

A background image showing a complex network of white nodes connected by blue lines, set against a dark blue background with vertical light streaks.

# Q1 2013 Earnings Call

January 23, 2013

EVERY CONNECTION COUNTS



# Forward-Looking Statements and Non-GAAP Measures

**Forward-Looking Statements** -- This presentation contains certain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance, financial condition or achievements to differ materially from anticipated results, performance, financial condition or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words “anticipate,” “believe,” “expect,” “estimate,” “plan,” and similar expressions are generally intended to identify forward-looking statements. We have no intention and are under no obligation to update or alter (and expressly disclaim any such intention or obligation to do so) our forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by law. The forward-looking statements in this presentation include statements addressing our future financial condition and operating results. Examples of factors that could cause actual results to differ materially from those described in the forward-looking statements include, among others, business, economic, competitive and regulatory risks, such as conditions affecting demand for products, particularly in the automotive industry and the telecommunications, computer and consumer electronics industries; competition and pricing pressure; fluctuations in foreign currency exchange rates and commodity prices; natural disasters and political, economic and military instability in countries in which we operate; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other laws and regulations; the possible effects on us of changes in tax laws, tax treaties and other legislation; the risk that Deutsch’s operations will not be successfully integrated into ours; and the risk that revenue opportunities, cost savings and other anticipated synergies from the Deutsch acquisition may not be fully realized or may take longer to realize than expected. More detailed information about these and other factors is set forth in TE Connectivity Ltd’s Annual Report on Form 10-K for the fiscal year ended Sept. 28, 2012 as well as in our Current Reports on Form 8-K and other reports filed by us with the U.S. Securities and Exchange Commission.

**Non-GAAP Measures** -- Where we have used non-GAAP financial measures, reconciliations to the most comparable GAAP measure are provided, along with a disclosure on the usefulness of the non-GAAP measure, in this presentation.

## First Quarter

- Sales of \$3.13 billion – down 1% versus prior year
- Adjusted EPS of \$0.65 – up 3% versus prior year
- Free Cash Flow of \$304 million; returned \$267 million to shareholders
- Book to bill of 1.02 excluding Subsea Communications

**Solid execution with strong margins and cash flow**

# Q1 Revenue Summary

(\$ in Millions)

<b><u>Segment</u></b>	<b><u>Q1 FY13</u></b>	<b><u>Q1 FY12</u></b>	<b><u>Actual Growth</u></b>	<b><u>Organic Growth</u></b>
Transportation Solutions	\$ 1,264	\$ 1,231	3%	(1)%
Network Solutions	734	802	(8)%	(8)%
Industrial Solutions	700	685	2%	(8)%
Consumer Solutions	436	452	(4)%	(2)%
Total	<u>\$ 3,134</u>	<u>\$ 3,170</u>	<u>(1)%</u>	<u>(4)%</u>

<b><u>Region</u></b>	<b><u>Q1 FY13</u></b>	<b><u>Q1 FY12</u></b>	<b><u>Actual Growth</u></b>	<b><u>Organic Growth</u></b>
Americas	\$ 1,018	\$ 976	4%	(2)%
EMEA	1,040	1,064	(2)%	(5)%
Asia Pacific	1,076	1,130	(5)%	(6)%
Total	<u>\$ 3,134</u>	<u>\$ 3,170</u>	<u>(1)%</u>	<u>(4)%</u>



# Transportation Solutions Q1 Summary

(\$ in Millions)

		<u>Growth Rates</u>		<u>Sales by Business</u>		<u>Growth Rates</u>	
		<u>Actual</u>	<u>Organic</u>			<u>Actual</u>	<u>Organic</u>
<b>Sales</b>	\$1,264	3%	(1)%	Automotive	\$1,264	3%	(1)%
<b>Adj. Operating Income</b>	\$205	10%		<b>Transportation Solutions</b>	<b>\$1,264</b>	<b>3%</b>	<b>(1)%</b>
<i>Adj. Operating Margin</i>	16%						

**Deutsch sales of \$70 million**

- Continued strength in North America and improving demand in China offset by soft market conditions in EMEA and Japan
- Strong operating performance
- Commercial vehicle market remained weak in Q1, however order rates improved during the quarter

# Network Solutions Q1 Summary

(\$ in Millions)

		<u>Growth Rates</u>		<u>Sales By Business</u>		<u>Growth Rates</u>	
		<u>Actual</u>	<u>Organic</u>			<u>Actual</u>	<u>Organic</u>
<b>Sales</b>	\$734	(8)%	(8)%	Telecom Networks	\$281	(7)%	(6)%
				Data Communications	199	(5)%	(5)%
<b>Adj. Operating Income</b>	\$60	(8)%		Enterprise Networks	146	(9)%	(8)%
<i>Adj. Operating Margin</i>	8%			Subsea Communications	108	(18)%	(18)%
				<b>Network Solutions</b>	<b>\$734</b>	<b>(8)%</b>	<b>(8)%</b>

