts	(4.2)	(6.1)
Total allowances	(21.5)	(23.8)
Accounts receivable, net	$ 310.4	$ 288.5

Note 5 — Inventories

Inventories are classified as follows at December 31, (in millions):

	2005	2004
Raw material	$ 83.0	$ 77.9
Work in-process	53.6	55.0
Finished goods	151.6	130.9
	288.2	263.8
Excess of FIFO costs over LIFO cost basis	(51.1)	(47.7)
Total	$ 237.1	$ 216.1

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Note 6 — Goodwill and Other Intangible Assets

Changes in the carrying amounts of goodwill for the years ended December 31, 2005 and 2004, by segment, were as follows (in millions):

	Electrical	Power	Industrial Technology	Total
Balance December 31, 2003	$ 168.4	$ 112.7	$ 41.6	$ 322.7
Translation adjustments	3.9	—	—	3.9
Balance December 31, 2004	172.3	112.7	41.6	326.6
Additions as a result of acquisitions	7.6	9.2	11.9	28.7
Translation adjustments	(4.0)	0.2	—	(3.8)
Balance December 31, 2005	$ 175.9	$ 122.1	$ 53.5	$ 351.5

In 2005, the Company recorded additions to goodwill in connection with the purchase accounting for acquisitions. See Note 3 — Business Combinations.

Identifiable intangible assets are recorded in Intangible assets and other in the Consolidated Balance Sheet. At December 31, 2005 and 2004, indefinite-lived intangible assets not subject to amortization were $21.5 million. Intangibles with definite lives that are being amortized were $23.0 million, net of $4.3 million of accumulated amortization at December 31, 2005 and $10.7 million, net of $3.0 million of accumulated amortization at December 31, 2004. Indefinite lived intangible assets primarily represent tradenames, while definite-lived intangible assets primarily represent trademarks, patents and customer lists. Amortization expense in 2005 and 2004 was $1.7 million and $1.0 million, respectively. Amortization expense is expected to be $2.2 million per year over the next three years and $1.9 million for the two years thereafter.

Note 7 — Investments

Available-for-sale investments primarily consist of auction rate securities, U.S. Treasury Notes, and municipal, corporate, and asset-backed bonds. These investments are stated at fair market value based on current quotes. Held-to-maturity investments consist of Commonwealth of Puerto Rico bonds which are stated at amortized cost. There were no securities during 2005 and 2004 that were classified as trading investments.

The following table sets forth selected data with respect to the Company's investments at December 31, (in millions):

	2005					2004				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Carrying Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Carrying Value
Available-For-Sale Investments										
US Treasury Notes & Municipal, Corporate and Asset-Backed Bonds	$ 179.4	$ —	$ (0.6)	$ 178.8	$ 178.8	$ 243.0	$ —	$ (0.2)	$ 242.8	$ 242.8
Held-To-Maturity Investments										
US Treasury Notes & Municipal, Corporate and Asset-Backed Bonds	$ 21.3	$ 0.1	$ —	$ 21.4	$ 21.3	$ 38.5	$ 1.0	$ —	$ 39.5	$ 38.5
Total Investments	$ 200.7	$ 0.1	$ (0.6)	$ 200.2	$ 200.1	$ 281.5	$ 1.0	$ (0.2)	$ 282.3	$ 281.3

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Contractual maturities of investments in debt securities, available-for-sale and held-to-maturity at December 31, 2005 were as follows (in millions):

	Amortized Cost	Fair Value
Available-For-Sale Investments		
Due within 1 year	$ 10.9	$ 10.8
After 1 year but within 5 years	64.5	64.0
After 5 years but within 10 years	0.9	0.9
Due after 10 years	103.1	103.1
Total	$ 179.4	$ 178.8
Held-To-Maturity Investments		
Due within 1 year	$ 21.3	$ 21.4

Included in the available-for-sale amounts above are auction rate securities of $100.0 million and $198.4 million as of December 31, 2005 and 2004, respectively. These securities are reset to current interest rates periodically, typically every 28, 35 and 49 days. The 2005 amounts have been classified as having maturities beyond ten years in the table above.

The change in net unrealized holding gain or loss on available-for-sale securities that has been included in Accumulated other comprehensive income (loss), net of tax, was a loss of $0.3 million, $0.3 million, and $0.2 million in 2005, 2004 and 2003, respectively. The cost basis used in computing the gain or loss on these securities was through specific identification. Realized gains and losses were immaterial in 2005, 2004 and 2003.

Note 8 — Property, Plant, and Equipment

Property, plant, and equipment, carried at cost, is summarized as follows at December 31, (in millions):

	2005	2004
Land	$ 23.5	$ 24.9
Buildings and improvements	159.5	156.4
Machinery, tools and equipment	514.0	526.3
Construction-in-progress	24.0	10.2
Gross property, plant, and equipment	721.0	717.8
Less accumulated depreciation	(453.2)	(456.0)
Net property, plant, and equipment	$ 267.8	$ 261.8

Depreciable lives on buildings range between 20-40 years. Depreciable lives on machinery, tools, and equipment range between 3-20 years. The Company recorded depreciation expense of $42.7 million, $45.1 million and $48.8 million for 2005, 2004 and 2003, respectively.

In the fourth quarter of 2005, the Company sold a factory/office building within the Electrical segment and entered into a sale-leaseback transaction for a term of five years for a portion of the facility. In connection with the sale of the building, the Company recorded cash proceeds of $11.6 million and recorded a $1.3 million receivable for additional cash proceeds to be received in the first quarter of 2006. The sales transaction resulted in a gain of $7.9 million of which $4.9 million was recognized as a reduction of Selling & administrative expenses in 2005 and $3.0 million has been deferred and will be recognized as a reduction of rent expense over the five year lease term.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note 9 — Other Accrued Liabilities

Other Accrued Liabilities consists of the following at December 31, (in millions):

	2005	2004
Insurance accruals	$ 38.2	$ 32.5
Customer program incentives	21.2	21.3
Other	30.4	32.1
Total	$ 89.8	$ 85.9

Note 10 — Other Non-Current Liabilities

Other Non-Current Liabilities consists of the following at December 31, (in millions):

	2005	2004
Pensions	$ 38.6	$ 22.6
Other post-retirement benefits	32.0	31.6
Deferred tax liabilities	19.6	19.0
Other	19.0	16.5
Total	$ 109.2	$ 89.7

Note 11 — Retirement Benefits

The Company has a number of funded and unfunded non-contributory U.S. and foreign defined benefit pension plans. Benefits under these plans are generally provided based on either years of service and final average pay or a specified dollar amount per year of service. The Company also maintains a number of defined contribution plans.

Effective January 1, 2004 the defined benefit pension plan for U.S. salaried and non-collectively bargained hourly employees was closed to employees hired on or after January 1, 2004. Effective January 1, 2006 the defined benefit pension plan for the Hubbell Canada salaried employees was closed to existing employees who did not meet certain age and service requirements as well as all new employees hired on or after January 1, 2006. These U.S. and Canadian employees are eligible instead for defined contribution plans.

The Company also has health care and life insurance benefit plans covering eligible employees who reached retirement age while working for the Company. These benefits were discontinued in 1991 for substantially all future retirees, with the exception of Anderson Electrical Products which discontinued its plan for future retirees in 2004 and A.B. Chance Company which still maintains a limited retiree medical plan for its union employees. The plans anticipate future cost-sharing changes that are consistent with the Company's past practices.

None of the acquisitions in 2005 impacted defined benefit pension or other benefit assets or liabilities.

The Company uses a December 31 measurement date for all of its plans. Amendments made during 2005 to the Company's defined benefit plans decreased the total pension benefit obligation by $1.4 million. No amendments made in 2004 to the defined benefit pension plans had a significant impact on the total pension benefit obligation.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table sets forth the reconciliation of beginning and ending balances of the benefit obligations and the plan assets for the Company's defined benefit pension and other benefit plans at December 31, (in millions):

	Pension Benefits		Other Benefits	
	2005	2004	2005	2004
Change in benefit obligation				
Benefit obligation at beginning of year	$ 512.4	$ 460.6	$ 40.3	$ 45.9
Service cost	16.1	13.9	0.8	0.4
Interest cost	29.1	27.9	2.1	2.6
Plan participants' contributions	0.6	0.6	—	—
Amendments	(1.4)	—	—	(2.6)
Curtailment loss (gain)	3.1	—	—	—
Actuarial loss (gain)	44.8	31.8	1.0	(2.9)
Benefits paid	(24.3)	(22.4)	(2.9)	(3.1)
Benefit obligation at end of year	$ 580.4	$ 512.4	$ 41.3	$ 40.3
Change in plan assets				
Fair value of plan assets at beginning of year	$ 426.6	$ 365.5	$ —	$ —
Actual return on plan assets	44.4	48.5	—	—
Employer contributions	34.6	34.4	—	—
Plan participants' contributions	0.6	0.6	—	—
Benefits paid	(24.3)	(22.4)	—	—
Fair value of plan assets at end of year	$ 481.9	$ 426.6	$ —	$ —
Funded status	$ (98.5)	$ (85.8)	$ (41.3)	$ (40.3)
Unrecognized net actuarial (gain) loss	99.7	68.0	11.6	11.2
Unrecognized prior service cost	1.7	3.4	(2.3)	(2.5)
Prepaid (accrued) benefit cost	$ 2.9	$ (14.4)	$ (32.0)	$ (31.6)
Amounts recognized in the consolidated balance sheet consist of:				
Prepaid pensions	$ 34.8	$ 5.3	$ —	$ —
Accrued benefit liability (short-term and long-term)	(39.0)	(22.6)	(32.0)	(31.6)
Intangible asset	0.6	—	—	—
Accumulated other comprehensive income (loss), pretax	6.5	2.9	—	—
Net amount recognized	$ 2.9	$ (14.4)	$ (32.0)	$ (31.6)

The accumulated benefit obligation for all defined benefit pension plans was $515.4 million and $457.6 million at December 31, 2005 and 2004, respectively. Information with respect to plans with accumulated benefit obligations in excess of plan assets is as follows (in millions):

	2005	2004
Projected benefit obligation	$ 65.0	$ 337.8
Accumulated benefit obligation	$ 56.1	$ 295.3
Fair value of plan assets	$ 8.7	$ 248.0

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In accordance with SFAS No. 87, "Employers' Accounting for Pensions", additional liabilities to recognize the required minimum liability were as follows (in millions):

	2005	2004
Minimum liability included in Accumulated other comprehensive income (loss):		
Increase (decrease) in minimum liability included in other comprehensive income	$ 3.6	$ (3.6)

The following table sets forth the components of pension and other benefits cost for the years ended December 31, (in millions):

	Pension Benefits			Other Benefits		
	2005	2004	2003	2005	2004	2003
Components of net periodic benefit cost						
Service cost	$ 16.1	$ 13.9	$ 12.9	$ 0.8	$ 0.4	$ 0.4
Interest cost	29.1	27.9	26.7	2.1	2.6	2.5
Expected return on plan assets	(33.9)	(28.7)	(23.8)	—	—	—
Amortization of prior service cost	0.4	0.5	0.2	—	—	—
Amortization of actuarial losses	2.3	1.1	2.7	0.3	0.6	0.3
Curtailment losses	3.1	—	—	—	—	—
Net periodic benefit cost	$ 17.1	$ 14.7	$ 18.7	$ 3.2	$ 3.6	$ 3.2

In addition to the above, certain of the Company's union employees participate in multi-employer defined benefit plans. The total Company cost of these plans was $0.5 million in 2005, $0.6 million in 2004 and $0.5 million in 2003.

The Company also maintains four defined contribution pension plans (excluding an employer match for the 401(k) plan). The total cost of these plans was $3.6 million in 2005, $2.9 million in 2004 and $2.5 million in 2003. This cost is not included in the above net periodic benefit cost for the defined benefit pension plans.

Assumptions

The following assumptions were used to determine the projected benefit obligations at the measurement date and the net periodic benefit cost for the year:

	Pension Benefits			Other Benefits		
	2005	2004	2003	2005	2004	2003
Weighted-average assumptions used to determine benefit obligations at December 31						
Discount rate	5.45%	5.75%	6.25%	5.50%	5.75%	6.25%
Rate of compensation increase	4.25%	4.25%	4.25%	N/A	N/A	N/A
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31						
Discount rate	5.75%	6.25%	6.75%	5.75%	6.25%	6.75%
Expected return on plan assets	8.00%	8.25%	8.50%	N/A	N/A	N/A
Rate of compensation increase	4.25%	4.25%	4.25%	N/A	N/A	N/A

At the beginning of each calendar year the Company determines the appropriate expected return on assets for each plan based upon its strategic asset allocation (see discussion below). In making this determination, the Company utilizes expected returns for each asset class based upon current market conditions and expected risk premiums for each asset class.

The assumed health care cost trend rates used to determine the projected postretirement benefit obligation are as follows:

	Other Benefits		
	2005	2004	2003
Assumed health care cost trend rates at December 31			
Health care cost trend assumed for next year	9.0%	9.0%	9.0%
Rate to which the cost trend is assumed to decline	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate trend rate	2015	2014	2013

Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement benefit plans. A one-percentage-point rate change in assumed health care cost trend rates would have the following effects (in millions):

	One Percentage Point Increase	One Percentage Point Decrease
Effect on total of service and interest cost	$ 0.2	$ (0.2)
Effect on postretirement benefit obligation	$ 3.5	$ (2.9)

In December 2003, President Bush signed into law the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("the Act"). The Act expanded Medicare to include coverage for prescription drugs. This legislation resulted in a reduction of $2.6 million in the Company's benefit obligation as of December 31, 2005 and will result in a pretax benefit of approximately $0.2 million in 2006.

Plan Assets

The Company's combined domestic and foreign pension plan weighted average asset allocation at December 31, 2005 and 2004, by asset category are as follows:

	Target Allocation	Percentage of Plan Assets	
	2006	2005	2004
Asset Category			
Equity Securities	65%	72%	71%
Debt Securities & Cash	35%	26%	27%
Other	—	2%	2%
Total	100%	100%	100%

The Company has a written investment policy and asset allocation guidelines for its domestic and foreign pension plans. In establishing these policies, the Company has considered that its various pension plans are a major retirement vehicle for most plan participants and has acted to discharge its fiduciary responsibilities with regard to the plans solely in the interest of such participants and their beneficiaries. The goal underlying the establishment of the investment policies is to provide that pension assets shall be invested in a prudent manner and so that, together with the expected contributions to the plans, the funds will be sufficient to meet the obligations of the plans as they become due. To achieve this result, the Company conducts a periodic strategic asset allocation study to form a basis for the allocation of pension assets between various asset categories. Specific policy benchmark percentages are assigned to each asset category with minimum and maximum ranges established for each. The assets are then tactically managed within these ranges. At no time may derivatives be utilized to leverage the asset portfolio.

Equity securities include Company common stock in the amounts of $14.8 million (3% of total plan assets) and $17.2 million (4% of total plan assets) at December 31, 2005 and 2004, respectively.

The Company's other postretirement benefits are unfunded. Therefore, no asset information is reported.

Cash Flows

Contributions

The Company expects to contribute between $15-$20 million to its domestic, defined benefit pension plans and $5-$7 million to its foreign plans in 2006.

