



Q3 2013 Earnings Call

July 24, 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 Quarterly Reports on Form 10-Q for the fiscal quarters ended Dec. 28, 2012 and March 29, 2013, 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.

Summary

- Sales of \$3.45 billion exceeded guidance; down 1% versus prior year
- Adjusted Operating Margin of 14.8%, up 80 basis points versus prior year
- Adjusted EPS of \$0.88 up 11% versus prior year and above guidance
- Free Cash Flow of \$431 million; returned \$314 million to shareholders
- Book-to-Bill of 1.02 excluding Subsea Communications
- Raising full year adjusted EPS guidance to \$3.18 to \$3.22

Continued strong margin performance

Q3 Revenue Summary

(\$ in Millions)

<u>Segment</u>	<u>Q3 FY13</u>	<u>Q3 FY12</u>	<u>Actual Growth</u>	<u>Organic Growth</u>
Transportation Solutions	\$ 1,438	\$ 1,344	7%	8%
Network Solutions	803	855	(6)%	(4)%
Industrial Solutions	779	814	(4)%	(4)%
Consumer Solutions	429	486	(12)%	(10)%
Total	<u>\$ 3,449</u>	<u>\$ 3,499</u>	<u>(1)%</u>	<u>(0)%</u>

Sales ~\$25 million above high end of guidance
driven by Auto and Telecom

Transportation Solutions Q3 Summary

(\$ in Millions)

		<u>Growth Rates</u>	
		<u>Actual</u>	<u>Organic</u>
Sales	\$1,438	7%	8%
Orders	\$1,435	6%	7%
Book to Bill	1.00		
Adj. Operating Income	\$284	19%	
<i>Adj. Operating Margin</i>	19.7%		

Sales by Business

		<u>Growth Rates</u>	
		<u>Actual</u>	<u>Organic</u>
Automotive	\$1,438	7%	8%
Transportation Solutions	<u>\$1,438</u>	7%	8%

Sales by Region

<u>Region</u>	<u>Q3 FY13</u>	<u>Actual Growth</u>	<u>Organic Growth</u>
Americas	\$ 340	9%	10%
EMEA	608	7%	6%
Asia Pacific	490	5%	10%
Total	<u>\$ 1,438</u>	<u>7%</u>	<u>8%</u>

- Solid revenue growth in all regions; Europe bolstered by OEM export sales
- Global vehicle production up ~3% versus the prior year
- Continued strength in commercial vehicle market, particularly in China

Network Solutions Q3 Summary

(\$ in Millions)

		Growth Rates	
		Actual	Organic
Sales	\$803	(6)%	(4)%
Orders	\$745	(12)%	(10)%
Orders ex SubCom	\$723	(2)%	1%
Book to Bill	0.93		
B:B ex SubCom	1.03		
Adj. Operating Income	\$74	(10)%	
<i>Adj. Operating Margin</i>	9.2%		

Sales By Business

		Growth Rates	
		Actual	Organic
Telecom Networks	\$348	1%	1%
Data Communications	190	(17)%	(8)%
Enterprise Networks	161	(2)%	(1)%
Subsea Communications	104	(11)%	(11)%
Network Solutions	\$803	(6)%	(4)%

Sales by Region

<u>Region</u>	<u>Q3 FY13</u>	<u>Actual Growth</u>	<u>Organic Growth</u>
Americas	\$ 413	(5)%	(4)%
EMEA	200	(2)%	(3)%
Asia Pacific	190	(12)%	(4)%
Total	\$ 803	(6)%	(4)%

- Telecom market gradually improving
- Data Communications market demand mixed; actual growth impacted by divestiture of magnetics business earlier in 2013
- Project financing delays persist in Subsea Communications

Industrial Solutions Q3 Summary

(\$ in Millions)

		<u>Growth Rates</u>	
		<u>Actual</u>	<u>Organic</u>
Sales	\$779	(4)%	(4)%
Orders	\$799	3%	4%
Book to Bill	1.03		
Adj. Operating Income	\$108	(13)%	
<i>Adj. Operating Margin</i>	13.9%		

