

COMMSCOPE INC
Form 11-K
June 25, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

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

For the fiscal year ended December 31, 2006

OR

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

For the transition period from to

Commission file number 001-12929

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

COMMSCOPE, INC. RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

CommScope, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

36-4135495

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

**1100 CommScope Place SE, P.O. Box 339
Hickory, North Carolina 28602**

(Address of principal executive offices)
(Zip Code)

(828) 324-2200

(Registrant's telephone number, including area code)

COMMSCOPE, INC. RETIREMENT SAVINGS PLAN

TABLE OF CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

FINANCIAL STATEMENTS:

Statements of Net Assets Available for Benefits as of December 31, 2006 and 2005

Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2006 and 2005

Notes to Financial Statements

SUPPLEMENTAL SCHEDULE:

Form 5500, Schedule H, Part IV, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2006

SIGNATURES

EXHIBITS

NOTE: All other schedules required by Section 2520.130-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants in and Plan Administrator of
CommScope, Inc. Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the CommScope, Inc. Retirement Savings Plan (the Plan) as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2006 and 2005, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2006 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina
June 25, 2007

COMMSCOPE, INC. RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2006 AND 2005

	2006	2005
ASSETS:		
Investments - at fair value:		
Participant-directed investments	\$ 205,864,121	\$ 123,515,419
Nonparticipant-directed investments		27,759,389
Total investments	205,864,121	151,274,808
Receivables:		
Employer contributions	363,129	194,060
Participant contributions	387,405	290,167
Total receivables	750,534	484,227
Cash (Note 1)		18,017,539
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	206,614,655	169,776,574
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	144,805	138,911
NET ASSETS AVAILABLE FOR BENEFITS	\$ 206,759,460	\$ 169,915,485

See notes to financial statements.

COMMSCOPE, INC. RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
ADDITIONS:		
Investment income:		
Interest and dividend income	\$ 8,115,812	\$ 4,453,869
Net appreciation in fair value of investments	23,148,406	4,301,069
Total investment income	31,264,218	8,754,938
Contributions:		
Employer s	9,403,609	5,950,218
Participants	11,183,547	6,099,358
Participants rollovers	677,298	280,317
Total contributions	21,264,454	12,329,893
Transfer from other plan (Note 1)		18,184,962
Total additions	52,528,672	39,269,793
DEDUCTIONS Benefits paid to participants	15,684,697	10,445,110
NET INCREASE	36,843,975	28,824,683
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	169,915,485	141,090,802
End of year	\$ 206,759,460	\$ 169,915,485

See notes to financial statements.

COMMSCOPE, INC. RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

1. DESCRIPTION OF THE PLAN

The following description of the CommScope, Inc. Retirement Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan document for more complete information.

General The Plan is a defined contribution plan covering all eligible domestic employees of CommScope, Inc. and subsidiaries (the Company) who are not covered by a collective bargaining agreement. Eligibility for participation in the salary deferral savings and Company-matching portions of the Plan occurs on the first day of the calendar month following the completion of one hour of service.

Prior to January 1, 2006, the Company was permitted to make a discretionary profit-sharing cash contribution to the Plan in such amount as approved by the Board of Directors of the Company. Eligibility for participation in the employer discretionary profit-sharing portion of the Plan occurred on the first day of the calendar month following the completion of 1,000 hours of service in a 12-month period. The Board of Directors of the Company designated the portion of the discretionary profit-sharing contribution that was eligible to be paid directly to participants in cash and the portion that was to be allocated to participants' accounts, subject to each participant's election. Effective January 1, 2006, the Plan no longer provides for discretionary profit-sharing contributions. During 2005, the discretionary profit-sharing contribution portion deferred to the participants' accounts was \$4,124,118.