- Continued market weakness in all businesses, particularly in Europe
- Improving telecom demand in North America and Australia / New Zealand offset by continued weakness in Asia and Europe
- Continued strong contract activity in Subsea Communications but pace of customer funding remains slow

# Industrial Solutions Q1 Summary

(\$ in Millions)

		<u>Growth Rates</u>		<u>Sales by Business</u>			<u>Growth Rates</u>	
		<u>Actual</u>	<u>Organic</u>			<u>Actual</u>	<u>Organic</u>	
<b>Sales</b>	\$700	2%	(8)%	Industrial	\$270	(15)%	(13)%	
				Aerospace, Defense, & Marine	243	42%	(3)%	
				Energy	187	(5)%	(3)%	
<b>Adj. Operating Income</b>	\$84	(16)%		<b>Industrial Solutions</b>	<b>\$700</b>	<b>2%</b>	<b>(8)%</b>	
<i>Adj. Operating Margin</i>	12%							

**Deutsch sales of \$78 million**

- Industrial demand remains soft in EMEA and Japan; China and North America improving
- Aerospace, Defense, & Marine up in all regions with addition of Deutsch
- Energy demand soft in all regions; spending by utilities remains slow



Organic Sales Growth, Adjusted Operating Income, and Adjusted Operating Margin are non-GAAP measures; see Appendix for description and reconciliation.

# Consumer Solutions Q1 Summary

(\$ in Millions)

		<u>Growth Rates</u>		<u>Sales by Business</u>		<u>Growth Rates</u>	
		<u>Actual</u>	<u>Organic</u>			<u>Actual</u>	<u>Organic</u>
<b>Sales</b>	\$436	(4)%	(2)%	Consumer Devices	\$274	(2)%	(1)%
<b>Adj. Operating Income</b>	\$41	32%		Appliance	162	(5)%	(4)%
<i>Adj. Operating Margin</i>	9%			<b>Consumer Solutions</b>	<b>\$436</b>	<b>(4)%</b>	<b>(2)%</b>

- New product introductions and momentum in mobile devices and tablets offset by weak PC market
- North American appliance market improving; continued softness in EMEA and Asia



# Q1 Financial Summary

(\$ in Millions, except per share amounts)

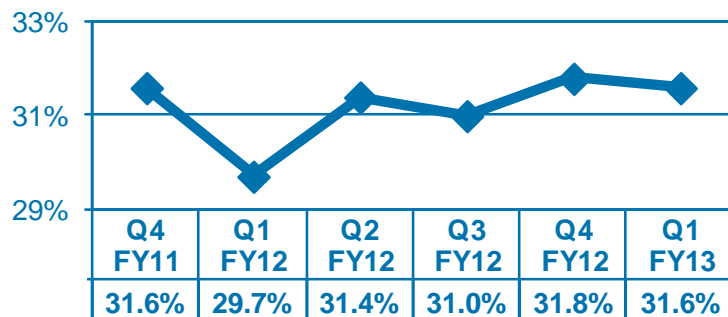
	<u>Q1 FY13</u>	<u>Q1 FY12</u>
<b>Net Sales</b>	\$ 3,134	\$ 3,170
<b>Operating Income</b>	\$ 293	\$ 361
Restructuring & Other Charges	92	18
Acquisition Related Charges	5	4
<b>Adjusted Operating Income</b>	<u>\$ 390</u>	<u>\$ 383</u>
<i>Operating Margin</i>	9.3%	11.4%
<i>Adjusted Operating Margin</i>	12.4%	12.1%
<b>GAAP Earnings Per Share</b>	\$ 0.65	\$ 0.55
Restructuring & Other Charges	0.15	0.02
Acquisition Related Charges	0.01	0.01
Tax Items	(0.16)	0.04
<b>Adjusted EPS</b>	<u>\$ 0.65</u>	<u>\$ 0.63</u>



Adjusted Operating Income, Adjusted Operating Margin and Adjusted EPS are non-GAAP measures; see Appendix for description and reconciliation.

# Q1 Operating Results & Other Items

## Adjusted Gross Margin Percentage



## Operating Expenses

(\$ in Millions)

	Q1 FY13	Q1 FY12
RD&E	\$ 171	\$ 177
SG&A	428	383
Total	<u>\$ 599</u>	<u>\$ 560</u>

### % of Sales

RD&E	5.5%	5.6%
SG&A	13.7%	12.1%

## Other Items

(\$ in Millions)

	Q1 FY13	Q1 FY12
Interest Expense, Net	\$ (33)	\$ (34)
Adjusted Other Income, Net	\$ 5	\$ 1
Income Tax Benefit (Expense)	\$ 245	\$ (88)
Effective Tax Rate	NM <sup>1</sup>	27%
Adj. Income Tax (Expense)	\$ (84)	\$ (79)
Adj. Effective Tax Rate	23%	23%