Sales by Business

		<u>Growth Rates</u>	
		<u>Actual</u>	<u>Organic</u>
Industrial	\$306	(9)%	(8)%
Aerospace, Defense, & Marine	265	2%	3%
Energy	208	(4)%	(4)%
Industrial Solutions	<u>\$779</u>	(4)%	(4)%

Sales by Region

<u>Region</u>	<u>Q3 FY13</u>	<u>Actual Growth</u>	<u>Organic Growth</u>
Americas	\$ 324	(4)%	(3)%
EMEA	321	(5)%	(6)%
Asia Pacific	134	(4)%	1%
Total	<u>\$ 779</u>	<u>(4)%</u>	<u>(4)%</u>

- Segment sales in line with guidance
- Aerospace, Defense, & Marine revenues up in all regions; commercial aerospace and oil & gas markets remain solid
- Industrial Equipment demand improving, but still below prior year levels
- Energy demand continues to be soft

Consumer Solutions Q3 Summary

(\$ in Millions)

		<u>Growth Rates</u>	
		<u>Actual</u>	<u>Organic</u>
Sales	\$429	(12)%	(10)%
Orders	\$454	(5)%	(3)%
Book to Bill	1.06		
Adj. Operating Income	\$43	(7)%	
<i>Adj. Operating Margin</i>	10.0%		

		<u>Growth Rates</u>	
		<u>Actual</u>	<u>Organic</u>
Consumer Devices	\$243	(14)%	(12)%
Appliance	186	(8)%	(7)%
Consumer Solutions	<u>\$429</u>	(12)%	(10)%

Sales by Region

<u>Region</u>	<u>Q3 FY13</u>	<u>Actual Growth</u>	<u>Organic Growth</u>
Americas	\$ 75	(7)%	(9)%
EMEA	71	(18)%	(17)%
Asia Pacific	283	(11)%	(9)%
Total	<u>\$ 429</u>	<u>(12)%</u>	<u>(10)%</u>

- Adjusted Operating margins improved due to productivity and new product introductions
- Mobile device growth offset by PC declines
- Appliance market up sequentially driven by housing growth in US and China

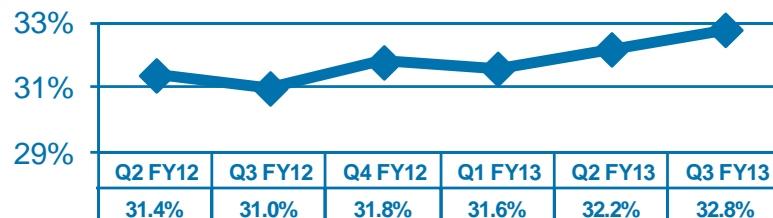
Q3 Financial Summary

(\$ in Millions, except per share amounts)

	Q3 FY13	Q3 FY12
Net Sales	\$ 3,449	\$ 3,499
Operating Income	\$ 439	\$ 371
Restructuring & Other Charges, net	67	25
Acquisition Related Charges	3	94
Adjusted Operating Income	\$ 509	\$ 490
<i>Operating Margin</i>	12.7%	10.6%
<i>Adjusted Operating Margin</i>	14.8%	14.0%
GAAP Earnings Per Share	\$ 0.79	\$ 0.60
Restructuring & Other Charges, net	0.11	0.04
Acquisition Related Charges	-	0.16
Tax Items	(0.02)	(0.02)
Adjusted EPS	\$ 0.88	\$ 0.79

Q3 Operating Results & Other Items

Adjusted Gross Margin Percentage



Operating Expenses

(\$ in Millions)	<u>Q3 FY13</u>	<u>Q3 FY12</u>
RD&E	\$ 167	\$ 173
SG&A	456	423
Total	<u>\$ 623</u>	<u>\$ 596</u>

% of Sales

RD&E	4.8%	4.9%
SG&A	13.2%	12.1%

Other Items

(\$ in Millions)

	<u>Q3 FY13</u>	<u>Q3 FY12</u>
Interest Expense, Net	\$ (32)	\$ (42)
Adjusted Other Income, Net	\$ 10	\$ 9
Income Tax Expense	\$ (93)	\$ (88)
<i>Effective Tax Rate</i>	21.9%	25.3%
Adj. Income Tax Expense	\$ (115)	\$ (117)
<i>Adj. Effective Tax Rate</i>	23.6%	25.6%