Estimated Future Benefit Payments

The following domestic and foreign benefit payments, which reflect future service, as appropriate, are expected to be paid (in millions):

		Other Benefits		
	Pension Benefits	Gross	Medicare Part D Subsidy	Net
2006	$ 24.6	$ 3.1	$0.2	$ 2.9
2007	$ 26.1	$ 3.1	$0.2	$ 2.9
2008	$ 27.2	$ 3.2	$0.2	$ 3.0
2009	$ 28.5	$ 3.2	$0.2	$ 3.0
2010	$ 29.7	$ 3.3	$0.2	$ 3.1
2011-2015	$170.6	$16.2	$1.1	$15.1

Note 12 — Debt

The following table sets forth the components of the Company's debt structure at December 31, (in millions):

	2005			2004		
	Short-Term Borrowings	Senior Notes (Current and Long-Term)	Total	Short-Term Borrowings	Senior Notes (Current and Long-Term)	Total
Balance at year end	$ 29.6	$ 199.2	$ 228.8	$ —	$ 299.0	$ 299.0
Highest aggregate month-end balance			$ 307.3			$ 299.0
Average borrowings	$ 13.7	$ 274.1	$ 287.8	$ —	$ 298.9	$ 298.9
Weighted average interest rate:						
At year end	4.85%	6.38%	6.18%	N/A	6.48%	6.48%
Paid during the year	4.38%	6.46%	6.36%	N/A	6.48%	6.48%

At December 31, 2005 and 2004, the Company had $29.6 million and $99.9 million, respectively, of debt reflected as Short-term and current portion of long-term debt in the Consolidated Balance Sheet. The 2005 short-term debt consisted of a $7.5 million money market loan, $22.0 million of borrowings against the Company's credit facility, and $0.1 million of other borrowings. The 2004 short-term debt consisted of $99.9 million of senior notes. At December 31, 2005 and 2004, the Company had $199.2 million and $199.1 million, respectively, of senior notes reflected as Long-Term Debt in the Consolidated Balance Sheet.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During 2005, the Company through its wholly owned subsidiary in the United Kingdom, entered into a 5.0 million pounds sterling revolving credit agreement with Barclay's Bank PLC ($8.8 million U.S. equivalent at December 31, 2005) in connection with the acquisition of certain assets of a lighting company in the U.K. At December 31, 2005, the unused portion of this credit agreement was 750,000 pounds sterling ($1.3 million U.S.). The interest rate applicable to borrowings under the credit agreement is a surcharge over LIBOR. The expiration date of the amended credit agreement is July 8, 2006. There are no annual commitment fees associated with this credit agreement.

Interest and fees paid related to total indebtedness totaled $19.4 million for 2005, $20.5 million in 2004, and $20.4 million in 2003. During 2005, the Company amended and restated its domestic bank credit agreement to admit a wholly-owned foreign subsidiary as a borrower. This amendment and restatement was required in order for the Company to repatriate foreign earnings at a reduced tax rate under the American Jobs Creation Act of 2004. This repatriation was accomplished by borrowing $22.0 million, via the credit agreement, and through cash held outside the U.S. At December 31, 2005 and through the date of filing this Form 10-K, the Company had domestic unused bank credit commitments of $178 million. Total domestic bank credit commitments, used and unused, was $200.0 million. The expiration date of the amended credit agreement is October 20, 2009. The interest rate applicable to borrowings under the credit agreement is either the prime rate or a surcharge over LIBOR. Annual commitment fee requirements to support availability of the Company's credit agreement at December 31, 2005, totaled approximately $160,000. Our credit facility includes covenants that shareholders' equity will be greater than $675.0 million and total debt will not exceed 55% of total capitalization (defined as total debt plus total shareholders' equity). We were in compliance with all debt covenants at December 31, 2005 and 2004.

In October 1995, the Company issued ten year, non-callable notes due in 2005 at face value of $100 million and a fixed interest rate of 6.625%. These notes were fully repaid in October 2005 using a combination of cash and commercial paper borrowings. In May 2002, the Company issued ten year, non-callable notes due in 2012 at face value of $200 million and a fixed interest rate of 6.375%. These notes are fixed rate indebtedness, are not callable and are only subject to accelerated payment prior to maturity if we fail to meet certain non-financial covenants, all of which were met at December 31, 2005 and 2004. The most restrictive of these covenants limits our ability to enter into mortgages and sale-leasebacks of property having a net book value in excess of $5 million without the approval of the Note holders.

Note 13 — Income Taxes

The following table sets forth selected data with respect to the Company's income tax provisions for the years ended December 31, (in millions):

	2005	2004	2003
Income before income taxes:			
United States	$ 178.8	$ 169.6	$ 134.3
International	36.9	27.7	21.2
Total	$ 215.7	$ 197.3	$ 155.5
Provision for income taxes-current:			
Federal	$ 29.5	$ 19.7	$ 16.7
State	5.1	2.7	2.0
International	9.6	3.1	9.3
Total provision-current	44.2	25.5	28.0
Provision for income taxes-deferred:			
Federal	8.7	14.1	12.3
State	0.5	1.2	1.1
International	(2.8)	1.8	(1.0)
Total provision-deferred	6.4	17.1	12.4
Total provision for income taxes	$ 50.6	$ 42.6	$ 40.4

Deferred tax assets and liabilities result from differences in the basis of assets and liabilities for tax and financial statement purposes. Management determined that a valuation allowance in the amount of $0.6 million was required at December 31, 2005 and $4.7 million at December 31, 2004 for the tax operating loss carryforward benefits associated with (or related to) certain international locations because it is more likely than not that some or all of the deferred tax asset would not be utilized in the future.

The components of the deferred tax asset/(liability) at December 31, were as follows (in millions):

	2005	2004
Current tax assets/(liabilities):		
Inventory	$ 5.3	$ 3.9
LIFO inventory of acquired businesses	(9.3)	(10.4)
Income tax credits	5.3	3.4
Accrued liabilities	20.1	28.2
Miscellaneous other	0.8	1.5
Total current tax asset (included in Deferred taxes and other)	22.2	26.6
Non-current tax assets/(liabilities):		
Property, plant, and equipment	(44.8)	(47.1)
Pensions	5.3	7.9
Foreign operating loss carryforwards	3.5	4.7
Postretirement and post-employment benefits	12.1	11.8
Miscellaneous other	4.9	8.4
Total non-current tax liabilities (included in Other Non-Current Liabilities)	(19.0)	(14.3)
Valuation allowance	(0.6)	(4.7)
Net deferred tax asset	$ 2.6	$ 7.6

At December 31, 2005, income and withholding taxes have not been provided on approximately $67.2 million of undistributed international earnings that are permanently reinvested in international operations. If such earnings were not indefinitely reinvested, a tax liability of approximately $4.9 million would be recognized. Code Section 965(a), as added by the American Jobs Creation Act of 2004, allows for a reduced tax rate on the repatriation of dividends from controlled foreign corporations. The Company repatriated $35.0 million in 2005 under the provisions of this Act, which resulted in $1.9 million of current federal tax expense.

Cash payments of income taxes were $41.7 million in 2005, $31.1 million in 2004 and $23.4 million in 2003.

The consolidated effective income tax rate varied from the United States federal statutory income tax rate for the years ended December 31, as follows:

	2005	2004	2003
Federal statutory income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	1.7	1.3	1.3
Foreign income taxes	(1.6)	(1.3)	0.5
Non-taxable income from Puerto Rico operations	(4.4)	(7.1)	(9.3)
IRS audit settlement	(5.1)	(3.8)	—
R & D credit refund claim	—	(1.5)	—
Other, net	(2.1)	(1.0)	(1.5)
Consolidated effective income tax rate	23.5%	21.6%	26.0%

The 2005 consolidated effective income tax rate reflected the impact of tax benefits of $10.8 million recorded in connection with the completion of an IRS examination of the Company’s 2002 and 2003 tax returns. The 2004 consolidated effective income tax rate reflected the impact of tax benefits of $10.2 million recorded in connection with the closing of an IRS examination of the Company's tax returns through 2001, which included refund claims for the years 1995 through 2000 related to research and development activities during these years.

Note 14 — Financial Instruments

Concentrations of Credit Risk: Financial instruments which potentially subject the Company to concentrations of credit risk consist of trade receivables, cash and cash equivalents and short-term investments. The Company grants credit terms in the normal course of business to its customers. Due to the diversity of its product lines, the Company has an extensive customer base including electrical distributors and wholesalers, electric utilities, equipment manufacturers, electrical contractors, telephone operating companies and retail and hardware outlets. No single customer accounted for more than 10% of total sales in any year during the three years ended December 31, 2005. However, the Company's top 10 customers accounted for approximately 29% of the accounts receivable balance at December 31, 2005. As part of its ongoing procedures, the Company monitors the credit worthiness of its customers. Bad debt write-offs have historically been minimal. The Company places its cash and cash equivalents with financial institutions and limits the amount of exposure to any one institution.

Fair Value: The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, short-term investments, receivables, bank borrowings, accounts payable and accruals approximate their fair values given the immediate or short-term nature of these items (see also Note 7 — Investments).

The fair value of the senior notes classified as long-term debt and current portion of long-term debt was determined by reference to quoted market prices of securities with similar characteristics and approximated $215.1 million and $325.5 million at December 31, 2005 and 2004, respectively.

Note 15 — Commitments and Contingencies

Environmental and Legal

The Company is subject to environmental laws and regulations which may require that it investigate and remediate the effects of potential contamination associated with past and present operations. The Company is also subject to various legal proceedings and claims, including those relating to workers' compensation, product liability and environmental matters, including, for each, past production of product containing toxic substances, which have arisen in the normal course of its operations. Estimates of future liability with respect to such matters are based on an evaluation of currently available facts. Liabilities are recorded when it is probable that costs will be incurred and can be reasonably estimated. Given the nature of matters involved, it is possible that liabilities will be incurred in excess of amounts currently recorded. However, based upon available information, including the Company's past experience, and reserves, management believes that the ultimate liability with respect to these matters will not have a material affect on the consolidated financial position, results of operations or cash flows of the Company.

In the fourth quarter of 2005, the Company adopted the provision of FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations", ("FIN 47"). FIN 47 clarifies the term "conditional asset retirement obligation" as used in SFAS No. 143, "Accounting for Asset Retirement Obligations" to refer to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the Company. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The Company's adoption of FIN 47 resulted in recording a liability of $0.7 million for certain legal obligations pertaining to environmental matters which were estimatable. The liability recorded was charged directly to income and was not reflected as a cumulative effect adjustment due to the amount not being material. In addition to the amount recorded, the Company identified other legal obligations related to environmental clean up for which a settlement date could not be determined. Management does not believe these items were material to the Company's results of operations, financial position or cash flows as of December 31, 2005. This interpretation would not have a material impact on results of operations, financial position or cash flows had it been applied to all periods presented. The Company will continue to monitor and revalue its liability as necessary.

Leases

Total rental expense under operating leases was $16.6 million in 2005, $15.8 million in 2004 and $16.3 million in 2003. The minimum annual rentals on non-cancelable, long-term, operating leases in effect at December 31, 2005 are expected to approximate $8.8 million in 2006, $6.8 million in 2007, $4.3 million in 2008, $2.7 million in 2009, $2.4 million in 2010 and $15.8 million thereafter. The Company accounts for its leases in accordance with SFAS No. 13, "Accounting for Leases". The Company's leases consist of operating leases primarily for buildings or equipment. The term for building leases typically range from 5-25 years with 5-10 year renewal periods.

Note 16 — Capital Stock

Activity in the Company's common shares outstanding is set forth below for the three years ended December 31, 2005 (in thousands, except per share amounts):

	Common Stock	
	Class A	Class B
Outstanding at December 31, 2002	9,672	49,570
Exercise of stock options	—	1,660
Acquisition of shares	(182)	(441)
Outstanding at December 31, 2003	9,490	50,789
Exercise of stock options	—	1,192
Acquisition of shares	(139)	(117)
Outstanding at December 31, 2004	9,351	51,864
Exercise of stock options	—	1,306
Shares issued under compensation arrangements	—	8
Non-vested shares issued under compensation arrangements	—	130
Acquisition of shares	(223)	(1,345)
Outstanding at December 31, 2005	9,128	51,963

Repurchased shares are retired when acquired and the purchase price is charged against par value and additional paid-in capital. Shares may be repurchased through the Company's stock repurchase program or acquired by the Company from employees under the stock option plan. Voting rights per share: Class A Common — twenty; Class B Common — one. In addition, the Company has 5.9 million authorized shares of preferred stock; no preferred shares are outstanding.

The Company has a Stockholder Rights Agreement under which holders of Class A Common Stock have Class A Rights and holders of Class B Common Stock have Class B Rights. These Rights become exercisable after a specified period of time only if a person or group of affiliated persons acquires beneficial ownership of 20 percent or more of the outstanding Class A Common Stock of the Company or announces or commences a tender or exchange offer that would result in the offeror acquiring beneficial ownership of 20 percent or more of the outstanding Class A Common Stock of the Company. Each Class A Right entitles the holder to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock ("Series A Preferred Stock"), without par value, at a price of $175.00 per one one-thousandth of a share. Similarly, each Class B Right entitles the holder to purchase one one-thousandth of a share of Series B Junior Participating Preferred Stock ("Series B Preferred Stock"), without par value, at a price of $175.00 per one one-thousandth of a share. The Rights may be redeemed by the Company for one cent per Right prior to the day a person or group of affiliated persons acquires 20 percent or more of the outstanding Class A Common Stock of the Company. The Rights expire on December 31, 2008, unless earlier redeemed by the Company.

Shares of Series A Preferred Stock or Series B Preferred Stock purchasable upon exercise of the Rights will not be redeemable. Each share of Series A Preferred Stock or Series B Preferred Stock will be entitled, when, as and if declared, to a minimum preferential quarterly dividend payment of $10.00 per share but will be entitled to an aggregate dividend of 1,000 times the dividend declared per share of Common Stock. In the event of liquidation, the holders of the Series A Preferred Stock or Series B Preferred Stock will be entitled to a minimum preferential liquidation payment of $100 per share (plus any accrued but unpaid dividends) but will be entitled to an aggregate payment of 1,000 times the payment made per share of Class A Common Stock or Class B Common Stock, respectively. Each share of Series A Preferred Stock will have 20,000 votes and each share of Series B Preferred Stock will have 1,000 votes, voting together with the Common Stock. Finally, in the event of any merger, consolidation, transfer of assets or earning power or other transaction in which shares of Common Stock are converted or exchanged, each share of Series A Preferred Stock or Series B Preferred Stock will be entitled to receive 1,000 times the amount received per share of Common Stock. These rights are protected by customary antidilution provisions.

Upon the occurrence of certain events or transactions specified in the Rights Agreement, each holder of a Right will have the right to receive, upon exercise, that number of shares of the Company's common stock or the acquiring company's shares having a market value equal to twice the exercise price.

Shares of the Company's common stock were reserved at December 31, 2005 as follows (in thousands):

	Common Stock		
	Class A	Class B	Preferred Stock
Exercise of outstanding stock options	—	5,942	—
Future grant of stock-based compensation	—	5,144	—
Exercise of stock purchase rights	—	—	61
Shares reserved under other equity compensation plans	2	300	—
Total	2	11,386	61

Note 17 — Stock-Based Compensation

In 2005 the Company awarded restricted stock, stock appreciation rights ("SARs") and performance shares on shares of the Company's Class B Common Stock to certain executive employees and other key employees pursuant to the Hubbell Incorporated 2005 Incentive Award Plan. In 2005, the Company did not grant any stock option awards. The Company granted stock option awards in 2004 and 2003. Each of the compensation arrangements are discussed below.

Restricted Stock

The restricted stock is not transferable and is subject to forfeiture in the event of the recipient's termination of employment prior to vesting. A recipient will vest (with certain exceptions) in the restricted stock in one-third increments on each anniversary of the date of grant. In 2005 the Company granted a total of

130,376 shares of restricted stock and recorded stock-based compensation expense of $0.3 million with respect to these shares.

Stock Appreciation Rights

The SARs entitle the recipient to the difference between the fair market value of the Company's Class B Common Stock on the date of exercise and the grant price as determined on the grant date, payable in shares of Class B Common Stock. One-third of the SARs vest and become exercisable each year on the anniversary of the grant date and expire ten years after the grant date. In 2005 the Company granted 504,239 SARs at a grant price of $49.76. No stock-based employee compensation cost was recorded in income in 2005 as the grant price of the SARs was higher than the market price at December 31, 2005.

Performance Shares

The performance shares vest and become deliverable based upon satisfaction of performance criteria established by the Company's Compensation Committee. The criteria are based upon the Company's cumulative growth in earnings per share compared to a peer group of the Standard & Poor's Electrical Equipment Index over a three-year period. Performance at target will result in vesting and issuance of the performance shares. Performance below or above target can result in payment in the range of 0%-250% of the number of shares granted. Performance shares are issued on the third anniversary of grant assuming the performance measures have been met. In 2005, the Company granted 35,178 performance based shares and recorded an immaterial amount of stock-based employee compensation cost.