<sup>1</sup> Not Meaningful

# Q1 Balance Sheet and Cash Flow Summary

## Free Cash Flow and Working Capital

(\$ in Millions)	Q1 FY13	Q1 FY12
<b>Cash from Continuing Operations</b>	\$ 393	\$ 195
Capital expenditures, net	(124)	(125)
Pre-separation tax payments, net	35	9
<b>Free Cash Flow</b>	<b>\$ 304</b>	<b>\$ 79</b>
<hr/>		
<b>AR - \$</b>	\$ 2,211	\$ 2,152
Days Sales Outstanding	63	61
<b>Inventory (Excl. CIP) - \$</b>	\$ 1,768	\$ 1,792
Days on Hand	74	72
<b>Accounts Payable - \$</b>	\$ 1,264	\$ 1,357
Days Outstanding	53	55

## Liquidity, Cash & Debt

(\$ in Millions)	Q1 FY13	Q1 FY12
<b>Beginning Cash Balance</b>	\$ 1,589	\$ 1,218
<b>Free Cash Flow</b>	304	79
Dividends	(89)	(77)
Net increase in commercial paper	50	179
Repayment of long-term debt	(714)	-
Pre-separation tax payments, net	(35)	(9)
Share repurchases	(167)	(17)
Proceeds from exercise of share options	16	12
Other	18	4
<b>Ending Cash Balance</b>	<b>\$ 972</b>	<b>\$ 1,389</b>
<b>Total Debt</b>	<b>\$ 3,038</b>	<b>\$ 2,846</b>

# Q1 Book to Bill

<u>Segment</u>	<u>Q1 FY13</u>	<u>Q1 FY12</u>
Transportation Solutions	1.03	1.01
Network Solutions Excl. Subsea Communications	0.98	0.96
Industrial Solutions	1.03	0.96
Consumer Solutions	1.03	0.95
Total Excl. Subsea Communications	1.02	0.98

# Q2 Outlook<sup>^</sup>

(\$ in Millions, except per share amounts)

<b>Sales</b>	\$3,200	to	\$3,300
<b>Y/Y Growth</b>			
<b>Actual</b>	(2)%		2%
<b>Organic*</b>	(6)%		(3)%
<b>Adjusted EPS*</b>	\$0.68	to	\$0.72
<b>Y/Y Growth</b>	0%		6%

## Transportation Solutions – up mid single digits

- ✓ Global auto production expected to be down ~4%
  - ✓ Asia down ~2%
  - ✓ North America down ~2%
  - ✓ EMEA down ~10%
- ✓ Deutsch adds ~\$85 million

## Network Solutions – down high single digits

- ✓ Continued softness in telecom and network markets
- ✓ Subsea Communications revenues of ~\$75 million

## Industrial Solutions – up mid single digits

- ✓ Addition of Deutsch offsets continued weakness in industrial equipment and solar markets
- ✓ Deutsch adds ~\$90 million

## Consumer Solutions – down slightly

- ✓ Improvement in mobile devices and tablets offset by weaker PC market

# FY13 Outlook<sup>^</sup>

(\$ in Millions, except per share amounts)

<b>Sales</b>	\$13,300	to	\$13,700
<b>Y/Y Growth</b>			
<b>Actual</b>	0%		3%
<b>Organic*</b>	(2)%		1%
<b>Adjusted EPS*</b>	\$3.05	to	\$3.25
<b>Y/Y Growth</b>	7%		14%

## Transportation Solutions – up mid single digits

- ✓ Global auto production expected to be up slightly
  - ✓ Asia up ~3%
  - ✓ North America up ~3%
  - ✓ EMEA down ~5%
- ✓ Deutsch adds ~\$155 million incremental in 1<sup>st</sup> half

## Network Solutions – down mid single digits

- ✓ Continued softness in telecom and network markets
- ✓ Subsea Communications revenues of ~\$450 million

## Industrial Solutions – up slightly

- ✓ Addition of Deutsch offsets continued weakness in industrial equipment and solar markets
- ✓ Deutsch adds ~\$168 million incremental in 1<sup>st</sup> half

## Consumer Solutions – about flat

- ✓ New product introductions and improvement in mobile devices and tablets offset by weaker PC market

**Guidance mid-point: 2% Revenue growth and 10% Adjusted EPS growth**



<sup>^</sup> Assumes foreign exchange rates and commodity prices that are consistent with current levels.  
\* Organic Sales Growth and Adjusted EPS are non-GAAP measures; see Appendix for description.

# Summary

- Margins and free cash flow strong in Q1
- Order rates improving
- Holding adjusted EPS guidance midpoint at ~10% growth versus FY12
- Expect to return > \$1 billion of capital to shareholders in FY13

# Q & A



# Appendix

# Non-GAAP Measures

“Organic Sales Growth,” “Adjusted Gross Margin,” “Adjusted Gross Margin Percentage,” “Adjusted Operating Income,” “Adjusted Operating Margin,” “Adjusted Other Income, Net,” “Adjusted Income Tax Expense,” “Adjusted Effective Tax Rate,” “Adjusted Income from Continuing Operations,” “Adjusted Earnings Per Share,” and “Free Cash Flow” (FCF) are non-GAAP measures and should not be considered replacements for GAAP\* results.