The Administrative Committee is responsible for the general administration and interpretation of the Plan and for carrying out its provisions. The Investment Committee is responsible for the investment of the assets of the Plan. Vanguard Fiduciary Trust Company (Vanguard) serves as the trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Merger Effective December 31, 2005, the CommScope Solutions Retirement Savings Plan (the Solutions Plan) was merged into the Plan. As a result of the merger, assets of \$18,184,962 were transferred from the Solutions Plan to the Plan. At December 31, 2005, \$167,423 of these assets had been received by Vanguard. The remainder of the assets transferred from the Solutions Plan was in transit at December 31, 2005 and is classified as cash on the 2005 Statement of Net Assets Available for Benefits. These assets were received at Vanguard on January 3, 2006.

Contributions Participants may contribute any whole percentage from 1% up to 100% of their pretax annual base compensation, as defined in the Plan, subject to certain Internal Revenue Code (IRC) limitations. Participants who attain age 50 by the end of the plan year may contribute an additional catch-up contribution to the Plan. Effective January 1, 2006, a participant's compensation will be automatically reduced by 2% and that amount will be contributed to the Plan for the benefit of the participant, unless the participant makes an affirmative election otherwise.

Prior to January 1, 2006, the Company made a matching contribution equal to 50% of the first 4% of base compensation that a participant contributed to the Plan through salary-reduction contributions. Effective January 1, 2006, the Company contributes 2% of base compensation for all eligible employees and matches 100% of the first 4% of compensation that a participant contributes to the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Participant Accounts Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contributions and the Company's matching contributions, as well as related plan earnings. Participant accounts are also charged with any benefit payments and an allocation of plan losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Investments Participants direct the investment of their contributions in increments of 10% into various investment options offered by the Plan. Prior to January 1, 2006, Company-matching contributions were nonparticipant-directed in that they were automatically invested in the CommScope Stock Fund and participants were unable to transfer the funds to other investment options in the Plan. The Company's discretionary profit-sharing contributions were allocated to investment options based on the participant's elections.

Effective January 1, 2006, one half of the Company-matching contribution is automatically invested in the CommScope Stock Fund but may be transferred by the participant at any time thereafter to any other investment option in the Plan. The Plan currently offers eighteen mutual funds, a common trust stable value fund and the CommScope Stock Fund as investment options for participants.

Vesting Prior to January 1, 2006, participants were immediately vested in their salary-reduction contributions, Company-matching contributions, discretionary profit-sharing cash payout and related earnings. Participants became vested in the Company's discretionary profit-sharing contributions to the Plan and related earnings over a 5-year period. Effective January 1, 2006, participants are immediately vested in all contributions and related earnings in their accounts provided they have completed at least one hour of service on or after January 1, 2006.

Participant Loans Participants may borrow from their fund accounts up to a maximum of \$50,000 or 50% of their vested account balances, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates at the time funds are borrowed. Principal and interest are paid ratably through payroll deductions. The maximum term for a general purpose loan is five years and the maximum term for a principal residence loan is 15 years.

Payment of Benefits Withdrawals from participant accounts are permitted upon reaching age 59 1/2, termination, retirement, death, disability or financial hardship, as defined by the Plan. Distributions are generally paid in a single lump sum in cash. As described in the Plan document, other in-service withdrawals are available to participants.

Forfeitures At December 31, 2006 and 2005, forfeited non-vested accounts totaled \$281,519 and \$238,770, respectively. These forfeited balances are available to reduce future employer contributions. During the years ended December 31, 2006 and 2005, forfeited non-vested accounts were not used to reduce employer contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

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 of assets, liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties The Plan utilizes various investment instruments, including mutual funds, a common trust fund and common stock. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition The Plan's investments are stated at fair value. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Common collective trust funds are stated at fair value as determined by the issuer of the common collective trust funds based on the fair market value of the underlying investments. Common collective trust funds with underlying investments in investment contracts are valued at fair market value of the underlying investments and then adjusted by the issuer to contract value. The CommScope Stock Fund is valued at year-end unit closing price (comprised of year-end market price for shares held by the CommScope Stock Fund plus the value of money-market reserves). Participant loans are valued at the outstanding loan balances.