Stock Issued to Non-employee Directors

In 2005, the compensation program for non-employee directors was changed to include an annual grant of 350 shares of Class B Common Stock of the Company. Each non-employee director received a grant of 350 shares in December 2005 at a grant price of $49.29 for services during 2005. The shares received were not subject to any restrictions on transfer and were fully vested at grant date. Commencing in 2006, each non-employee director who is re-elected, or first elected to the Board will receive a grant of 350 shares of Class B Common Stock each year on the date of the annual meeting of shareholders, which shares will be subject to forfeiture if the director's service terminates prior to the date of the next regularly scheduled annual meeting of shareholders to be held in the following calendar year. These shares will be granted in accordance with the provisions of the 2005 Incentive Award Plan.

Stock Option Awards

The Company has granted options to officers and other key employees to purchase the Company's Class B Common Stock at 100% of market prices on the date of grant with a ten year term and, generally, a three year vesting period. The Company accounts for these options under the recognition and measurement principles of APB 25. No stock-based employee compensation cost has been reflected in net income as all options granted had an exercise price equal to the market value of the underlying common stock on the date of grant.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Stock option activity for the three years ended December 31, 2005 is set forth below (in thousands):

	Number of Shares	Option Price Per Share Range	Weighted Average
Outstanding at December 31, 2002	8,578	$25.59-$47.13	$ 32.45
Granted	1,037		$ 44.31
Exercised	(1,661)	$24.59-$41.69	$ 27.24
Canceled or expired	(349)	$24.59-$47.13	$ 34.53
Outstanding at December 31, 2003	7,605	$24.59-$47.13	$ 35.11
Granted	1,019		$ 47.95
Exercised	(1,192)	$24.59-$47.13	$ 29.66
Canceled or expired	(111)	$24.59-$47.13	$ 42.48
Outstanding at December 31, 2004	7,321	$24.59-$47.95	$ 37.67
Granted	—		—
Exercised	(1,306)	$24.59-$47.13	$ 30.59
Canceled or expired	(73)	$24.59-$47.95	$ 42.30
Outstanding at December 31, 2005	5,942	$24.59-$47.95	$ 39.04

The following table sets forth information related to the options outstanding at December 31, 2005 (in thousands):

Number of Shares	Weighted Average Remaining Life	Option Price Per Share Range	Weighted Average
1,268	2 years	$ 39.34 - $47.13	$ 42.70
1,251	5 years	$ 24.59 - $30.74	$ 27.36
2,418	8 years	$ 34.12 - $47.95	$ 39.98
1,005*	9 years	$ 44.31 - $47.95	$ 46.71

* Shares not vested as of December 31, 2005.

A table illustrating the effect on Net income and Earnings per share had the Black-Scholes option pricing model been applied to stock options is presented in Note 1 — Significant Accounting Policies.

Note 18 — Earnings Per Share

The following table sets forth the computation of Earnings per share for the three years ended December 31, (in millions, except per share amounts):

	2005	2004	2003
Net Income	$ 165.1	$ 154.7	$ 115.1
Weighted average number of common shares outstanding during the period	61.0	60.7	59.5
Potential Dilutive Shares	0.8	0.9	0.6
Average number of shares outstanding (diluted)	61.8	61.6	60.1
Earnings per share:			
Basic	$ 2.71	$ 2.55	$ 1.93
Diluted	$ 2.67	$ 2.51	$ 1.91

Certain common stock equivalents were not included in the full year computation of diluted earnings per share because the effect would be anti-dilutive. At December 31, 2005, the anti-dilutive common stock equivalents consisted of 1.0 million of outstanding stock options, 0.5 million of stock appreciation rights and less than 0.1 million of performance-based shares. At December 31, 2004 and 2003, the anti-dilutive common stock equivalents consisted of 2.5 million and 4.4 million, respectively, of outstanding stock options.

Note 19 — Accumulated Other Comprehensive Income (Loss)

The following table reflects the accumulated balances of other comprehensive income (loss) (in millions):

	Minimum Pension Liability Adjustment	Cumulative Translation Adjustment	Unrealized Gain (Loss) on Investments	Cash Flow Hedging Gain (Loss)	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2002	$ (12.4)	$ (17.6)	$ 0.5	$ (1.2)	$ (30.7)
2003 activity	8.3	11.8	(0.2)	0.1	20.0
Balance at December 31, 2003	(4.1)	(5.8)	0.3	(1.1)	(10.7)
2004 activity	2.2	7.9	(0.3)	(0.6)	9.2
Balance at December 31, 2004	(1.9)	2.1	—	(1.7)	(1.5)
2005 activity	(2.2)	(7.5)	(0.3)	0.7	(9.3)
Balance at December 31, 2005	$ (4.1)	$ (5.4)	$ (0.3)	$ (1.0)	$ (10.8)

Note 20 — Industry Segments and Geographic Area Information

Nature of Operations

Hubbell Incorporated was founded as a proprietorship in 1888, and was incorporated in Connecticut in 1905. Hubbell designs, manufactures and sells high quality electrical and electronic products for a broad range of commercial, industrial, telecommunications, utility, and residential applications. Products are manufactured or assembled by subsidiaries in the United States, Canada, Brazil, Switzerland, Puerto Rico, Mexico, Italy and the United Kingdom. Hubbell also participates in a joint venture in Taiwan, and maintains sales offices in Singapore, the People's Republic of China, Mexico, Hong Kong, South Korea and the Middle East.

For management reporting and control, the Company's businesses are divided into three operating segments: Electrical, Power, and Industrial Technology. Information regarding operating segments has been presented as required by SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". At December 31, 2005 the operating segments were comprised as follows:

The Electrical segment is comprised of businesses that primarily sell through distributors, lighting showrooms and home centers, telephone and telecommunication companies, and includes primarily stock and custom products such as standard and special application wiring device products, lighting fixtures and controls, fittings, switches and outlet boxes, enclosures, wire management products and voice and data signal processing components. The products are typically used in and around industrial, commercial and institutional facilities by electrical contractors, maintenance personnel, electricians, and telecommunication companies. Certain lighting fixtures, wiring devices and electrical products also have residential application.

The Power segment consists of businesses that design and manufacture a wide variety of construction, switching and protection products, hot line tools, grounding equipment, cover ups, fittings and fasteners, cable accessories, insulators, arresters, cutouts, sectionalizers, connectors and compression tools for the building and maintenance of overhead and underground power and telephone lines, as well as applications in the industrial, construction and pipeline industries.

The Industrial Technology segment consists of businesses that design and manufacture test and measurement equipment, high voltage power supplies and variable transformers, industrial controls including motor speed controls, pendant-type push-button stations, overhead crane controls, control and pressure switches, DC devices, Gleason Reel® electric cable and hose reels, and specialized communications systems such as intra-facility communications systems, telephone systems, and land mobile radio peripherals. Products are sold primarily to steel mills, industrial complexes, oil, gas and petro-chemical industries, seaports, transportation authorities, the security industry (malls and colleges), and cable and electronic equipment manufacturers.

Financial Information

Financial information by industry segment and geographic area for the three years ended December 31, 2005, is summarized below (in millions). When reading the data the following items should be noted:

- Net sales comprise sales to unaffiliated customers — inter-segment and inter-area sales are immaterial.
- Segment operating income consists of net sales less operating expenses, including total corporate expenses, which are generally allocated to each segment on the basis of the segment's percentage of consolidated net sales. Interest expense and other income have not been allocated to segments.
- General corporate assets not allocated to segments are principally cash, prepaid pensions, investments and deferred taxes.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Industry Segment Data

	2005	2004	2003
Net Sales:			
Electrical	$ 1,496.8	$ 1,476.8	$ 1,313.7
Power	455.6	386.2	332.5
Industrial Technology	152.5	130.0	124.5
Total	$ 2,104.9	$ 1,993.0	$ 1,770.7
Operating Income:			
Electrical	$ 153.1	$ 173.4	$ 136.3
Special charges, net	(10.9)	(16.7)	(8.1)
Power	68.8	41.2	32.9
Industrial Technology	20.4	14.7	10.8
Unusual item	(4.6)	—	—
Operating income	226.8	212.6	171.9
Interest expense	(19.3)	(20.6)	(20.6)
Investment and other income, net	8.2	5.3	4.2
Income before income taxes	$ 215.7	$ 197.3	$ 155.5
Assets:			
Electrical	$ 795.4	$ 810.2	$ 758.3
Power	315.0	279.4	271.5
Industrial Technology	121.6	95.6	93.9
General Corporate	435.0	471.2	390.6
Total	$ 1,667.0	$ 1,656.4	$ 1,514.3
Capital Expenditures:			
Electrical	$ 47.7	$ 28.9	$ 17.1
Power	11.1	6.3	5.2
Industrial Technology	5.3	2.7	0.7
General Corporate	9.3	1.2	4.6
Total	$ 73.4	$ 39.1	$ 27.6
Depreciation and Amortization:			
Electrical	$ 36.0	$ 35.5	$ 38.4
Power	11.3	10.4	11.4
Industrial Technology	3.1	3.0	2.8
Total	$ 50.4	$ 48.9	$ 52.6

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Geographic Area Data

	2005	2004	2003
Net Sales:			
United States	$ 1,866.5	$ 1,787.1	$ 1,590.1
International	238.4	205.9	180.6
Total	$ 2,104.9	$ 1,993.0	$ 1,770.7
Operating Income:			
United States	$ 203.3	$ 193.6	$ 158.5
Special charges, net	(10.9)	(16.7)	(8.1)
International	34.4	35.7	21.5
Total	$ 226.8	$ 212.6	$ 171.9
Property, Plant, and Equipment, net:			
United States	$ 222.5	$ 219.8	$ 257.1
International	45.3	42.0	38.7
Total	$ 267.8	$ 261.8	$ 295.8

On a geographic basis, the Company defines “international” as operations and subsidiaries based outside of the United States and its possessions. Sales of international units were 11% of total sales in 2005 and 10% in 2004 and 2003, with Canadian and United Kingdom markets representing approximately 75% collectively of the 2005 total. Long-lived assets of international subsidiaries were 17% of the consolidated total in 2005, 16% in 2004, and 13% in 2003, with the Canadian and United Kingdom markets representing approximately 12% and 20%, respectively, of the 2005 total. Export sales directly to customers or through electric wholesalers from United States operations were $120.6 million in 2005, $99.6 million in 2004 and $93.5 million in 2003.

Note 21 — Quarterly Financial Data (Unaudited)

The table below sets forth summarized quarterly financial data for the years ended December 31, 2005 and 2004 (in millions, except per share amounts):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2005				
Net Sales	$ 487.6	$ 520.5	$ 561.1	$ 535.7
Gross Profit	$ 136.7	$ 143.1(1)	$ 164.2(1)	$ 151.0
Net Income	$ 28.8(1)(2)	$ 35.7(1)	$ 48.5(1)	$ 52.1(1)(3)
Earnings Per Share — Basic	$ 0.47	$ 0.58	$ 0.80	$ 0.86
Earnings Per Share — Diluted	$ 0.46	$ 0.58	$ 0.79	$ 0.84
2004				
Net Sales	$ 465.2	$ 502.9	$ 525.1	$ 499.7
Gross Profit	$ 132.7(4)	$ 140.2(4)	$ 147.4(4)	$ 141.5
Net Income	$ 34.0(4)	$ 31.4(4)	$ 41.5(4)	$ 47.8(4)(5)
Earnings Per Share — Basic	$ 0.56	$ 0.52	$ 0.68	$ 0.78
Earnings Per Share — Diluted	$ 0.56	$ 0.51	$ 0.67	$ 0.77

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(1) In the first, second, third and fourth quarters of 2005, Net Income included $1.9 million, $2.7 million, $1.2 million and $5.1 million of pretax special charges, respectively. These charges relate to both the integration of the Company's lighting operations and consolidation actions within the wiring device business. All special charges relate to the Electrical segment. Included in the amounts above are inventory write-down costs which are recorded in Cost of goods sold and for the second and third quarters of 2005 were $0.5 million and $0.2 million, respectively, thereby reducing Gross Profit on a pretax basis.

(2) Net Income in the first quarter of 2005 included a pretax charge of $4.6 million related to transactional expenses in support of the Company's strategic growth initiatives.

(3) Net Income in the fourth quarter of 2005 included an income tax benefit of $10.8 million related to the completion of IRS examinations for years through 2003 and a $4.9 million pretax gain on sale of a building in the Electrical segment.

(4) In the first, second, third and fourth quarters of 2004, Net Income included $1.4 million, $10.4 million, $2.1 million and $2.8 million of pretax special charges, respectively. These charges relate to both the integration of the Company's lighting operations following the acquisition of LCA and consolidation actions within the wiring device business. All special charges relate to the Electrical Segment. Included in the amounts above are inventory write-down costs which are recorded in Cost of goods sold and for the first, second and third quarters of 2004 were $0.2 million, $0.9 million and $0.2 million, respectively, thereby reducing Gross Profit on a pretax basis.

(5) Net income in the fourth quarter of 2004 included a tax benefit of $10.2 million related to the completion of IRS examinations for years through 2001.

Note 22 — Guarantees

The Company accrues for costs associated with guarantees when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely cost to be incurred is accrued based on an evaluation of currently available facts, and where no amount within a range of estimates is more likely, the minimum is accrued.

The Company records a liability equal to the fair value of guarantees in the Consolidated Balance Sheet in accordance with FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," (FIN 45). As of December 31, 2005 and 2004 the fair value and maximum potential payment related to the Company's guarantees were not material. The Company may enter into various hedging instruments which are subject to disclosure in accordance with FIN 45. As of December 31, 2005 the Company had six individual forward exchange contracts outstanding each for the purchase of $1.0 million U.S. dollars which expire ratably each month through June 2006. These contracts were entered into in order to hedge the exposure to fluctuating rates of exchange on anticipated inventory purchases. These contracts have been designated as cash flow hedges in accordance with SFAS No. 133, as amended.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company offers a product warranty which covers defects on most of its products. These warranties apply only to products that are properly used for their intended purpose, installed correctly, and properly maintained. The Company generally accrues estimated warranty costs at the time of sale. Estimated warranty expenses are based upon historical information such as past experience, product failure rates, or the number of units repaired. Adjustments are made to the product warranty accrual as claims are incurred or as historical experience indicates. The liability is reviewed for reasonableness on a quarterly basis and may be adjusted as additional information regarding expected warranty costs become known. Changes in the accrual for product warranties in 2005 are set forth below (in millions):

Balance at December 31, 2004	$ 4.0
Current year provision	2.1
Expenditures	(2.3)
Balance at December 31, 2005	$ 3.8

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A. ***Controls and Procedures***

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures which, by their nature, can provide only reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

The Company carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rules 13a-15(f) and 15d-15(f), as of the end of the period covered by this report on Form 10-K. Based upon that evaluation, each of the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information (including from consolidated subsidiaries) required to be included in Exchange Act reports.

Changes in Internal Controls — In October of 2005, the Company implemented its second phase of a multi-year program to implement a fully integrated suite of SAP application software. The implementation has involved changes to certain internal controls over financial reporting. The Company has reviewed each system as it is being implemented and the controls affected by the new systems and made appropriate changes to affected internal controls as necessary. These controls were included in the Company's assessment of the effectiveness of its internal control over financial reporting as of December 31, 2005, which is included under "Management's Report on Internal Control over Financial Reporting" in the "Report of Management" on page 43.

Item 9B. ***Other Information***

Not applicable.

PART III

Item 10. ***Directors and Executive Officers of the Registrant(1)***

The Company's Chief Executive Officer made the annual certification required by Section 303A.12 of the NYSE Company Manual on May 5, 2005. The Company has filed with the Securities and Exchange Commission as exhibits to this Form 10-K the Sarbanes Oxley Act Section 302 Certifications of its Chief Executive Officer and Chief Financial Officer relating to the quality of its public disclosure.

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(1) The information required by this item regarding executive officers is included on page 12 of this Form 10-K and the remaining required information is incorporated by reference to the definitive proxy statement for the Company's annual meeting of shareholders scheduled to be held on May 1, 2006.