“Organic Sales Growth” is a useful measure used by us to measure the underlying results and trends in the business. The difference between reported net sales growth (the most comparable GAAP measure) and Organic Sales Growth (the non-GAAP measure) consists of the impact from foreign currency exchange rates and acquisitions and divestitures, if any. Organic Sales Growth is a useful measure of our performance because it excludes items that: i) are not completely under management’s control, such as the impact of changes in foreign currency exchange rates; or ii) do not reflect the underlying growth of the company, such as acquisition and divestiture activity. The limitation of this measure is that it excludes items that have an impact on our sales. This limitation is best addressed by using organic sales growth in combination with the GAAP results.

We present gross margin and adjusted gross margin percentage before special items including charges or income related to restructuring and other charges and acquisition related charges, if any (“Adjusted Gross Margin” and “Adjusted Gross Margin Percentage”). We present Adjusted Gross Margin and Adjusted Gross Margin Percentage before special items to give investors a perspective on the underlying business results. These measures should be considered in conjunction with gross margin calculated using our GAAP results in order to understand the amounts, character and impact of adjustments to gross margin.

We present operating income before special items including charges or income related to legal settlements and reserves, restructuring and other charges, acquisition related charges, impairment charges, and other income or charges, if any (“Adjusted Operating Income”). We utilize Adjusted Operating Income to assess segment level core operating performance and to provide insight to management in evaluating segment operating plan execution and underlying market conditions. It also is a significant component in our incentive compensation plans. Adjusted Operating Income is a useful measure for investors because it provides insight into our underlying operating results, trends, and the comparability of these results between periods. The difference between Adjusted Operating Income and operating income (the most comparable GAAP measure) consists of the impact of charges or income related to legal settlements and reserves, restructuring and other charges, acquisition related charges, impairment charges, and other income or charges, if any, that may mask the underlying operating results and/or business trends. The limitation of this measure is that it excludes the financial impact of items that would otherwise either increase or decrease our reported operating income. This limitation is best addressed by using Adjusted Operating Income in combination with operating income (the most comparable GAAP measure) in order to better understand the amounts, character and impact of any increase or decrease on reported results.

We present operating margin before special items including charges or income related to legal settlements and reserves, restructuring and other charges, acquisition related charges, impairment charges, and other income or charges, if any (“Adjusted Operating Margin”). We present Adjusted Operating Margin before special items to give investors a perspective on the underlying business results. It also is a significant component in our incentive compensation plans. This measure should be considered in conjunction with operating margin calculated using our GAAP results in order to understand the amounts, character and impact of adjustments to operating margin.

We present other income, net before special items including tax sharing income related to certain proposed adjustments to prior period tax returns and other tax items, if any (“Adjusted Other Income, Net”). We present Adjusted Other Income, Net as we believe that it is appropriate for investors to consider results excluding these items in addition to results in accordance with GAAP. The difference between Adjusted Other Income, Net and other income, net (the most comparable GAAP measure) consists of tax sharing income related to certain proposed adjustments to prior period tax returns and other tax items, if any. The limitation of this measure is that it excludes the financial impact of items that would otherwise either increase or decrease other income, net. This limitation is best addressed by using Adjusted Other Income, Net in combination with other income, net (the most comparable GAAP measure) in order to better understand the amounts, character and impact of any increase or decrease in reported amounts.

## Non-GAAP Measures (cont.)

We present income tax expense after adjusting for the tax effect of special items including charges related to restructuring and other charges, acquisition related charges, impairment charges, other income or charges, and certain significant special tax items, if any ("Adjusted Income Tax Expense"). We present Adjusted Income Tax Expense to provide investors further information regarding the tax effects of adjustments used in determining the non-GAAP financial measure Adjusted Income from Continuing Operations (as defined below). The difference between Adjusted Income Tax Expense and income tax expense (the most comparable GAAP measure) is the tax effect of adjusting items and certain significant special tax items, if any. The limitation of this measure is that it excludes the financial impact of items that would otherwise either increase or decrease income tax expense. This limitation is best addressed by using Adjusted Income Tax Expense in combination with income tax expense (the most comparable GAAP measure) in order to better understand the amounts, character and impact of any increase or decrease in reported amounts.

We present effective income tax rate after adjusting for the tax effect of special items including charges related to restructuring and other charges, acquisition related charges, impairment charges, other income or charges, and certain significant special tax items, if any ("Adjusted Effective Tax Rate"). We present Adjusted Effective Tax Rate to provide investors further information regarding the tax rate effects of adjustments used in determining the non-GAAP financial measure Adjusted Income from Continuing Operations (as defined below). The difference between Adjusted Effective Tax Rate and effective income tax rate (the most comparable GAAP measure) is the tax rate effect of the adjusting items and certain significant special tax items, if any. The limitation of this measure is that it excludes the financial impact of items that would otherwise either increase or decrease the effective income tax rate. This limitation is best addressed by using Adjusted Effective Tax Rate in combination with effective income tax rate (the most comparable GAAP measure) in order to better understand the amounts, character and impact of any increase or decrease in reported amounts.