Q3 Balance Sheet and Cash Flow Summary

Free Cash Flow and Working Capital

(\$ in Millions)	Q3 FY13	Q3 FY12
Cash from Continuing Operations	\$ 614	\$ 498
Capital expenditures, net	(144)	(109)
Pre-separation tax payments, net	(39)	8
Payments related to accrued interest on debt assumed in the acquisition of Deutsch	-	17
Free Cash Flow	\$ 431	\$ 414
YTD Free Cash Flow	\$ 1,088	\$ 865
<hr/>		
A/R - \$	\$ 2,257	\$2,393
Days Sales Outstanding	59	62
Inventory (Excl. CIP) - \$	\$ 1,737	\$1,815
Days on Hand	68	66
Accounts Payable - \$	\$ 1,357	\$1,383
Days Outstanding	53	50

Liquidity, Cash & Debt

Liquidity Summary

(\$ in Millions)	Q3 FY13	Q3 FY12
Beginning Cash Balance	\$ 1,073	\$ 2,866
Free Cash Flow	431	414
Dividends	(104)	(90)
Share repurchases	(253)	-
Proceeds from exercise of share options	67	4
Pre-separation tax payments, net	39	(8)
Net decrease in commercial paper	-	(219)
Deutsch acquisition	-	(1,384)
Proceeds from sales of business	-	394
Repayment of debt	(1)	(642)
Other	10	(33)
Ending Cash Balance	\$ 1,262	\$ 1,302
Total Debt	\$ 3,018	\$ 3,759

Q4 Outlook[^]

(\$ in Millions, except per share amounts)

Sales	\$3,350	to	\$3,450
Y/Y Growth			
Actual	- %		3%
Organic*	1%		4%
Adjusted EPS*	\$0.88	to	\$0.92
Y/Y Growth	16%		21%

Transportation Solutions

- ✓ Up high single digits vs. prior year
- ✓ Global auto production expected to be up ~3-4% vs. prior year
 - ✓ Asia up ~5%
 - ✓ North America up ~8%
 - ✓ EMEA down ~1%

Network Solutions

- ✓ Down mid single digits vs. prior year
- ✓ Telecom - fiber growth offset by copper declines
- ✓ Subsea Communications revenues of ~\$110 million

Industrial Solutions

- ✓ Flat to up-slightly vs. prior year
- ✓ Industrial equipment improving gradually; Energy remains soft

Consumer Solutions

- ✓ Down mid single digits vs. prior year
- ✓ PC market continues to decline but showing signs of stabilization
- ✓ Tablets and smart phones continue to grow

Guidance mid-point: Revenue up slightly and ~18% Adjusted EPS growth versus prior year

[^] 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.

FY13 Outlook[^]

(\$ in Millions, except per share amounts)

Sales	\$13,200 to \$13,300	
Y/Y Growth		
Actual	(1)%	- %
Organic*	(2)%	(1)%
Adjusted EPS*	\$3.18 to \$3.22	
Y/Y Growth	11%	13%

Transportation Solutions – up mid single digits

- ✓ Global auto production expected to be up ~2%
 - ✓ Asia up ~4%
 - ✓ North America up ~6%
 - ✓ EMEA down ~5%

Network Solutions – down high single digits

- ✓ Telecom market improving, however down low single digits vs. prior year
- ✓ Demand remains soft in networking markets
- ✓ Subsea Communications revenues of ~\$400 million

Industrial Solutions – flat to up slightly

- ✓ Slight improvement in industrial equipment markets offset by slower defense and energy markets
- ✓ Strength in commercial aerospace and oil & gas markets

Consumer Solutions – down mid single digits

- ✓ Growth in smart phones and tablets offset by weak PC market

Guidance mid-point: Revenue flat and ~12% Adjusted EPS growth versus prior year

[^] 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.