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Item 11. ***Executive Compensation(2)***

Item 12. ***Security Ownership of Certain Beneficial Owners and Management***

Equity Compensation Plan Information

The following table provides information as of December 31, 2005 with respect to the Company's common stock that may be issued under the Company's equity compensation plans.

	A	B	C
Plan Category	**Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights**	**Weighted Average Exercise Price of Outstanding Options, Warrants and Rights**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)**
Equity Compensation Plans Approved by Shareholders(a)	6,534,364(c)	$39.88	5,144,429(c)
Equity Compensation Plans Not Requiring Shareholder Approval(b)	—	—	2,431(d)
	—	—	300,000(c)
Total	6,534,364	$39.88	5,446,860

(a) The Company's (a) Stock Option Plan for Key Employees, and (b) 2005 Incentive Award Plan.

(b) The Company's Deferred Compensation Plan for Directors.

(c) Class B Common Stock

(d) Class A Common Stock

Item 13. ***Certain Relationships and Related Transactions(2)***

Item 14. ***Principal Accountant Fees and Services(2)***

(2) The information required by this item is incorporated by reference to the definitive proxy statement for the Company's annual meeting of shareholders scheduled to be held on May 1, 2006.

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PART IV

Item 15. ***Exhibits and Financial Statement Schedule***

1. Financial Statements and Schedule

Financial statements and schedule listed in the Index to Financial Statements and Schedule appearing on Page 42 are filed as part of this Annual Report on Form 10-K.

2. Exhibits

Number	Description
3a	Restated Certificate of Incorporation, as amended and restated as of September 23, 2003. (1) Exhibit 3a of the registrant's report on Form 10-Q for the third quarter (ended September 30), 2003, and filed on November 10, 2003, is incorporated by reference; and (2) Exhibit 1 of the registrant's reports on Form 8-A and 8-K, both dated and filed on December 17, 1998, are incorporated by reference.
3b	By-Laws, Hubbell Incorporated, as amended on June 4, 2003. Exhibit 3b of the registrant's report on Form 10-Q for the second quarter (ended June 30, 2003), 2003, and filed August 12, 2003, is incorporated by reference.
3c	Rights Agreement, dated as of December 9, 1998, between Hubbell Incorporated and ChaseMellon Shareholder Services, L.L.C. as Rights Agent is incorporated by reference to Exhibit 1 to the registrant's Registration Statement on Form 8-A and Form 8-K, both dated and filed on December 17, 1998. Exhibit 3(c), being an Amendment to Rights Agreement, of the registrant's report on Form 10-Q for the third quarter (ended September 30), 1999, and filed on November 12, 1999, is incorporated by reference.
4a	Instruments with respect to the 1996 issue of long-term debt have not been filed as exhibits to this Annual Report on Form 10-K as the authorized principal amount on such issue does not exceed 10% of the total assets of the registrant and its subsidiaries on a consolidated basis; registrant agrees to furnish a copy of each such instruments to the Commission upon request.
4b	Senior Indenture, dated as of September 15, 1995, between Hubbell Incorporated and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank and Chemical Bank), as trustee. Exhibit 4a of the registrant's registration statement on Form S-4 filed June 18, 2002, is incorporated by reference.
4c	Specimen Certificate of 6.375% Notes due 2012. Exhibit 4b of the registrant's registration statement on Form S-4 filed June 18, 2002, is incorporated by reference.
4d	Specimen Certificate of registered 6.37% Notes due 2010. Exhibit 4c of the registrant's registration statement on Form S-4 filed June 18, 2002, is incorporated by reference.
4e	Registration Rights Agreement, dated as of May 15, 2002, among Hubbell Incorporated and J.P. Morgan Securities, Inc., BNY Capital Markets, Inc., Deutsche Bank Securities Inc., First Union Securities, Inc., Morgan Stanley & Co. Incorporated and Salomon Smith Barney Inc. as the Initial Purchasers. Exhibit 4d of the registrant's registration statement on Form S-4 filed June 18, 2002, is incorporated by reference.
10a†	Hubbell Incorporated Supplemental Executive Retirement Plan, as amended and restated effective June 7, 2001. Exhibit 10a of the registrant's report on Form 10-Q for the second quarter (ended June 30), 2001, filed August 9, 2001, is incorporated by reference.
10b(1)†	Hubbell Incorporated Stock Option Plan for Key Employees, as amended and restated effective May 5, 2003. (i) Exhibit 10b(1) of the registrant's report on Form 10-Q for the second quarter (ended June 30), 2003, filed August 12, 2003, is incorporated by reference; (ii) Amendment, dated June 9, 2004, filed as Exhibit 10ee of the registrant's report on Form 10-Q for the second quarter (ended June 30), 2004, filed August 5, 2004, is incorporated by reference.

Number	Description
10bb	Credit Agreement, dated as of October 20, 2004, by and among Hubbell Incorporated, JPMorgan Chase bank as administrative agent and lender, other Lenders party thereto from time to time, Citibank, N.A., Fleet National Bank and Wachovia Bank, National Association as Syndication Agents, and J.P. Morgan Securities Inc., as Arranger and Bookrunner. Exhibit 99.1 of the registrant's report on Form 8-K, filed October 21, 2004, is incorporated by reference.
10c†	Description of the Hubbell Incorporated, Post Retirement Death Benefit Plan for Participants in the Supplemental Executive Retirement Plan, as amended effective May 1, 1993. Exhibit 10c of the registrant's report on Form 10-Q for the second quarter (ended June 30), 1993, filed on August 12, 1993, is incorporated by reference.
10f	Hubbell Incorporated Deferred Compensation Plan for Directors, as amended and restated effective December 3, 2002. Exhibit 4(b) of the registrant's Form S-8 Registration Statement, filed December 19, 2002, is incorporated by reference.
10h	Hubbell Incorporated Key Man Supplemental Medical Insurance, as amended and restated effective December 9, 1986. Exhibit 10h of the registrant's report on Form 10-K for the year 1987, filed on March 25, 1988, is incorporated by reference.
10i	Hubbell Incorporated Retirement Plan for Directors, as amended and restated effective December 3, 2002. Exhibit 10i of the registrant's report on Form 10-K for the year 2002, filed March 24, 2003, is incorporated by reference.
10o†	Hubbell Incorporated Policy for Providing Severance Payments to Key Managers, as amended and restated effective September 9, 1993. Exhibit 10o of the registrant's report on Form 10-Q for the third quarter (ended September 30), 1993, filed on November 10, 1993, is incorporated by reference.
10p†	Hubbell Incorporated Senior Executive Incentive Compensation Plan, effective January 1, 1996. Exhibit C of the registrant's proxy statement, dated March 22, 1996 and filed on March 27, 1996, is incorporated by reference.
10.1†	Amended and Restated Continuity Agreement, dated as of March 14, 2005, between Hubbell Incorporated and Timothy H. Powers. Exhibit 10.1 of the registrant's report on Form 8-K, dated and filed March 15, 2005, is incorporated by reference.
10.2†	Continuity Agreement, dated as of March 14, 2005, between Hubbell Incorporated and Gregory F. Covino. Exhibit 10.2 of the registrant's report on Form 8-K, dated and filed March 15, 2005, is incorporated by reference.
10.3†	Continuity Agreement, dated as of March 14, 2005, between Hubbell Incorporated and Scott H. Muse. Exhibit 10.3 of the registrant's report on Form 8-K, dated and filed March 15, 2005, is incorporated by reference.
10.4†	Continuity Agreement, dated as of March 14, 2005, between Hubbell Incorporated and Thomas P. Smith. Exhibit 10.4 of the registrant's report on Form 8-K, dated and filed March 15, 2005, is incorporated by reference.
10u†	Continuity Agreement, dated as of December 27, 1999, between Hubbell Incorporated and Richard W. Davies. Exhibit 10u of the registrant's report on Form 10-K for the year 1999, filed March 27, 2000, is incorporated by reference.
10.5†	Amendment, dated as of March 14, 2005, to Continuity Agreement, dated as of December 27, 1999, between Hubbell Incorporated and Richard W. Davies. Exhibit 10.5 of the registrant's report on Form 8-K, dated and filed March 15, 2005, is incorporated by reference.
10v†	Continuity Agreement, dated as of December 27, 1999, between Hubbell Incorporated and James H. Biggart. Exhibit 10v of the registrant's report on Form 10-K for the year 1999, filed March 27, 2000, is incorporated by reference.
10.7†	Amendment, dated as of March 14, 2005, to Continuity Agreement, dated as of December 27, 1999, between Hubbell Incorporated and James H. Biggart. Exhibit 10.7 of the registrant's report on Form 8-K, dated and filed March 15, 2005, is incorporated by reference.

Number	Description
10w†	Hubbell Incorporated Top Hat Restoration Plan, as amended effective June 6, 2002. Exhibit 10w of the registrant’s report on Form 10-Q for the second quarter (ended June 30), filed August 12, 2002, is incorporated by reference.
10x†	Termination Agreement and General Release, dated as of October 21, 2001, between Hubbell Incorporated and Harry B. Rowell, Jr., Exhibit 10x of the registrant’s report on Form 10-K for the year 2001, filed March 19, 2002, is incorporated by reference.
10y†	The retirement arrangement with G. Jackson Ratcliffe is incorporated by reference to the registrant’s proxy Statements:(i), dated March 27, 2002 as set forth under the heading “Employment Agreements/Retirement Arrangements”, (ii) dated March 15, 2004 as set forth under the heading “Matters Relating to Directors and Shareholders”, and (iii) and dated as of March 16, 2005 as set forth under the heading “Matters Relating to Directors and Shareholders”.
10z†	Hubbell Incorporated Incentive Compensation Plan, adopted effective January 1, 2002. Exhibit 10z of the registrant’s report on Form 10-K for the year 2001, filed on March 19, 2002, is incorporated by reference.
10aa†	Continuity Agreement, dated as of December 27, 1999, between Hubbell Incorporated and W. Robert Murphy. Exhibit 10aa of the registrant’s report on Form 10-K for the year 2002, filed March 24, 2003, is incorporated by reference.
10.6†	Amendment, dated as of March 14, 2005, to Continuity Agreement, dated as of December 27, 1999, between Hubbell Incorporated and W. Robert Murphy. Exhibit 10.6 of the registrant’s report on Form 8-K dated and filed March 15, 2005, is incorporated by reference.
10cc†	Continuity Agreement, dated as of December 27, 1999, between Hubbell Incorporated and Gary N. Amato. Exhibit 10cc of the registrant’s report on Form 10-K for the year 2002, filed March 24, 2003, is incorporated by reference.
10.8†	Amendment, dated as of March 14, 2005, to Continuity Agreement, dated as of December 27, 1999, between Hubbell Incorporated and Gary N. Amato. Exhibit 10.8 of the registrant’s report on Form 8-K dated and filed March 15, 2005, is incorporated by reference.
10.9†	Grantor Trust for Senior Management Plans Trust Agreement, dated as of March 14, 2005, between Hubbell Incorporated and The Bank of New York, as Trustee. Exhibit 10.9 of the registrant’s report on Form 8-K dated and filed March 15, 2005, is incorporated by reference.
10.10†	Grantor Trust for Non-Employee Director Plans Trust Agreement, dated as of March 14, 2005, between Hubbell Incorporated and The Bank of New York. Exhibit 10.10 of the registrant’s report on Form 8-K dated and filed March 15, 2005, is incorporated by reference.
10.ee†	Hubbell Incorporated 2005 Incentive Award Plan. Exhibit B of the registrant’s proxy statement, dated as of March 16, 2005, is incorporated by reference.
10.ff†	Letter Agreement, dated September 2005, between Hubbell Incorporated and David G. Nord. Exhibit 99.1 of the registrant’s report on Form 8-K dated and filed September 6, 2005, is incorporated by reference.
10.gg†	Continuity Agreement, dated as of September 19, 2005, between Hubbell Incorporated and David G. Nord. Exhibit 10.12 of the registrant’s report on Form 10-Q dated and filed November 4, 2005 is incorporated by reference.
10.hh†	Restricted Award Agreement, dated September 19, 2005 between Hubbell Incorporated and David G. Nord. Exhibit 10.13 of the registrant’s report on Form 10-Q dated and filed November 4, 2005 is incorporated by reference.
10.ii*	Credit Agreement, dated as of October 20, 2004 as Amended and Restated as of December 12, 2005 Among Hubbell Incorporated, Hubbell Cayman Limited, The Lenders Party hereto, Citibank, N.A., Bank of Wachovia Bank, National Association, as Syndication Agents and JPMorgan Chase Bank, N.A., as Administrative Agent.
21*	Listing of significant subsidiaries.
23*	Consent of PricewaterhouseCoopers LLP.

Number	Description
31.1*	Certification of Chief Executive Officer Pursuant to Item 601(b) (31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to Item 601(b) (31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

† This exhibit constitutes a management contract, compensatory plan, or arrangement

* Filed hereunder

HUBBELL INCORPORATED

By /s/ DAVID G. NORD

David G. Nord
Senior Vice President and
Chief Financial Officer

By /s/ GREGORY F. COVINO

Gregory F. Covino
Vice President, Controller
(and Chief Accounting Officer)

Date: March 8, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

		Title	Date
By	/s/ T. H. Powers T. H. Powers	Chairman of the Board, President and Chief Executive Officer and Director	2/17/06
By	/s/ D. G. Nord D. G. Nord	Senior Vice President and Chief Financial Officer	2/17/06
By	/s/ E. R. Brooks E. R. Brooks	Director	2/17/06
By	/s/ G. W. Edwards, Jr G. W. Edwards, Jr	Director	2/17/06
By	/s/ J. S. Hoffman J. S. Hoffman	Director	2/17/06
By	/s/ A. McNally IV A. McNally IV	Director	2/17/06
By	/s/ D. J. Meyer D. J. Meyer	Director	2/17/06
By	/s/ G. J. Ratcliffe G. J. Ratcliffe	Director	2/17/06
By	/s/ R. J. Swift R. J. Swift	Director	2/17/06
By	/s/ D. S. Van Riper D. S. Van Riper	Director	2/17/06

Schedule II

HUBBELL INCORPORATED AND SUBSIDIARIES

**VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
FOR THE YEARS ENDED DECEMBER 31, 2003, 2004 AND 2005**

Reserves deducted in the balance sheet from the assets to which they apply (in millions):

	Balance at Beginning of Year	Additions/ (Reversals) Charged to Costs and Expenses	Acquisitions/ Disposition of Businesses	Deductions	Balance at End of Year
Allowances for doubtful accounts receivable:					
Year 2003	$ 12.3	$ 1.8	$ —	$ (2.5)	$ 11.6
Year 2004	$ 11.6	$ (2.9)	$ —	$ (2.6)	$ 6.1
Year 2005	$ 6.1	$ (1.6)	$ 0.1	$ (0.4)	$ 4.2
Allowance for credit memos and returns:					
Year 2003	$ 15.6	$ 14.2	$ —	$ (14.3)	$ 15.5
Year 2004	$ 15.5	$ 15.8	$ —	$ (15.0)	$ 16.3
Year 2005	$ 16.3	$ 16.6	$ —	$ (16.9)	$ 16.0
Allowances for excess/obsolete inventory:					
Year 2003	$ 44.8	$ 11.1*	$ —	$ (21.7)	$ 34.2
Year 2004	$ 34.2	$ 4.7*	$ —	$ (16.8)	$ 22.1
Year 2005	$ 22.1	$ 3.6*	$ 0.2	$ (9.4)	$ 16.5
Valuation allowance on deferred tax assets:					
Year 2003	$ 4.0	$ 0.9	$ —	$ —	$ 4.9
Year 2004	$ 4.9	$ (0.2)	$ —	$ —	$ 4.7
Year 2005	$ 4.7	$ (4.1)	$ —	$ —	$ 0.6

* Includes the cost of product line discontinuances of $0.7 million, $1.3 million and $2.4 million in 2005, 2004 and 2003, respectively.