We present income from continuing operations attributable to TE Connectivity Ltd. before special items including charges or income related to legal settlements and reserves, restructuring and other charges, acquisition related charges, impairment charges, tax sharing income related to certain proposed adjustments to prior period tax returns and other tax items, certain significant special tax items, other income or charges, if any, and, if applicable, related tax effects ("Adjusted Income from Continuing Operations"). We present Adjusted Income from Continuing Operations as we believe that it is appropriate for investors to consider results excluding these items in addition to results in accordance with GAAP. Adjusted Income from Continuing Operations provides additional information regarding our underlying operating results, trends and the comparability of these results between periods. The difference between Adjusted Income from Continuing Operations and income from continuing operations attributable to TE Connectivity Ltd. (the most comparable GAAP measure) consists of the impact of charges or income related to legal settlements and reserves, restructuring and other charges, acquisition related charges, impairment charges, tax sharing income related to certain proposed adjustments to prior period tax returns and other tax items, certain significant special tax items, other income or charges, if any, and, if applicable, related tax effects. The limitation of this measure is that it excludes the financial impact of items that would otherwise either increase or decrease our reported results. This limitation is best addressed by using Adjusted Income from Continuing Operations in combination with income from continuing operations attributable to TE Connectivity Ltd. (the most comparable GAAP measure) in order to better understand the amounts, character and impact of any increase or decrease in reported amounts.

We present diluted earnings per share from continuing operations attributable to TE Connectivity Ltd. before special items, including charges or income related to legal settlements and reserves, restructuring and other charges, acquisition related charges, impairment charges, tax sharing income related to certain proposed adjustments to prior period tax returns and other tax items, certain significant special tax items, other income or charges, if any, and, if applicable, related tax effects ("Adjusted Earnings Per Share"). We present Adjusted Earnings Per Share because we believe that it is appropriate for investors to consider results excluding these items in addition to results in accordance with GAAP. We believe such a measure provides a picture of our results that is more comparable among periods since it excludes the impact of special items, which may recur, but tend to be irregular as to timing, thereby making comparisons between periods more difficult. It also is a significant component in our incentive compensation plans. The limitation of this measure is that it excludes the financial impact of items that would otherwise either increase or decrease our reported results. This limitation is best addressed by using Adjusted Earnings Per Share in combination with diluted earnings per share from continuing operations attributable to TE Connectivity Ltd. (the most comparable GAAP measure) in order to better understand the amounts, character and impact of any increase or decrease on reported results.

"Free Cash Flow" (FCF) is a useful measure of our performance and ability to generate cash. It also is a significant component in our incentive compensation plans. The difference between net cash provided by continuing operating activities (the most comparable GAAP measure) and FCF (the non-GAAP measure) consists mainly of significant cash outflows and inflows that we believe are useful to identify. We believe free cash flow provides useful information to investors as it provides insight into the primary cash flow metric used by management to monitor and evaluate cash flows generated from our operations. The difference reflects the impact from net capital expenditures, voluntary pension contributions, and special items, if any.

## Non-GAAP Measures (cont.)

Net capital expenditures are subtracted because they represent long-term commitments. Voluntary pension contributions are subtracted from the GAAP measure because this activity is driven by economic financing decisions rather than operating activity. Certain special items, including net payments related to pre-separation tax matters, also are considered by management in evaluating free cash flow. We believe investors should consider these items in evaluating our free cash flow. We forecast our cash flow results excluding any voluntary pension contributions because we have not yet made a determination about the amount and timing of any such future contributions. In addition, our forecast excludes the cash impact of special items because we cannot predict the amount and timing of such items.

FCF as presented herein may not be comparable to similarly-titled measures reported by other companies. The primary limitation of this measure is that it excludes items that have an impact on our GAAP cash flow. Also, it subtracts certain cash items that are ultimately within management's and the Board of Directors' discretion to direct and may imply that there is less or more cash available for our programs than the most comparable GAAP measure indicates. This limitation is best addressed by using FCF in combination with the GAAP cash flow results. It should not be inferred that the entire free cash flow amount is available for future discretionary expenditures, as our definition of free cash flow does not consider certain non-discretionary expenditures, such as debt payments. In addition, we may have other discretionary expenditures, such as discretionary dividends, share repurchases, and business acquisitions, that are not considered in the calculation of free cash flow.

Because we do not predict the amount and timing of special items that might occur in the future, and our forecasts are developed at a level of detail different than that used to prepare GAAP-based financial measures, we do not provide reconciliations to GAAP of our forward-looking financial measures.