Exhibit 10.ii

CREDIT AGREEMENT

Dated as of October 20, 2004

As Amended and Restated as of

December 12, 2005

Among

HUBBELL INCORPORATED,

HUBBELL CAYMAN LIMITED,

THE LENDERS PARTY HERETO,

CITIBANK, N.A.,

BANK OF AMERICA, N.A. and

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Syndication Agents

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

J.P. MORGAN SECURITIES INC.,
as Sole Lead Arranger and Bookrunner

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ARTICLE I

Definitions and Accounting Terms

CREDIT AGREEMENT dated as of October 20, 2004, as amended and restated as of December 12, 2005, among HUBBELL INCORPORATED, HUBBELL CAYMAN LIMITED, the Lenders party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

W I T N E S S E T H :

WHEREAS, the Company, the Lenders party thereto and JPMorgan Chase Bank, N. A., as successor to JPMorgan Chase Bank, as administrative agent, are parties to a Credit Agreement dated as of October 20, 2004, as amended and in effect immediately prior to the Restatement Effective Date (the "Existing Credit Agreement)";

WHEREAS, the Borrowers, the Lenders and the Administrative Agent are parties to an Amendment and Restatement Agreement dated as of December 12, 2005 (the "Amendment and Restatement Agreement)"; and

WHEREAS, subject to the satisfaction of the conditions set forth in the Amendment and Restatement Agreement, the Existing Credit Agreement shall be amended and restated as provided herein;

NOW THEREFORE, IT IS AGREED:

ARTICLE I

Definitions and Accounting Terms

SECTION 1.01. Definitions. As used herein, the following terms shall have the meanings herein specified unless the context otherwise requires:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such Person.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Amendment and Restatement Agreement” has the meaning given to such term in the recitals hereto.

“Applicable Facility Fee Rate” means, for any day that percent per annum set forth below opposite the Debt Ratings in effect on such day:

Debt Ratings (S&P/Moody’s)	Applicable Facility Fee Rate
Level 1 AA- or higher/Aa3 or higher	0.060%
Level 2 A+/A1	0.070%
Level 3 A/A2	0.080%
Level 4 A-/A3	0.090%
Level 5 BBB+/Baa1	0.125%
Level 6 BBB or lower/Baa2 or lower	0.150%

“Applicable LIBOR Interest Addition” means, for any day that percent per annum set forth below opposite the Debt Ratings in effect on such day:

Debt Ratings (S&P/Moody’s)	Applicable LIBOR Interest Addition
Level 1 AA- or higher/Aa3 or higher	0.115%
Level 2 A+/A1	0.130%
Level 3 A/A2	0.170%
Level 4 A-/A3	0.260%
Level 5 BBB+/Baa1	0.375%
Level 6 BBB or lower/Baa2 or lower	0.475%

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

“Approved Fund” has the meaning assigned to such term in Section 10.04.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrowers” means the Company and the Subsidiary Borrower.

“Borrowing” means (a) Revolving Loans to the same Borrower of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect or (b) a Competitive Loan or group of Competitive Loans to the same Borrower of the same Type made on the same date and as to which a single Interest Period is in effect.

“Borrowing Request” means a request by either Borrower for a Revolving Borrowing in accordance with Section 2.03.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London interbank market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.13(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Competitive Loans.

"CLO" has the meaning assigned to such term in Section 10.04.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07, (b) increased from time to time pursuant to Section 2.18 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders' Commitments is $200,000,000.

"Company" means Hubbell Incorporated, a Connecticut corporation.

"Competitive Bid" means an offer by a Lender to make a Competitive Loan in accordance with Section 2.04.

"Competitive Bid Rate" means, with respect to any Competitive Bid, the Margin or the Fixed Rate, as applicable, offered by the Lender making such Competitive Bid.

"Competitive Bid Request" means a request by either Borrower for Competitive Bids in accordance with Section 2.04.

"Competitive Loan" means a Loan made pursuant to Section 2.04.

"Consistent Basis" means, with regard to the application of accounting principles, accounting principles consistent in all material respects with the accounting principles used and applied in preparation of the audited financial statements previously delivered to the Lenders and referred to in Section 4.06, except as to changes required or permitted by GAAP.

"Continuing Directors" means the directors of the Company on the Effective Date, and each other director, if, in each case, such other director's nomination is recommended by at least 66 ?% of the then Continuing Directors.

"Controlled Group" means (i) the controlled group of corporations as defined in Section 414(b) of the Code and the applicable regulations thereunder, or (ii) the group of trades or businesses under common control as defined in Section 414(c) of the Code and the applicable regulations thereunder, of which the Company is a part or may become a part.

“Debt Ratings” means, as of any date of determination, the rating as announced by Standard & Poor’s Ratings Group, Inc. (“S&P”) and Moody’s Investors Services, Inc. (“Moody’s”) of

(a) the Company’s senior unsecured long-term indebtedness for borrowed money that is not Guaranteed by any other Person or subject to any other credit enhancement; or

(b) if the applicable rating agency does not have a rating in effect with respect to the Company’s debt referred to in the foregoing clause (a), the credit facility provided for herein or, if no such rating is in effect, the rating of the Company’s other senior unsecured debt securities;

provided that, if the applicable Debt Ratings announced by S&P and Moody’s fall within different levels, the higher Debt Rating shall govern for the purposes of determining the Applicable Facility Fee Rate and the Applicable LIBOR Interest Addition unless the Debt Ratings are more than one level apart, in which case the level one level lower than the higher Debt Rating shall govern for the purposes of determining the Applicable Facility Fee Rate and the Applicable LIBOR Interest Addition. If either Moody’s or S&P shall not have in effect a Debt Rating (other than by reason of the circumstances described in the next succeeding sentence), then the Debt Rating of the rating agency which has a Debt Rating in effect shall govern for purposes of determining the Applicable Facility Fee Rate and the Applicable LIBOR Interest Addition. If the rating system of Moody’s or S&P shall materially change, or if each such rating agency shall cease to be in the business of rating corporate debt obligations or shall not have in effect a Debt Rating, the Borrowers and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agencies, and, pending the effectiveness of any such amendment, the Debt Ratings shall be determined by reference to the ratings most recently in effect prior to such change or cessation; provided further that after 90 days, if no such amendment becomes effective, the Applicable Facility Fee Rate shall be 0.150% per annum and any Eurodollar Loan then outstanding shall convert to an ABR Loan at the end of the applicable Interest Period. Any change in the Debt Rating shall be effective as of the date on which it is first announced by the applicable rating agency and notice of such change shall be provided by the Company to the Administrative Agent no more than five Business Days after the date of such announcement.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Dollars” and the symbol “$” means dollars constituting legal tender for the payment of public and private debts in the United States of America.

“Effective Date” means October 20, 2004, which is the date on which the conditions specified in Section 3.01 of the Existing Credit Agreement were satisfied (or waived in accordance with Section 9.02 of the Existing Credit Agreement).

"Environmental Laws" means any applicable federal, state or local statute, law, ordinance, code, rule, regulation, order, decree, permit or license regulating, relating to, or imposing liability or standards of conduct concerning, any environmental matters.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and the rulings issued thereunder.

"ERISA Affiliate" means each person (as defined in Section 3(9) of ERISA) which, together with the Company or any Subsidiary, would be deemed to be a member of the same Controlled Group.

"Eurodollar", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate (or, in the case of a Competitive Loan, the LIBO Rate).

"Event of Default" has the meaning specified in Article VII.

"Existing Credit Agreement" has the meaning given to such term in the recitals hereto.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of either Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which either Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by either Borrower under Section 2.17(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 2.15(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrowers with respect to such withholding tax pursuant to Section 2.15(a).

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Fixed Rate" means, with respect to any Competitive Loan (other than a Eurodollar Competitive Loan), the fixed rate of interest per annum specified by the Lender making such Competitive Loan in its related Competitive Bid.

“Fixed Rate Loan” means a Competitive Loan bearing interest at a Fixed Rate.

“Foreign Lender” means, with respect to either Borrower, any Lender that is organized under the laws of a jurisdiction other than that in which such Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (k) all obligations of such Person in respect of Swap Agreements and (l) all obligations of such Person to make lease payments or other payments under any “synthetic lease”. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefore as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Intellectual Property" means all intellectual and similar property, including inventions, designs, patents, patent registrations and applications, trademarks, trademark registrations and applications, trade dress, service marks, copyrights, copyright registrations and applications, know-how and trade secrets.

"Interest Election Request" means a request by either Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.06.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and (c) with respect to any Fixed Rate Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Fixed Rate Borrowing with an Interest Period of more than 90 days' duration (unless otherwise specified in the applicable Competitive Bid Request), each day prior to the last day of such Interest Period that occurs at intervals of 90 days' duration after the first day of such Interest Period, and any other dates that are specified in the applicable Competitive Bid Request as Interest Payment Dates with respect to such Borrowing.

"Interest Period" means (a) with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, with the consent of each Lender, nine or twelve months) thereafter, as the applicable Borrower may elect and (b) with respect to any Fixed Rate Borrowing, the period (which shall not be less than seven days or more than 360 days) commencing on the date of such Borrowing and ending on the date specified in the applicable Competitive Bid Request; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for Dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which Dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means any interest in property securing any obligation owed to, or a claim by, a Person other than the owner of the property, and including but not limited to the lien or security interest arising from a mortgage, encumbrance, pledge or security agreement. For the purposes of this Agreement, the Company and any Subsidiary shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, financing lease, or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes.

"Loan" means a loan made by a Lender to a Borrower pursuant to this Agreement.

"Margin" means, with respect to any Competitive Loan bearing interest at a rate based on the LIBO Rate, the marginal rate of interest, if any, to be added to or subtracted from the LIBO Rate to determine the rate of interest applicable to such Loan, as specified by the Lender making such Loan in its related Competitive Bid.

"Material Adverse Effect" means a material adverse effect on (i) the business, assets, operations or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, (ii) the ability of a Borrower to perform its payment obligations under this Agreement or (iii) the validity or enforceability of this Agreement, or the rights and remedies of the Lenders hereunder.

"Maturity Date" means October 20, 2009.

"Multiemployer Plan" means an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding three plan years made contributions, including for these purposes any Person which ceased to be a member of the Controlled Group during such three year period.

"Net Worth" means, at any date, stockholders' equity of the Company at such time determined in accordance with GAAP applied on a Consistent Basis.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Participant" has the meaning set forth in Section 10.04.

"PBGC" means the Pension Benefit Guaranty Corporation established under ERISA, and any successor thereto.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance or other social security laws or regulations (other than ERISA);

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business; and

(e) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company or any Subsidiary.

"Person" means any individual, partnership, joint venture, limited liability company, firm, corporation, association, trust or other enterprise (whether or not incorporated), or any Governmental Authority.

"Plan" means any multiemployer or single-employer plan as defined in Section 4001 of ERISA, which is maintained, or at any time during the three calendar years preceding the date of this Agreement was maintained, for employees of the Company, any Subsidiary or an ERISA Affiliate.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N. A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Principal Property" means, in respect of any Lien: (a) any manufacturing facility of, or other real property owned by, the Company or any of its Subsidiaries located in the United States of America, (b) any accounts receivable, inventory or Intellectual Property of the Company or any of its domestic Subsidiaries or (c) any shares of capital stock, other equity ownership interests or intercompany indebtedness of any Subsidiary that owns any of the foregoing.

"Register" has the meaning set forth in Section 10.04.

"Regulation D" means Regulation D of the Board as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation T, U or X" means Regulation T, U or X, as applicable, of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time; provided that, for purposes of declaring the Loans to be due and payable pursuant to Article VII, and for all purposes after the Commitments expire or terminate, the outstanding Competitive Loans of the Lenders shall be included in their respective Revolving Credit Exposures in determining the Required Lenders.

"Responsible Party" means the chief executive officer, president or chief financial officer of the Company.

"Restatement Effective Date" has the meaning specified in the Amendment and Restatement Agreement.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the outstanding principal amount of such Lender's Revolving Loans at such time.

"Revolving Loan" means a Loan made pursuant to Section 2.03.

"Significant Subsidiary" means, at any time, any Subsidiary that would be a "significant subsidiary" within the meaning of Regulation S-X of the Securities and Exchange Commission.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Subsidiary” means with respect to a Person, at any date, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time, any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries, and (ii) any partnership, association, joint venture or other entity in which such Person directly or indirectly through Subsidiaries has more than a 50% equity interest at any time. Except as otherwise expressly provided, all references herein to “Subsidiary” shall mean a Subsidiary of the Company.

“Subsidiary Borrower” means Hubbell Cayman Limited, a Cayman Islands corporation and a wholly owned Subsidiary.

“Subsidiary Obligations” means (a) the obligation of the Subsidiary Borrower to pay the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans made to it, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (b) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Subsidiary Borrower under this Agreement.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement.

“Tangible Net Worth” means, at any date, the excess of total assets over total liabilities of the Company and its Subsidiaries as of such date determined on a consolidated basis in accordance with GAAP applied on Consistent Basis, excluding, however, from the determination of total assets (i) goodwill, capitalized research and development expenses, Intellectual Property, licenses and rights if any in respect thereof, and other similar intangibles and (ii) any items not included in clause (i) above which are treated as intangibles in conformity with GAAP.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Total Capitalization” means, at any date, the sum of (a) total Indebtedness of the Company and its Subsidiaries on a consolidated basis as of such date and (b) Net Worth as of such date.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the Alternate Base Rate or, in the case of a Competitive Loan or Borrowing, the LIBO Rate or a Fixed Rate.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “Eurodollar Loan”) or by Class and Type (e.g., a “Eurodollar Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”) or by Type (e.g., a “Eurodollar Borrowing”) or by Class and Type (e.g., a “Eurodollar Revolving Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Company or the Subsidiary Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Commitment, (b) the sum of the total Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans exceeding the total Commitments or (c) the sum of the total Revolving Credit Exposures with respect to Revolving Loans to the Subsidiary Borrower plus the aggregate principal amount of outstanding Competitive Loans to the Subsidiary Borrower exceeding $25,000,000. Within the foregoing limits and subject to the terms and conditions set forth herein, each Borrower may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.04. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments and Competitive Bids of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.12, (i) each Revolving Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the applicable Borrower may request in accordance herewith, and (ii) each Competitive Borrowing shall be comprised entirely of Eurodollar Loans or Fixed Rate Loans as the applicable Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Each Competitive Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of 15 Eurodollar Revolving Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, a Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the applicable Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the Borrower in respect of the requested Borrowing;

(ii) the aggregate amount of the requested Borrowing;

(iii) the date of such Borrowing, which shall be a Business Day;

(iv) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(v) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and

(vi) the location and number of the applicable Borrower’s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

If no election as to the Type of Revolving Borrowing is specified, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then the applicable Borrower shall be deemed to have selected an Interest Period of one month’s duration. If no election as to the identity of the Borrower is specified, the requested Borrowing shall be made to the Company. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

SECTION 2.04. Competitive Bid Procedure. (a) Subject to the terms and conditions set forth herein, from time to time during the Availability Period either Borrower may request Competitive Bids and may (but shall not have any obligation to) accept Competitive Bids and borrow Competitive Loans; provided that (i) the sum of the total Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans at any time shall not exceed the total Commitments and (ii) the sum of the total Revolving Credit Exposures with respect to Revolving Loans made to the Subsidiary Borrower plus the aggregate principal amount of outstanding Competitive Loans made to the Subsidiary Borrower at any time shall not exceed $25,000,000. To request Competitive Bids, the applicable Borrower shall notify the Administrative Agent of such request by telephone, in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, four Business Days before the date of the proposed Borrowing and, in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, one Business Day before the date of the proposed Borrowing; provided that the Borrowers may submit up to (but not more than) two Competitive Bid Requests on the same day, but a Competitive Bid Request shall not be made within five Business Days after the date of any previous Competitive Bid Request, unless any and all such previous Competitive Bid Requests shall have been withdrawn or all Competitive Bids received in response thereto rejected. Each such telephonic Competitive Bid Request shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Competitive Bid Request in a form approved by the Administrative Agent and signed by the applicable Borrower. Each such telephonic and written Competitive Bid Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be a Eurodollar Borrowing or a Fixed Rate Borrowing;

(iv) the Interest Period to be applicable to such Borrowing, which shall be a period contemplated by the definition of the term "Interest Period";

(v) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05; and

(vi) the identity of the Borrower in respect of such Borrowing.