# Net Sales Growth Reconciliation – Q1 13 vs. Q1 12

	Change in Net Sales for the Quarter Ended December 28, 2012 versus Net Sales for the Quarter Ended December 30, 2011						Percentage of Segment's Total Net Sales for the Quarter Ended December 28, 2012
	Organic <sup>(1)</sup>		Translation <sup>(2)</sup>		Acquisition	Total	
	(\$ in millions)						
<b>Transportation Solutions <sup>(3)</sup>:</b>							
Automotive	\$ (12)	(1.0) %	\$ (25)	\$ 70	\$ 33	2.7 %	100 %
Total	(12)	(1.0)	(25)	70	33	2.7	100 %
<b>Network Solutions <sup>(3)</sup>:</b>							
Telecom Networks	(17)	(5.6)	(3)	-	(20)	(6.6)	38
Data Communications	(10)	(4.6)	(1)	-	(11)	(5.2)	27
Enterprise Networks	(13)	(7.7)	(1)	-	(14)	(8.8)	20
Subsea Communications	(23)	(17.6)	-	-	(23)	(17.6)	15
Total	(63)	(7.8)	(5)	-	(68)	(8.5)	100 %
<b>Industrial Solutions <sup>(3)</sup>:</b>							
Industrial	(43)	(13.4)	(4)	-	(47)	(14.8)	38
Aerospace, Defense, and Marine	(5)	(3.0)	(1)	78	72	42.1	35
Energy	(7)	(3.3)	(3)	-	(10)	(5.1)	27
Total	(55)	(8.0)	(8)	78	15	2.2	100 %
<b>Consumer Solutions <sup>(3)</sup>:</b>							
Consumer Devices	(4)	(1.4)	(3)	-	(7)	(2.5)	63
Appliances	(7)	(4.0)	(2)	-	(9)	(5.3)	37
Total	(11)	(2.4)	(5)	-	(16)	(3.5)	100 %
<b>Total</b>	<b>\$ (141)</b>	<b>(4.4) %</b>	<b>\$ (43)</b>	<b>\$ 148</b>	<b>\$ (36)</b>	<b>(1.1) %</b>	

<sup>(1)</sup> Represents the change in net sales resulting from volume and price changes, before consideration of acquisitions, divestitures, and the impact of changes in foreign currency exchange rates. Organic net sales growth is a non-GAAP measure. See description of non-GAAP measures contained in this appendix.

<sup>(2)</sup> Represents the change in net sales resulting from changes in foreign currency exchange rates.

<sup>(3)</sup> Industry end market information is presented consistently with our internal management reporting and may be periodically revised as management deems necessary.

# Net Sales Growth Reconciliation – Q1 13 vs. Q4 12

	Change in Net Sales for the Quarter Ended December 28, 2012 versus Net Sales for the Quarter Ended September 28, 2012					Percentage of Segment's Total Net Sales for the Quarter Ended December 28, 2012
	Organic <sup>(1)</sup>	Translation <sup>(2)</sup>	Total			
	(\$ in millions)					
<b>Transportation Solutions <sup>(3)</sup>:</b>						
Automotive	\$ (35)	(2.7) %	\$ 20	\$ (15)	(1.2) %	100 %
Total	(35)	(2.7)	20	(15)	(1.2)	100 %
<b>Network Solutions <sup>(3)</sup>:</b>						
Telecom Networks	(63)	(18.6)	2	(61)	(17.8)	38
Data Communications	(26)	(11.6)	1	(25)	(11.2)	27
Enterprise Networks	(18)	(11.0)	2	(16)	(9.9)	20
Subsea Communications	(3)	(2.7)	1	(2)	(1.8)	15
Total	(110)	(13.1)	6	(104)	(12.4)	100 %
<b>Industrial Solutions <sup>(3)</sup>:</b>						
Industrial	(39)	(12.9)	2	(37)	(12.1)	38
Aerospace, Defense, and Marine	(17)	(6.6)	3	(14)	(5.4)	35
Energy	(29)	(13.7)	3	(26)	(12.2)	27
Total	(85)	(11.0)	8	(77)	(9.9)	100 %
<b>Consumer Solutions <sup>(3)</sup>:</b>						
Consumer Devices	(20)	(6.7)	(1)	(21)	(7.1)	63
Appliances	(14)	(8.3)	1	(13)	(7.4)	37
Total	(34)	(7.3)	-	(34)	(7.2)	100 %
<b>Total</b>	<b>\$ (264)</b>	<b>(7.9) %</b>	<b>\$ 34</b>	<b>\$ (230)</b>	<b>(6.8) %</b>	

<sup>(1)</sup> Represents the change in net sales resulting from volume and price changes, before consideration of acquisitions, divestitures, and the impact of changes in foreign currency exchange rates. Organic net sales growth is a non-GAAP measure. See description of non-GAAP measures contained in this appendix.

<sup>(2)</sup> Represents the change in net sales resulting from changes in foreign currency exchange rates.