Promptly following receipt of a Competitive Bid Request in accordance with this Section, the Administrative Agent shall notify the Lenders of the details thereof by telecopy, inviting the Lenders to submit Competitive Bids.

(b) Each Lender may (but shall not have any obligation to) make one or more Competitive Bids to the applicable Borrower in response to a Competitive Bid Request. Each Competitive Bid by a Lender must be in a form approved by the Administrative Agent and must be received by the Administrative Agent by telecopy, in the case of a Eurodollar Competitive Borrowing, not later than 9:30 a.m., New York City time, three Business Days before the proposed date of such Competitive Borrowing, and in the case of a Fixed Rate Borrowing, not later than 9:30 a.m., New York City time, on the proposed date of such Competitive Borrowing. Competitive Bids that do not conform substantially to the form approved by the Administrative

Agent may be rejected by the Administrative Agent, and the Administrative Agent shall notify the applicable Lender as promptly as practicable. Each Competitive Bid shall specify (i) the principal amount (which shall be a minimum of $5,000,000 and an integral multiple of $1,000,000 and which may equal the entire principal amount of the Competitive Borrowing requested by the applicable Borrower) of the Competitive Loan or Loans that the Lender is willing to make, (ii) the Competitive Bid Rate or Rates at which the Lender is prepared to make such Loan or Loans (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) and (iii) the Interest Period applicable to each such Loan and the last day thereof.

(c) The Administrative Agent shall promptly notify the applicable Borrower by telecopy of the Competitive Bid Rate and the principal amount specified in each Competitive Bid and the identity of the Lender that shall have made such Competitive Bid.

(d) Subject only to the provisions of this paragraph, the applicable Borrower may accept or reject any Competitive Bid. Such Borrower shall notify the Administrative Agent by telephone, confirmed by telecopy in a form approved by the Administrative Agent, whether and to what extent it has decided to accept or reject each Competitive Bid, in the case of a Eurodollar Competitive Borrowing, not later than 10:30 a.m., New York City time, three Business Days before the date of the proposed Competitive Borrowing, and in the case of a Fixed Rate Borrowing, not later than 10:30 a.m., New York City time, on the proposed date of the Competitive Borrowing; provided that (i) the failure of such Borrower to give such notice shall be deemed to be a rejection of each Competitive Bid, (ii) such Borrower shall not accept a Competitive Bid made at a particular Competitive Bid Rate if such Borrower rejects a Competitive Bid made at a lower Competitive Bid Rate, (iii) the aggregate amount of the Competitive Bids accepted by such Borrower shall not exceed the aggregate amount of the requested Competitive Borrowing specified in the related Competitive Bid Request, (iv) to the extent necessary to comply with clause (iii) above, such Borrower may accept Competitive Bids at the same Competitive Bid Rate in part, which acceptance, in the case of multiple Competitive Bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such Competitive Bid, and (v) except pursuant to clause (iv) above, no Competitive Bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of $5,000,000 and an integral multiple of $1,000,000; provided further that if a Competitive Loan must be in an amount less than $5,000,000 because of the provisions of clause (iv) above, such Competitive Loan may be for a minimum of $1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple Competitive Bids at a particular Competitive Bid Rate pursuant to clause (iv) the amounts shall be rounded to integral multiples of $1,000,000 in a manner determined by such Borrower. A notice given by such Borrower pursuant to this paragraph shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Lender by telecopy whether or not its Competitive Bid has been accepted (and, if so, the amount and Competitive Bid Rate so accepted), and each successful bidder will thereupon become bound, subject to the terms and conditions hereof, to make the Competitive Loan in respect of which its Competitive Bid has been accepted.

(f) If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such Competitive Bid directly to the applicable Borrower at least one quarter of an hour earlier than the time by which the other Lenders are required to submit their Competitive Bids to the Administrative Agent pursuant to paragraph (b) of this Section.

SECTION 2.05. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to an account of the such Borrower maintained with the Administrative Agent in New York City and designated by such Borrower in the applicable Borrowing Request or Competitive Bid Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of such Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.06. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Revolving Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the applicable Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section. The applicable Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Competitive Borrowings which may not be converted or continued.

(b) To make an election pursuant to this Section, the applicable Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the applicable Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month’s duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.

(e) If the applicable Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Revolving Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Company, then, so long as an Event of Default is continuing (i) no outstanding Revolving Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Revolving Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.07. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Company may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is not less than $1,000,000 or an integral multiple thereof and (ii) the Company shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.09, the sum of the Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans would exceed the total Commitments.

(c) The Company shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Company pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Company may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.08. Repayment of Loans; Evidence of Debt. (a) Each Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan owed by such Borrower on the Maturity Date and (ii) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Competitive Loan owed by such Borrower on the last day of the Interest Period applicable to such Loan.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Borrower thereof, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender’s share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of either Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by (i) a Revolving Loan promissory note substantially in the form of Exhibit E-1 (or such other form approved by the applicable Borrower and the Administrative Agent, such approval not to be unreasonably withheld) or (ii) a Competitive Loan promissory note substantially in the form of Exhibit E-2 (or such other form approved by the applicable Borrower and the Administrative

Agent, such approval not to be unreasonably withheld). In such event, the applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.09. Prepayment of Loans. (a) Each Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section; provided that the Borrowers shall not have the right to prepay any Competitive Loan without the prior consent of the Lender thereof.

(b) The applicable Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Revolving Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment and (ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11.

SECTION 2.10. Fees. (a) The Company agrees to pay to the Administrative Agent for the account of each Lender a facility fee, which shall accrue at the Applicable Facility Fee Rate on the daily amount of the Commitment of such Lender (whether used or unused) during the period from and including the Effective Date to but excluding the date on which such Commitment terminates; provided that, if such Lender continues to have any Revolving Credit Exposure after its Commitment terminates, then such facility fee shall continue to accrue on the daily amount of such Lender's Revolving Credit Exposure from and including the date on which its Commitment terminates to but excluding the date on which such Lender ceases to have any Revolving Credit Exposure. Accrued facility fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any facility fees accruing after the date on which the Commitments terminate shall be payable on demand. All facility fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Company agrees to pay to the Administrative Agent for the account of each Lender ratably in accordance with such Lender's Commitment a utilization fee, which shall accrue at a rate equal to 0.125% per annum on all outstanding Loans for each day that the aggregate outstanding Loans are in excess of 50% of the then aggregate Commitments; provided that, if any Lender continues to have any Loans outstanding after the Commitments terminate, then such utilization fee shall continue to accrue on such Loans during any period that such Lender continues to have any Loans outstanding. Accrued utilization fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any utilization fees accruing after the date on which the Commitments terminate shall be payable on demand. All utilization fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Company agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of facility fees and utilization fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.11. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest (i) in the case of a Eurodollar Revolving Loan, at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable LIBOR Interest Addition, or (ii) in the case of a Eurodollar Competitive Loan, at the LIBO Rate for the Interest Period in effect for such Borrowing plus (or minus, as applicable) the Margin applicable to such Loan.

(c) Each Fixed Rate Loan shall bear interest at the Fixed Rate applicable to such Loan.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by either Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.12. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders (or, in the case of a Eurodollar Competitive Loan, the Lender that is required to make such Loan) that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Company and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective, (ii) if any Borrowing Request requests a Eurodollar Revolving Borrowing, such Borrowing shall be made as an ABR Borrowing and (iii) any request by either Borrower for a Eurodollar Competitive Borrowing shall be ineffective; provided that if the circumstances giving rise to such notice do not affect all the Lenders, then requests by a Borrower for Eurodollar Competitive Borrowings may be made to Lenders that are not affected thereby.

SECTION 2.13. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans or Fixed Rate Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan or Fixed Rate Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Company will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Company will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) If the cost to any Lender of making or maintaining any Loan to the Subsidiary Borrower is increased (or the amount of any sum received or receivable by any Lender (or its applicable lending office) is reduced) by an amount deemed in good faith by such Lender to be material, by reason of the fact that the Subsidiary Borrower is incorporated in, or conducts business in, a jurisdiction outside the United States, the Subsidiary Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction suffered.

(d) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a), (b) or (c) of this Section shall be delivered to the Company and shall be conclusive absent manifest error. The Company or the applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(e) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Company shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

(f) Notwithstanding the foregoing provisions of this Section, a Lender shall not be entitled to compensation pursuant to this Section in respect of any Competitive Loan if the Change in Law that would otherwise entitle it to such compensation shall have been publicly announced prior to submission of the Competitive Bid pursuant to which such Loan was made.

SECTION 2.14. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan or Fixed Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan or Fixed Rate Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(b) and is revoked in accordance therewith), (d) the failure to borrow any Competitive Loan after accepting the Competitive Bid to make such Loan, or (e) the assignment of any Eurodollar Loan or Fixed Rate Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the applicable Borrower pursuant to Section 2.17, then, in any such event, the Company or the Company shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for Dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Company and shall be conclusive absent manifest error. The Company or the applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.15. Taxes. (a) Any and all payments by or on account of any obligation of either Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if either Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrowers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The relevant Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of such Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to either Borrower by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by either Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which either Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to such Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by such Borrower as will permit such payments to be made without withholding or at a reduced rate.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by either Borrower or with respect to which either Borrower has paid additional amounts pursuant to this Section 2.15, it shall pay over such refund to such Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by such Borrower under this Section 2.15 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that such Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to either Borrower or any other Person.

SECTION 2.16. Payments Generally; Pro Rata Treatment; Sharing of Setoffs. (a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or of amounts payable under Section 2.13, 2.14 or 2.15, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without setoff or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, except that payments pursuant to Sections 2.13, 2.14, 2.15 and 10.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amount of principal then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by either Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Company or any Subsidiary (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(b) or 2.16(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.17. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.13, or if either Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.13, or if either Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, or if any Lender defaults in its obligation to fund Loans hereunder, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement (other than any outstanding Competitive Loans held by it) to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans (other than Competitive Loans) and accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the applicable Borrower or Borrowers (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

SECTION 2.18. Increase in Commitments. (a) The Company may, by written notice to the Administrative Agent (which shall promptly deliver a copy to each of the Lenders), request that the total Commitments be increased by an amount not less than $25,000,000 for any such increase; provided that after giving effect to any such increase the sum of the total Commitments shall not exceed $250,000,000 minus any amount by which the Commitments shall have been reduced pursuant to Section 2.07. Such notice shall set forth the amount of the requested increase in the total Commitments and the date on which such increase is requested to become effective (which shall be not less than 10 Business Days or more than 60 days after the date of such notice), and shall offer each Lender the opportunity to increase its Commitment by its Applicable Percentage of the proposed increased amount. Each Lender shall, by notice to the

Company and the Administrative Agent given not more than 10 days after the date of the Company's notice, either agree to increase its Commitment by all or a portion of the offered amount (each Lender so agreeing being an "Increasing Lender") or decline to increase its Commitment (and any Lender that does not deliver such a notice within such period of 10 days shall be deemed to have declined to increase its Commitment). In the event that, on the 10th day after the Company shall have delivered a notice pursuant to the first sentence of this paragraph, the Lenders shall have agreed pursuant to the preceding sentence to increase their Commitments by an aggregate amount less than the increase in the total Commitments requested by the Company, the Company may arrange for one or more banks or other financial institutions (any such bank or other financial institution referred to in this clause (a) being called an "Augmenting Lender"), which may include any Lender, to extend Commitments or increase their existing Commitments in an aggregate amount equal to the unsubscribed amount; provided that each Augmenting Lender, if not already a Lender hereunder, shall be subject to the approval of the Administrative Agent (which approval shall not be unreasonably withheld) and the Company and each Augmenting Lender shall execute all such documentation as the Administrative Agent shall reasonably specify to evidence its Commitment and/or its status as a Lender hereunder. Any increase in the total Commitments may be made in an amount which is less than the increase requested by the Company if the Company is unable to arrange for, or chooses not to arrange for, Augmenting Lenders.

(b) On the effective date (the "Increase Effective Date") of any increase in the total Commitments pursuant to this Section 2.18 (the "Commitment Increase"), if any Revolving Loans are outstanding, the Borrowers (i) shall prepay all Revolving Loans then outstanding (including all accrued but unpaid interest thereon) and (ii) may, at their option, fund such prepayment by simultaneously borrowing Revolving Loans of the Types and for the Interest Periods specified in one or more Borrowing Requests delivered pursuant to Section 2.03, which Revolving Loans shall be made by the Lenders (including the Increasing Lenders and the Augmenting Lenders, if any) ratably in accordance with their respective Commitments (calculated after giving effect to the Commitment Increase). The payments made pursuant to clause (i) above in respect of each Eurodollar Loan shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 2.14 if the Increase Effective Date occurs other than on the last day of the Interest Period relating thereto.

(c) Increases and new Commitments created pursuant to this Section 2.18 shall become effective on the date specified in the notice delivered by the Company pursuant to the first sentence of paragraph (a) above; provided that the Company may, with the consent of the Administrative Agent (such consent not to be unreasonably withheld), extend such date by up to 30 days by delivering written notice to the Administrative Agent no less than three Business Days prior to the date specified in the notice delivered by the Company pursuant to the first sentence of paragraph (a) above.

(d) Notwithstanding the foregoing, no increase in the total Commitments (or in the Commitment of any Lender) or addition of an Augmenting Lender shall become effective under this Section unless, (i) on the date of such increase, the conditions set forth in clauses (b) and (c) of Section 3.02 shall be satisfied and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Responsible Officer of the Company, and (ii) if required by the Administrative Agent, the Administrative Agent shall have received (with sufficient copies for each of the Lenders) documents consistent with those delivered on the Restatement Effective Date under clauses (c) and (e) of Section 3 of the Amendment and Restatement Agreement.

ARTICLE III

Conditions Precedent to Loans

SECTION 3.01. [Intentionally Omitted].

SECTION 3.02. Each Borrowing. The obligation of each Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) the Administrative Agent shall have received written notice of the applicable Borrower's intent to borrow if required by Article II;

(b) the representations and warranties of the Company set forth in Article IV (other than the representation set forth in Section 4.08 and the representation set forth in the last sentence of Section 4.06) shall be true and correct on and as of the date of such Borrowing with the same effect as though such representations and warranties had been made on and as of such date, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date;

(c) at the time of (and after giving effect to) such Borrowing, no Default shall have occurred and be continuing; and

(d) immediately after giving effect to such Borrowing:

(i) the Revolving Credit Exposure of each Lender shall not exceed such Lender's Commitment;

(ii) the sum of the total Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans shall not exceed the total Commitments at such time; and

(iii) the sum of the total Revolving Credit Exposures with respect to Revolving Loans to the Subsidiary Borrower plus the aggregate principal amount of outstanding Competitive Loans to the Subsidiary Borrower shall not exceed $25,000,000;

Each Borrowing shall be deemed to constitute a representation and warranty by the Company and the applicable Borrower on the date thereof as to the matters specified in paragraphs (b), (c) and (d) of this Section.

ARTICLE IV

Representations and Warranties

The Company hereby represents and warrants to the Administrative Agent and the Lenders that:

SECTION 4.01. Organization and Good Standing. Each of the Company and its Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, is duly qualified and in good standing as a foreign corporation authorized to do business in every jurisdiction where the failure to so qualify would have a Material Adverse Effect, and has the requisite corporate power and authority to own its properties and to carry on its business as now conducted and as proposed to be conducted.

SECTION 4.02. Due Authorization. Each Borrower (i) has the corporate power and requisite authority to execute, deliver and perform this Agreement and (ii) is duly authorized to, and has been authorized by all necessary corporate action, to execute, deliver and perform this Agreement.

SECTION 4.03. No Conflicts. Neither the execution and delivery of this Agreement by the Borrowers, nor the consummation of the transactions contemplated herein, nor performance by either Borrower of and compliance with the terms and provisions hereof will (i) violate or conflict with any provision of either Borrower's articles of incorporation or bylaws, (ii) violate, contravene or materially conflict with any law, regulation (including Regulation U or Regulation X), order, writ, judgment, injunction, decree or permit applicable to it, (iii) violate, contravene or materially conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which either Borrower is a party or by which either Borrower may be bound or (iv) result in or require the creation of any Lien upon or with respect to either Borrower's properties, except to the extent that any such violation, contravention, conflict or Lien referred to in the foregoing clauses (ii), (iii) or (iv) could not reasonably be expected to have a Material Adverse Effect.

SECTION 4.04. Consents. No consent, approval, authorization or order of, or filing, registration or qualification with, any Governmental Authority or third party is required in connection with the execution, delivery or performance of this Agreement, except to the extent that the failure to obtain such consents, approvals, authorization or orders, or to make any such filing, registration or qualification, could not reasonably be expected to have a Material Adverse Effect.

SECTION 4.05. Enforceable Obligations. This Agreement has been duly executed and delivered by each Borrower and constitutes a legal, valid and binding obligation of such Borrower enforceable in accordance with its terms, except as may be limited by bankruptcy or insolvency laws or similar laws affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing.

SECTION 4.06. Financial Condition. The financial statements and financial information provided to the Lenders, consisting of (a) an audited consolidated balance sheet of the Company and its Subsidiaries dated as of December 31, 2004, together with related consolidated statements of income, stockholders' equity and changes in financial position or cash flow certified by PricewaterhouseCoopers LLP, the Company's independent certified public accountants, and (b) a Company prepared unaudited consolidated balance sheet of the Company and its Subsidiaries dated as of June 30, 2005, together with related consolidated statements of income, stockholders' equity and changes in financial position or cash flow certified by the Company's chief financial officer, fairly represent in all material respects the financial condition of the Company and its Subsidiaries as of such respective dates and for such periods and such financial statements were prepared in accordance with GAAP applied on a Consistent Basis, subject to normal year-end audit adjustments and the absence of footnotes in the case of the statements referred to in the foregoing clause (b). Since December 31, 2004, there have occurred no changes or circumstances which have had or are likely to have a Material Adverse Effect.

SECTION 4.07. No Default. No Default presently exists.

SECTION 4.08. No Material Litigation. Except as disclosed in Schedule 4.08, there are no actions, suits or legal, equitable, arbitration or administrative proceedings, pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

SECTION 4.09. Taxes. The Company has filed, or caused to be filed, all tax returns (federal, state, local and foreign) required to be filed and paid all amounts of Taxes shown thereon to be due (including interest and penalties) and has paid all other taxes, fees, assessments and other governmental charges (including mortgage recording taxes, documentary stamp taxes and intangibles taxes) owing (or necessary to preserve any Liens in favor of the Lenders), by it or its Subsidiaries, except for such Taxes (i) which are not yet delinquent, (ii) which are being contested in good faith and by proper proceedings, and against which adequate reserves are being maintained in accordance with GAAP or (iii) which, if not paid, could not reasonably be expected to have a Material Adverse Effect.

SECTION 4.10. Compliance with Law. The Company and each of its Subsidiaries is in compliance with all laws, rules, regulations, orders and decrees (including Environmental Laws) applicable to it or to its properties, except for such laws, rules, regulations, orders and decrees noncompliance with which could not reasonably be expected to have a Material Adverse Effect.

SECTION 4.11. ERISA. Except, in the case of any of the following, for matters which would not have a Material Adverse Effect, (i) no Reportable Event (as defined in ERISA) has occurred and is continuing with respect to any Plan; (ii) as of the end of the most recent Plan year, no Plan has an unfunded current liability (determined under Section 412 of the Code) or an accumulated funding deficiency; (iii) no proceedings have been instituted, or, to the knowledge of the Company, planned, to terminate any Plan; (iv) neither the Company, any Subsidiary or any ERISA Affiliate, nor any duly-appointed administrator of a Plan has instituted or intends to institute proceedings to withdraw from any Multiemployer Plan; and (v) each Plan has been maintained and funded in all material respects with its terms and with the provisions of ERISA applicable thereto.

SECTION 4.12. Investment and Holding Company. Neither Borrower is an “investment company,” as such term is defined in the Investment Company Act of 1940 or a “holding company” as defined in the Public Utility Holding Company Act of 1935.

SECTION 4.13. Environmental Laws. The Company and each Subsidiary is in compliance with all applicable Environmental Laws, except to the extent that noncompliance therewith could not reasonably be expected to have a Material Adverse Effect.

ARTICLE V

Affirmative Covenants

The Company hereby covenants and agrees that so long as the Commitments are in effect and until the Loans, together with interest, fees and other obligations which are then due and payable hereunder, have been paid in full:

SECTION 5.01. Information Covenants. The Company will furnish, or cause to be furnished, to the Administrative Agent and each Lender:

(a) Annual Financial Statements. As soon as available and in any event within 90 days after the close of each fiscal year of the Company, a consolidated balance sheet of the Company and its Subsidiaries as at the end of such fiscal year together with related consolidated statements of income and retained earnings and of cash flows for such fiscal year, setting forth in comparative form consolidated figures for the preceding fiscal year examined by PricewaterhouseCoopers LLP, the Company’s independent certified public accountants, whose opinion shall be to the effect that such financial statements have been prepared in accordance with GAAP applied on a Consistent Basis and shall not be qualified as to the scope of the audit or as to the status of the Company or any of its Subsidiaries as a going concern. The financial information required by this Section 5.01(a) may be delivered in the form of an Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

(b) Quarterly Financial Statements. As soon as available and in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Company, a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarterly period together with related consolidated statements of income and retained earnings and of cash flows for such quarterly period and for the portion of the fiscal year ending with such period, in each case setting forth in comparative form consolidated figures for the corresponding period of the preceding fiscal year and accompanied by a certificate of the chief financial officer of the Company as having been prepared in accordance with GAAP applied on a Consistent Basis, subject to normal year-end audit adjustments and the absence of footnotes. The financial information required by this Section 5.01(b) may be delivered in the form of a Quarterly Report on Form 10-Q as filed with the Securities and Exchange Commission.

(c) Officer’s Certificates. At the time of delivery of the financial statements provided for in Sections 5.01(a) and (b) hereof, a certificate of the chief financial officer of the

Company substantially in the form of Exhibit C to the effect that the Company is in substantial compliance with the terms of this Agreement and no Default exists, or if any Default does exist specifying the nature and extent thereof and what action the Company proposes to take with respect thereto. Such certificate shall set forth reasonably detailed calculations demonstrating compliance with Sections 6.01 and 6.02.

(d) SEC Reports. Promptly upon transmission thereof, copies of all filings on Forms 10-K, 10-Q, 8-K and registration statements filed by the Company with the Securities and Exchange Commission, or any successor agency, and copies of all reports furnished by the Company to its stockholders.

(e) Notice of Default, Litigation, etc. Upon a Responsible Party of the Company obtaining knowledge thereof, it will give written notice to the Administrative Agent and the Lenders (i) immediately, of the occurrence of an event or condition consisting of a Default, specifying the nature and existence thereof and what action the Company proposes to take with respect thereto, and (ii) promptly, but in any event within five Business Days, of the occurrence of any of the following with respect to the Company or any of its Subsidiaries: (A) the pendency or commencement of any litigation, arbitral or governmental proceeding against the Company or any of its Subsidiaries which is likely to have a Material Adverse Effect, (B) any levy of an attachment, execution or other process against its assets which is likely to have a Material Adverse Effect, (C) the occurrence of an event or condition which shall constitute a default or event of default under any other agreement for borrowed money in excess of $50,000,000 or (D) any development in its business or affairs which has resulted in, or which the Company reasonably believes is likely to result in, a Material Adverse Effect.

(f) Other Information. Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Company or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

SECTION 5.02. Books and Records; Communication with Accountants. The Company will, and will cause each of its Subsidiaries to, keep complete and accurate books and records of its transactions in accordance with good accounting practices. The Company will, and will cause each of its Subsidiaries to, permit on reasonable notice officers or designated representatives of the Administrative Agent or any Lender to visit and inspect its properties, to examine its books and records, and to discuss the affairs, finances and accounts of the Company and its Subsidiaries with, and be advised as to the same by, the Company's officers and its independent certified public accountants, all at such reasonable times and as often as reasonably requested.

SECTION 5.03. Compliance with Law. The Company will, and will cause each of its Subsidiaries to, comply with all applicable laws, rules, regulations and orders of, and all applicable restrictions imposed by all applicable Governmental Authorities, except where any such noncompliance could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.04. Payment of Taxes. The Company will, and will cause each of its Subsidiaries to, pay and discharge all Taxes, assessments and governmental charges or levies imposed upon it, or upon its income or profits, or upon any of its properties, before they shall become delinquent, unless the same is being contested in good faith by appropriate proceedings and adequate reserves therefor have been established in accordance with GAAP or unless the failure to make such payments could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.05. Insurance. The Company will, and will cause each of its Subsidiaries to, at all times maintain in full force and effect insurance in such amounts, covering such risks and liabilities and with such deductibles or self-insurance retentions as are in accordance with normal industry practice.

SECTION 5.06. ERISA. The Company will, and will cause each of its Subsidiaries to, (a) at all times, make prompt payment of all contributions required from the Company and each Subsidiary under all Plans and required of the Company and each Subsidiary to meet the minimum funding standard set forth in ERISA with respect to all Plans if the failure to make any such payment would likely have a Material Adverse Effect; and (b) notify the Administrative Agent immediately of any fact, including any Reportable Event (as defined in ERISA) arising in connection with any of its Plans, which would reasonably be expected to constitute grounds for termination thereof by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer such Plan, involving a Plan, the termination of which would reasonably be expected to have a Material Adverse Effect, together with a statement, if requested by the Lenders, as to the reason therefor and the action, if any, proposed to be taken with respect thereof. The Company will not, nor will it permit any of its Subsidiaries or ERISA Affiliates to, (i) terminate a Plan if any such termination would give rise to or result in any liability, or (ii) cause or permit to exist any event or condition which presents a material risk of termination at the request of the PBGC, where in either (i) or (ii) that liability would reasonably be expected to have a Material Adverse Effect.

SECTION 5.07. Use of Proceeds. The proceeds of the Loans hereunder will be used by each Borrower for working capital, capital expenditures, and other lawful general corporate purposes, including support of the Company's commercial paper program. None of the proceeds will be used for the purpose of purchasing or carrying any "margin stock" (as such term is defined in Regulation U) or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry margin stock in violation of the requirements of Regulation U.

ARTICLE VI

Negative Covenants

The Company hereby covenants and agrees that so long as the Commitments are in effect and until the Loans, together with interest, fees and other obligations which are then due and payable hereunder, have been paid in full:

SECTION 6.01. Net Worth. The Company will not permit the Net Worth of the Company and its Subsidiaries at any time to be less than $675,000,000.

SECTION 6.02. Indebtedness. (a) The Company will not permit total Indebtedness of the Company and its Subsidiaries on a consolidated basis at any time outstanding to exceed 55% of Total Capitalization at such time.

(b) Without limiting paragraph (a) above, the Company will not permit any of its Subsidiaries to create, incur, assume, suffer to exist any Indebtedness (including any Guarantee of any Indebtedness), except:

(i) Indebtedness hereunder;

(ii) Indebtedness of any such Subsidiary owed to the Company or to a Subsidiary of the Company;

(iii) Indebtedness of any such Subsidiary existing on the Effective Date (all Indebtedness of the Subsidiaries in an amount of $1,000,000 or greater existing on the Effective Date is described on Schedule 6.02) and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date;

(iv) endorsements of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(v) Indebtedness incurred in respect of (A) workers' compensation claims, self-insurance obligations, bankers' acceptances, performance, surety and similar bonds and completion guarantees provided by the Company or a Subsidiary in the ordinary course of business, (B) performance bonds or similar obligations of the Company or any of its Subsidiaries for or in connection with pledges, deposits or payments made or given in the ordinary course of business, and not for money borrowed, in connection with or to secure statutory, regulatory or similar obligations, including obligations under health, safety or environmental obligations, and (C) Guarantees to suppliers, lessors, licensees, contractors, franchises or customers of obligations incurred in the ordinary course of business and not for money borrowed;

(vi) Indebtedness incurred by any Subsidiary constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business;

(vii) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, provided, however, that such Indebtedness is extinguished within five Business Days of incurrence; and

(viii) Indebtedness of Subsidiaries not otherwise permitted by the foregoing clauses of this Section; provided that the aggregate principal amount of such additional Indebtedness of all such Subsidiaries at any one time outstanding permitted under this clause (viii) does not exceed $25,000,000.

SECTION 6.03. Consolidation, Merger. The Company will not, and will not permit the Subsidiary Borrower to, dissolve, liquidate, or wind up its affairs, or enter into any transaction of merger or consolidation unless (i) the Company or the Subsidiary Borrower (as applicable) is the surviving corporation of such merger or consolidation or (ii) the surviving corporation in such merger or consolidation shall be a corporation existing under the laws of the United States of America, any state thereof or the District of Columbia (the "Successor Corporation"), the Successor Corporation shall expressly assume, by amendment to this Agreement executed by the applicable Borrower, the Successor Corporation and the Administrative Agent, the due and punctual payment of the principal of and interest on the Loans to the applicable Borrower and all other amounts payable by such Borrower under this Agreement and the payment and performance of every covenant hereof on the part of the applicable Borrower and its Subsidiaries to be performed or observed, and no Default shall have occurred or be continuing at the time of such merger or consolidation or would result from such merger or consolidation.

SECTION 6.04. Transfer of Assets. The Company will not sell, lease, transfer or otherwise dispose of all or substantially all of its property or assets, except to a wholly-owned Subsidiary of the Company.

SECTION 6.05. Transactions with Affiliates. The Company will not, nor will it permit any Subsidiary to, other than in the ordinary course of business, enter into any transaction or series of transactions, with any Affiliate of the Company, other than on terms and conditions substantially as favorable to the Company or such Subsidiary as would be obtainable by it in a comparable arm's-length transaction with a Person other than an Affiliate.

SECTION 6.06. Liens. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any Principal Property now owned or hereafter acquired by it to secure Indebtedness of the Company or any Subsidiary, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Company or any Subsidiary existing on the date hereof; provided that (i) such Lien shall not cover any other property or asset of the Company or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (except in respect of any fees and expenses incurred in connection with any such extension, renewal or replacement);

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Company or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not cover any other property or assets of the Company or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (except in respect of any fees and expenses incurred in connection with any such extension, renewal or replacement);

(d) Liens on fixed or capital assets acquired, constructed or improved by the Company or any Subsidiary; provided that (i) such Liens and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement, and (ii) such Liens shall not cover any other property or assets of the Company or any Subsidiary or secure any Indebtedness other than the Indebtedness incurred to finance the acquisition, construction or improvement of such fixed or capital assets; and

(e) Liens not otherwise permitted hereunder; provided that, at the time of the creation, incurrence or assumption of any Indebtedness secured by any Lien and after giving effect thereto, the aggregate principal amount of the Indebtedness of the Company and the Subsidiaries secured by Liens permitted under this clause (e) does not exceed an amount equal to 10% of Tangible Net Worth at such time.

SECTION 6.07. Swap Agreements. The Company will not and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Company or any Subsidiary has actual exposure (other than those in respect of shares of capital stock or other equity ownership interests of the Company or any of its Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Company or any Subsidiary.

SECTION 6.08. Subsidiary Borrower. The Company will not permit the Subsidiary Borrower to cease to be a wholly-owned Subsidiary of the Company.