<sup>(3)</sup> Industry end market information is presented consistently with our internal management reporting and may be periodically revised as management deems necessary.

# Net Sales Growth Reconciliation by Geography – Q1 13 vs. Q1 12

**Change in Net Sales for the Quarter  
Ended December 28, 2012 versus Net Sales for  
the Quarter Ended December 30, 2011**

	<b>Organic <sup>(1)</sup></b>		<b>Translation <sup>(2)</sup></b>		<b>Acquisition</b>		<b>Total</b>			
	(\$ in millions)									
Americas	\$	(22)	(2.2)%	\$	(5)	\$	69	\$	42	4.3%
EMEA		(55)	(5.2)		(39)		70		(24)	(2.3)
Asia-Pacific		(64)	(5.7)		1		9		(54)	(4.8)
<b>Total</b>	<b>\$</b>	<b>(141)</b>	<b>(4.4)%</b>	<b>\$</b>	<b>(43)</b>	<b>\$</b>	<b>148</b>	<b>\$</b>	<b>(36)</b>	<b>(1.1)%</b>

(1) Represents the change in net sales resulting from volume and price changes, before consideration of acquisitions, divestitures, and the impact of changes in foreign currency exchange rates. Organic net sales growth is a non-GAAP measure. See description of non-GAAP measures contained in this appendix.

(2) Represents the change in net sales resulting from changes in foreign currency exchange rates.

## Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended December 28, 2012

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) <sup>(2)</sup>
		Acquisition Related Charges	Restructuring and Other Charges, Net	Tax Items <sup>(1)</sup>	
(\$ in millions, except per share data)					
<b>Operating Income (Loss):</b>					
Transportation Solutions	\$ 192	\$ 3	\$ 10	\$ -	\$ 205
Network Solutions	36	-	24	-	60
Industrial Solutions	70	2	12	-	84
Consumer Solutions	(5)	-	46	-	41
<b>Total</b>	<u>\$ 293</u>	<u>\$ 5</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ 390</u>
<b>Operating Margin</b>	<u>9.3%</u>				<u>12.4%</u>
<b>Other Income (Expense), Net</b>	<u>\$ (226)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231</u>	<u>\$ 5</u>
<b>Income Tax (Expense) Benefit</b>	<u>\$ 245</u>	<u>\$ (1)</u>	<u>\$ (27)</u>	<u>\$ (301)</u>	<u>\$ (84)</u>
<b>Effective Tax Rate</b>	<u>NM <sup>(3)</sup></u>				<u>23.2%</u>
<b>Income from Continuing Operations Attributable to TE Connectivity Ltd.</b>	<u>\$ 279</u>	<u>\$ 4</u>	<u>\$ 65</u>	<u>\$ (70)</u>	<u>\$ 278</u>
<b>Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.</b>	<u>\$ 0.65</u>	<u>\$ 0.01</u>	<u>\$ 0.15</u>	<u>\$ (0.16)</u>	<u>\$ 0.65</u>

<sup>(1)</sup> Includes income tax benefits associated with the settlement of an audit of prior year tax returns as well as the related impact to other expense pursuant to the tax sharing agreement with Tyco International and Covidien. Also includes income tax expense related to adjustments to prior year income tax returns and the estimated impacts of certain intercompany dividends.

<sup>(2)</sup> See description of non-GAAP measures contained in this appendix.

<sup>(3)</sup> Not meaningful.



## Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended December 30, 2011

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) <sup>(2)</sup>
		Acquisition Related Charges	Restructuring and Other Charges, Net	Tax Items <sup>(1)</sup>	
		(\$ in millions, except per share data)			
<b>Operating Income:</b>					
Transportation Solutions	\$ 184	\$ 2	\$ 1	\$ -	\$ 187
Network Solutions	59	-	6	-	65
Industrial Solutions	90	2	8	-	100
Consumer Solutions	28	-	3	-	31
<b>Total</b>	<u>\$ 361</u>	<u>\$ 4</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 383</u>
<b>Operating Margin</b>	<u>11.4%</u>				<u>12.1%</u>
<b>Other Income, Net</b>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
<b>Income Tax Expense</b>	<u>\$ (88)</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ 17</u>	<u>\$ (79)</u>
<b>Effective Tax Rate</b>	<u>26.8%</u>				<u>22.6%</u>
<b>Income from Continuing Operations Attributable to TE Connectivity Ltd.</b>	<u>\$ 238</u>	<u>\$ 4</u>	<u>\$ 10</u>	<u>\$ 17</u>	<u>\$ 269</u>
<b>Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.</b>	<u>\$ 0.55</u>	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ 0.04</u>	<u>\$ 0.63</u>

<sup>(1)</sup> Primarily relates to income tax expense associated with certain non-U.S tax rate changes.

<sup>(2)</sup> See description of non-GAAP measures contained in this appendix.

## Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended March 30, 2012

	U.S. GAAP	Adjustments		Adjusted (Non-GAAP) <sup>(1)</sup>
		Acquisition Related Charges	Restructuring and Other Charges, Net	
(\$ in millions, except per share data)				
<b>Operating Income:</b>				
Transportation Solutions	\$ 196	\$ 3	\$ -	\$ 199
Network Solutions	53	-	24	77
Industrial Solutions	104	1	1	106
Consumer Solutions	32	-	7	39
<b>Total</b>	<u>\$ 385</u>	<u>\$ 4</u>	<u>\$ 32</u>	<u>\$ 421</u>
<b>Operating Margin</b>	<u>11.8%</u>			<u>13.0%</u>
<b>Other Income, Net</b>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>
<b>Income Tax Expense</b>	<u>\$ (91)</u>	<u>\$ -</u>	<u>\$ (9)</u>	<u>\$ (100)</u>
<b>Effective Tax Rate</b>	<u>25.3%</u>			<u>25.3%</u>
<b>Income from Continuing Operations Attributable to TE Connectivity Ltd.</b>	<u>\$ 267</u>	<u>\$ 4</u>	<u>\$ 23</u>	<u>\$ 294</u>
<b>Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.</b>	<u>\$ 0.62</u>	<u>\$ 0.01</u>	<u>\$ 0.05</u>	<u>\$ 0.68</u>

<sup>(1)</sup> See description of non-GAAP measures contained in this appendix.

# Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Year Ended September 28, 2012

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) <sup>(3)</sup>
		Acquisition Related Charges <sup>(1)</sup>	Restructuring and Other Charges, Net	Tax Items <sup>(2)</sup>	
(\$ in millions, except per share data)					
<b>Operating Income:</b>					
Transportation Solutions	\$ 754	\$ 67	\$ 9	\$ -	\$ 830
Network Solutions	247	-	59	-	306
Industrial Solutions	378	49	23	-	450
Consumer Solutions	139	-	23	-	162
<b>Total</b>	<u>\$ 1,518</u>	<u>\$ 116</u>	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ 1,748</u>
<b>Operating Margin</b>	<u>11.4%</u>				<u>13.2%</u>
<b>Other Income, Net</b>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17)</u>	<u>\$ 33</u>
<b>Income Tax Expense</b>	<u>\$ (249)</u>	<u>\$ (24)</u>	<u>\$ (33)</u>	<u>\$ (90)</u>	<u>\$ (396)</u>
<b>Effective Tax Rate</b>	<u>17.6%</u>				<u>24.3%</u>
<b>Income from Continuing Operations Attributable to TE Connectivity Ltd.</b>	<u>\$ 1,163</u>	<u>\$ 92</u>	<u>\$ 81</u>	<u>\$ (107)</u>	<u>\$ 1,229</u>
<b>Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.</b>	<u>\$ 2.70</u>	<u>\$ 0.21</u>	<u>\$ 0.19</u>	<u>\$ (0.25)</u>	<u>\$ 2.86</u>

<sup>(1)</sup> Includes \$75 million of non-cash amortization associated with fair value adjustments primarily related to acquired inventories and customer order backlog recorded in cost of sales, \$27 million of acquisition and integration costs, and \$14 million of restructuring charges.

<sup>(2)</sup> Other income adjustment relates to reimbursements by Tyco International and Covidien in connection with pre-separation tax matters. Income tax expense adjustments include income tax benefits recognized in connection with a reduction in the valuation allowance associated with certain tax loss carryforwards and income tax expense associated with certain non-U.S tax rate changes.

<sup>(3)</sup> See description of non-GAAP measures contained in this appendix.

# Gross Margin & Gross Margin Percentage Reconciliation

	September 30, 2011	December 30, 2011	For the Quarters Ended		September 28, 2012	December 28, 2012
			March 30, 2012	June 29, 2012		
Net sales	\$ 3,753	\$ 3,170	\$ 3,249	\$ 3,499	\$ 3,364	\$ 3,134
Cost of sales	2,569	2,227	2,228	2,481	2,300	2,145
<b>Gross margin</b>	<u>1,184</u>	<u>943</u>	<u>1,021</u>	<u>1,018</u>	<u>1,064</u>	<u>989</u>
<b>Gross margin percentage</b>	<u>31.5%</u>	<u>29.7%</u>	<u>31.4%</u>	<u>29.1%</u>	<u>31.6%</u>	<u>31.6%</u>
Acquisition Related Charges	1	-	-	68	7	-
<b>Adjusted gross margin <sup>(1)</sup></b>	<u>\$ 1,185</u>	<u>\$ 943</u>	<u>\$ 1,021</u>	<u>\$ 1,086</u>	<u>\$ 1,071</u>	<u>\$ 989</u>
<b>Adjusted gross margin percentage <sup>(1)</sup></b>	<u>31.6%</u>	<u>29.7%</u>	<u>31.4%</u>	<u>31.0%</u>	<u>31.8%</u>	<u>31.6%</u>

<sup>(1)</sup> See description of non-GAAP measures contained in this appendix.