ARTICLE VII

Events of Default

SECTION 7.01. Events of Default. Upon the occurrence of any of the following specified events (each an "Event of Default"):

(a) Payment. Either Borrower shall (i) default in the payment when due of any principal of any Loan, or (ii) default, and such default shall continue for five or more days, in the payment when due of any interest on any Loan, or of any fees or other amounts owing hereunder or in connection herewith; or

(b) Representations. Any representation, warranty or statement made or deemed to be made by the Company herein or in connection with this Agreement or in any statement or certificate delivered or required to be delivered pursuant hereto shall prove untrue in any material respect on the date as of which it was deemed to have been made; or

(c) Covenants. Either Borrower shall (i) default in the due performance or observance of any term, covenant or agreement contained in Section 5.07 or Article VI, or (ii) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in subsections (a), (b) or (c)(i) of this Section 7.01) contained in this Agreement and such default shall continue unremedied for a period of at least 30 days after notice thereof by the Administrative Agent or any Lender to the Company; or if without the written consent of the Lenders, this Agreement shall be disaffirmed or shall terminate, be terminable or be terminated or become void or unenforceable for any reason whatsoever (other than as expressly provided for hereunder); or

(d) Bankruptcy, etc. (i) Either Borrower or any of its Significant Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or either Borrower or any of its Significant Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against either Borrower or any of its Significant Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in the entry of an order for relief or any such adjudication or appointment or (y) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against either Borrower or any of its Significant Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) either Borrower or any of its Significant Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or

(e) Defaults under Other Agreements. Either Borrower or any of its Subsidiaries shall (A) default in any payment with respect to any Indebtedness (other than the Loans hereunder) in excess of $50,000,000, individually or in the aggregate for the Company and its Subsidiaries collectively, or (B) default in the observance or performance of any agreement or condition relating to any such Indebtedness (other than Loans hereunder) in excess of $50,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event or condition shall occur or condition exist, the effect of which default or other event or condition is to (i) cause such Indebtedness to become due prior to its stated maturity or (ii) enable or permit (with or without the giving of notice, the lapse of time or both) the holder or holders of such Indebtedness or any trustee or agent on its or their behalf to cause such Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; or

(f) Judgments. One or more judgments or decrees shall be entered against either Borrower or any of its Subsidiaries involving a liability of $50,000,000 or more in any instance or in the aggregate for all such judgments and decrees for the Company and its Subsidiaries collectively (not paid or fully covered by insurance provided by a carrier who has acknowledged coverage or covered by an indemnification provided by a credit-worthy indemnitor) and any such judgments or decrees shall not have been vacated, discharged or stayed or bonded pending appeal within 60 days from the entry thereof; or

(g) ERISA. The Company, any Subsidiary or any ERISA Affiliate shall fail to pay when due an amount or amounts aggregating in excess of $50,000,000 which it shall have become liable to pay under ERISA; or notice of intent to terminate a Plan or Plans which in the aggregate have unfunded liabilities in excess of $50,000,000 (individually and collectively, a "Material Plan") shall be filed under ERISA by the Company, any Subsidiary or any ERISA Affiliate, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the Controlled Group to incur a current payment obligation in excess of $50,000,000, and the liability that, individually or in the aggregate, would reasonably be expected to occur would result in a Material Adverse Effect; or

(h) Change in Control. (i) Any "person" or "group" (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) (other than either of the two trusts (the "Roche Trust" and the "Hubbell Trust") which, as of the Effective Date, each own more that 5% of the Class A Common Stock of the Company and the beneficiaries of which are the issue of Harvey Hubbell and, in the case of the Roche Trust, their spouses, or any future trust established for any of the same beneficiaries) either (A) becomes the "beneficial owner" (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), directly or indirectly, of voting securities of the Company (or securities convertible into or exchangeable for such voting securities) representing 40% or more of the combined voting power of all voting securities of the Company (on a fully diluted basis) or (B) otherwise has the ability, directly or indirectly, to elect a majority of the board of directors of the Company; or (ii) during any period of up to 12 consecutive months, commencing on the Effective Date, Continuing Directors shall cease for any reason (other than the death, disability or retirement of a director) to constitute a majority of the board of directors of the Company;

then, in any such event, and at any time thereafter, the Administrative Agent, upon the direction of the Required Lenders, shall, by written notice to the Company take any of the following actions without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrowers, except as otherwise specifically provided for herein:

(i) Termination. Declare the Commitments of each Lender terminated, whereupon the Commitment of each Lender hereunder shall terminate immediately;

(ii) Acceleration. Declare the unpaid principal of and any accrued interest in respect of all the outstanding Loans, together with all fees and other obligations of the Borrowers accrued hereunder, to be due whereupon the same shall be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and

(iii) Enforcement of Rights. Enforce any and all rights and remedies of the Administrative Agent or the Lenders in respect of the Loans, including without limitation all rights of setoff; provided however that, notwithstanding the foregoing, if an Event of Default specified in Section 7.01(d) with respect to either Borrower shall occur, then the Commitments of the Lenders hereunder shall automatically terminate and the Loans, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall immediately become due and payable without the giving of any notice or other action by the Administrative Agent or any Lender.

ARTICLE VIII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with either Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02) or in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by a Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for either Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Company. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Company to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 10.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

Each party hereto agrees and acknowledges that (i) the Syndication Agents do not have any duties or responsibilities in their capacities as Syndication Agents, respectively, hereunder and shall not have, or become subject to, any liability hereunder in such capacities and (ii) the exculpation provisions contained herein relating to the Administrative Agent shall be equally applicable to the Syndication Agents and the Syndication Agents shall each receive the full benefit thereof.

ARTICLE IX

Guarantee

In order to induce the Lenders to extend credit to the Subsidiary Borrower hereunder, the Company hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the Subsidiary Obligations. The Company further agrees that the due and punctual payment of the Subsidiary Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any Subsidiary Obligation.

The Company waives presentment to, demand of payment from and protest to the Subsidiary Borrower of any of the Subsidiary Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. The obligations of the Company hereunder shall not be affected by (a) the failure of any Lender to assert any claim or demand or to enforce any right or remedy against the Subsidiary Borrower under the provisions of this Agreement or otherwise; (b) any extension or renewal of any of the Subsidiary Obligations; (c) any rescission, waiver, amendment or modification of, or release from, any of the terms or provisions of this Agreement or any other agreement; (d) the failure or delay of any Lender to exercise any right or remedy against any other guarantor of the Subsidiary Obligations; (e) the failure of any Lender to assert any claim or demand or to enforce any remedy under any other agreement or instrument; (f) any default, failure or delay, wilful or otherwise, in the performance of the Subsidiary Obligations; (g) any law, regulation, decree or order of any jurisdiction, or any other event, affecting any term of the Subsidiary Obligations or Lenders' rights with respect thereto, including, without limitation: (i) the application of any such law, regulation, decree or order, including any prior approval, which would prevent the exchange of a currency other than Dollars for Dollars or the remittance of funds outside of such jurisdiction or the unavailability of Dollars in any legal exchange market in such jurisdiction in accordance with normal commercial practice; or (ii) a declaration of banking moratorium or any suspension of payments by banks in such jurisdiction or the imposition by such jurisdiction or any governmental authority thereof of any moratorium on, the required rescheduling or restructuring of, or required approval of payments on, any indebtedness in such jurisdiction; or (iii) any expropriation, confiscation, nationalization or requisition by such country or any governmental authority that directly or indirectly deprives the Subsidiary Borrower of any assets or their use or of the ability to operate its business or a material part thereof; or (iv) any war (whether or not declared), insurrection, revolution, hostile act, civil strife or similar events occurring in such jurisdiction which has the same effect as the events described in clause (i), (ii) or (iii) above (in each of the cases contemplated in clauses (i) through (iv) above, to the extent occurring or existing on or at any time after the date of this Agreement; or (h) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of the Company as a matter of law or equity or which would impair or eliminate any right of the Company to subrogation, in each case, other than payment in full of the Subsidiary Obligations after termination of the Commitments.

The Company further agrees that its guarantee hereunder constitutes a promise of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Subsidiary Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by any Lender to any balance of any deposit account or credit on the books of any Lender in favor of the Company or any Subsidiary or any other Person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or unenforceability of the Subsidiary Obligations, any impossibility in the performance of the Subsidiary Obligations or otherwise, in each case, other than the defense of payment in full of the Subsidiary Obligations.

The Company further agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Subsidiary Obligation is rescinded or must otherwise be restored by any Lender upon the bankruptcy or reorganization of either Borrower or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Lender may have at law or in equity against the Company by virtue hereof, upon the failure of the Subsidiary Borrower to pay any Subsidiary Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Company hereby promises to and will, upon receipt of written demand by the Administrative Agent, forthwith pay, or cause to be paid, to the Administrative Agent for distribution to the Lenders in cash an amount equal the unpaid principal amount of such Subsidiary Obligation. The Company further agrees that if payment in respect of any Subsidiary Obligation shall be due at a place of payment other than New York and if, by reason of any legal prohibition, disruption of currency or foreign exchange markets, war or civil disturbance or other event, payment of such Subsidiary Obligation at such place of payment shall be impossible or, in the reasonable judgment of any Lender, not consistent with the protection of its rights or interests, then, at the election of such Lender, the Company shall make payment of such Subsidiary Obligation in New York, and shall indemnify such Lender against any losses or expenses (including losses or expenses resulting from fluctuations in exchange rates) that it shall sustain as a result of such alternative payment.

Upon payment in full by the Company of any Subsidiary Obligation of the Subsidiary Borrower, each Lender shall, in a reasonable manner, assign to the Company the amount of such Subsidiary Obligation owed to such Lender and so paid, such assignment to be pro tanto to the extent to which the Subsidiary Obligation in question was discharged by the

Company, or make such disposition thereof as the Company shall direct (all without recourse to any Lender and without any representation or warranty by any Lender). Upon payment by the Company of any sums as provided above, all rights of the Company against the Subsidiary Borrower arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full of all the Subsidiary Obligations owed by the Subsidiary Borrower to the Lenders (it being understood that, after the discharge of all the Subsidiary Obligations due and payable from the Subsidiary Borrower, such rights may be exercised by the Company notwithstanding that the Subsidiary Borrower may remain contingently liable for indemnity or other Subsidiary Obligations).

ARTICLE X

Miscellaneous

SECTION 10.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Company, to it at 584 Derby Milford Road, Orange, Connecticut 06477-4024, Attention of James H. Biggart (Telecopy No. (203) 799-4205), with a copy to Richard W. Davies, Vice President, General Counsel and Secretary (Telecopy No.(203) 799-4333);

(ii) if to the Subsidiary Borrower, to it in care of the Company as provided in clause (i) above;

(iii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 1111 Fannin Street, 10th Floor, Houston, TX 77002, Attention of Glenn Hector (Telecopy No. (713) 750-2938), with a copy to JPMorgan Chase Bank, N.A., Two Corporate Drive, Suite 730, Shelton, CT 06484, Attention of Scott Farquhar (Telecopy No.(203) 944-8495); and

(iv) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or either Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 10.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by either Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.16(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender or (vi) release the Company from its Guarantee under Article IX (except as expressly provided in Article IX) or limit its liability in respect of such Guarantee, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

SECTION 10.03. Expenses; Indemnity; Damage Waiver. (a) The Company shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facility provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out-of-pocket expenses incurred by the Administrative

Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Company shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee.

(c) To the extent that the Company fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, neither of the Borrowers shall assert, and each Borrower hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than five days after written demand therefor.

SECTION 10.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by either Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (other than an Affiliate of the Company) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it), with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Company; provided that no consent of the Company shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (as defined below) or, if an Event of Default under clause (a) or (d) of Article VII has occurred and is continuing, any other assignee; and

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment to an Affiliate of a Lender or for an assignment to an assignee that is a Lender immediately prior to giving effect to such assignment.

(ii) Assignments shall be subject to the following conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Company and the Administrative Agent otherwise consent; provided that no such consent of the Company shall be required if an Event of Default under clause (a) or (d) of Article VII has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause shall not apply to rights in respect of outstanding Competitive Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire; and

(E) in the case of an assignment to a CLO (as defined below), the assigning Lender shall retain the sole right to approve any amendment, modification or waiver of any provision of this Agreement; provided that the Assignment and Assumption between such Lender and such CLO may provide that such Lender will not, without the consent of such CLO, agree to any amendment, modification or waiver described in the first proviso to Section 10.02(b) that affects such CLO.

For purposes of this Section 10.04(b), the terms “Approved Fund” and “CLO” have the following meanings:

“Approved Fund” means (a) a CLO and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

“CLO” means any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender to an Affiliate of such Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender’s rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 10.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative

Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of either Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant"), other than to an Affiliate of the Company, in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.16(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.13 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 2.15(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 10.05. Survival. All covenants, agreements, representations and warranties made by either Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.13, 2.14, 2.15 and 10.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 10.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of either Borrower against any of and all the obligations of such Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 10.09. Governing Law; Jurisdiction; Consent to Service of Process. (a)(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against either Borrower or its properties in the courts of any jurisdiction.

(c) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates’ directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such

Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to either Borrower and its obligations, (g) with the consent of the Company or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than either Borrower. For the purposes of this Section, "Information" means all information received from either Borrower relating to either Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by a Borrower; provided that, in the case of information received from either Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 10.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 10.14. USA Patriot Act. Each Lender hereby notifies each Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), (the "Act"), it is required to obtain, verify and record information that identifies such Borrower, which information includes the name and address of such Borrower and other information that will allow such Lender to identify such Borrower in accordance with the Act.

SECTION 10.15. Existing Credit Agreement; Effectiveness of the Amendment and Restatement. Until this Agreement becomes effective in accordance with the terms of the Amendment and Restatement Agreement, the Existing Credit Agreement shall remain in full force and effect and shall not be affected hereby. After the Restatement Effective Date, all obligations of the Company under the Existing Credit Agreement shall become obligations of the Company hereunder, and the provisions of the Existing Credit Agreement shall be superseded by the provisions hereof.

SECTION 10.16. Judgment. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each Borrower in respect of any sum due to any party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the Borrowers contained in this Section 10.16 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

Exhibit 21

HUBBELL INCORPORATED AND SUBSIDIARIES

LISTING OF SIGNIFICANT SUBSIDIARIES

	State or Other Jurisdiction of Incorporation	Percentage Owned By Registrant
Artesanias Baja, S.A. de C.V.	Mexico	100%
Bel Manufacturera, S.A. de C.V.	Mexico	100%
Dual-Lite Manufacturing Inc.	Delaware	100%
Fabrica de Pecas Electricas Delmar LTDA.	Brazil	100%
GAI-Tronics Corporation	Delaware	100%
Gleason Reel Corp.	Delaware	100%
Haefely Test AG	Switzerland	100%
Harvey Hubbell Caribe, Inc.	Delaware	100%
Hipotronics, Inc.	Delaware	100%
Hubbell Building Automation, Inc.	Texas	100%
Hubbell Canada LP	Canada	100%
Hubbell de Mexico, S.A. de C.V.	Mexico	100%
Hubbell Distribution, Inc.	Delaware	100%
Hubbell Incorporated (Delaware)	Delaware	100%
Hubbell Industrial Controls, Inc.	Delaware	100%
Hubbell Lighting, Inc.	Connecticut	100%
Hubbell Limited	United Kingdom	100%
Hubbell Power Systems, Inc.	Delaware	100%
Progress Lighting, Inc.	Delaware	100%
Pulse Communications, Inc.	Virginia	100%

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-108148, 333-101981 and 333-125788) of Hubbell Incorporated and its subsidiaries of our report dated March 1, 2006 relating to the financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

/s/ PricewaterhouseCoopers LLP
Stamford, Connecticut
March 1, 2006

Exhibit 31.1

I, Timothy H. Powers, Chairman of the Board, President and Chief Executive Officer of Hubbell Incorporated, certify that:

1. I have reviewed this annual report on Form 10-K of Hubbell Incorporated (the “registrant”).

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ TIMOTHY H. POWERS

Timothy H. Powers
Chairman of the Board,
President and Chief Executive Officer

March 8, 2006

Exhibit 31.2

I, David G. Nord, Senior Vice President and Chief Financial Officer of Hubbell Incorporated, certify that:

1. I have reviewed this annual report on Form 10-K of Hubbell Incorporated (the “registrant”).

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ DAVID G. NORD

David G. Nord
Senior Vice President and Chief Financial Officer

March 8, 2006

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Hubbell Incorporated (the “Company”) on Form 10-K for the period ending December 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Timothy H. Powers, Chairman of the Board, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ TIMOTHY H. POWERS

Timothy H. Powers
Chairman of the Board,
President and Chief Executive Officer

March 8, 2006

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Hubbell Incorporated (the “Company”) on Form 10-K for the period ending December 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David G. Nord, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID G. NORD

David G. Nord
Senior Vice President and
Chief Financial Officer

March 8, 2006

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.