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 – Q3 13 vs. Q3 12

	Change in Net Sales for the Quarter Ended June 28, 2013 versus Net Sales for the Quarter Ended June 29, 2012						Percentage of Segment's Total Net Sales for the Quarter Ended June 28, 2013		
	Organic ⁽¹⁾		Translation ⁽²⁾		Divestiture			Total	
	(\$ in millions)								
Transportation Solutions ⁽³⁾:									
Automotive	\$ 109	8.1 %	\$ (15)	\$ -	\$ 94	7.0 %		100 %	
Total	109	8.1	(15)	-	94	7.0		100 %	
Network Solutions ⁽³⁾:									
Telecom Networks	2	0.6	1	-	3	0.9		43	
Data Communications	(19)	(8.0)	(1)	(19)	(39)	(17.0)		24	
Enterprise Networks	(1)	(0.8)	(2)	-	(3)	(1.8)		20	
Subsea Communications	(13)	(10.9)	-	-	(13)	(11.1)		13	
Total	(31)	(3.6)	(2)	(19)	(52)	(6.1)		100 %	
Industrial Solutions ⁽³⁾:									
Industrial	(30)	(8.2)	(2)	-	(32)	(9.5)		39	
Aerospace, Defense, and Marine	8	2.9	(2)	-	6	2.3		34	
Energy	(9)	(4.3)	-	-	(9)	(4.1)		27	
Total	(31)	(3.8)	(4)	-	(35)	(4.3)		100 %	
Consumer Solutions ⁽³⁾:									
Consumer Devices	(35)	(12.1)	(6)	-	(41)	(14.4)		57	
Appliance	(15)	(7.2)	(1)	-	(16)	(7.9)		43	
Total	(50)	(10.2)	(7)	-	(57)	(11.7)		100 %	
Total	\$ (3)	(0.1) %	\$ (28)	\$ (19)	\$ (50)	(1.4) %			

⁽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.

⁽³⁾ Industry end market information about net sales is presented consistently with our internal management reporting and may be periodically revised as management deems necessary.

Net Sales Growth Reconciliation – Q3 13 vs. Q2 13

	Change in Net Sales for the Quarter Ended June 28, 2013 versus Net Sales for the Quarter Ended March 29, 2013							Percentage of Segment's Total Net Sales for the Quarter Ended June 28, 2013
	Organic ⁽¹⁾		Translation ⁽²⁾		Divestiture		Total	
(\$ in millions)								
Transportation Solutions ⁽³⁾:								
Automotive	\$ 75	5.4 %	\$ (22)	\$ -	\$ 53	3.8 %		100 %
Total	75	5.4	(22)	-	53	3.8		100 %
Network Solutions ⁽³⁾:								
Telecom Networks	51	16.6	(4)	-	47	15.6		43
Data Communications	20	10.2	(3)	(21)	(4)	(2.1)		24
Enterprise Networks	15	10.3	(2)	-	13	8.8		20
Subsea Communications	21	25.9	1	-	22	26.8		13
Total	107	14.8	(8)	(21)	78	10.8		100 %
Industrial Solutions ⁽³⁾:								
Industrial	31	11.1	(4)	-	27	9.7		39
Aerospace, Defense, and Marine	3	1.0	(2)	-	1	0.4		34
Energy	17	9.0	(2)	-	15	7.8		27
Total	51	6.9	(8)	-	43	5.8		100 %
Consumer Solutions ⁽³⁾:								
Consumer Devices	1	0.6	(2)	-	(1)	(0.4)		57
Appliance	13	7.2	(2)	-	11	6.3		43
Total	14	3.3	(4)	-	10	2.4		100 %
Total	\$ 247	7.5 %	\$ (42)	\$ (21)	\$ 184	5.6 %		

⁽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.

⁽³⁾ Industry end market information about net sales is presented consistently with our internal management reporting and may be periodically revised as management deems necessary.

Net Sales Growth Reconciliation by Segment and Geography – Q3 13 vs. Q3 12

Change in Net Sales for the Quarter Ended June 28, 2013
versus Net Sales for the Quarter Ended June 29, 2012

	Organic ⁽¹⁾		Translation ⁽²⁾		Divestiture		Total	
	(\$ in millions)							
Transportation Solutions:								
Americas	\$ 29	9.5 %	\$ (2)	\$ -	\$ 27	8.6 %		
EMEA	34	5.9	8	-	42	7.4		
Asia-Pacific	46	9.8	(21)	-	25	5.4		
Total	109	8.1	(15)	-	94	7.0		
Network Solutions:								
Americas	(17)	(3.6)	(1)	(2)	(20)	(4.6)		
EMEA	(5)	(3.0)	1	(1)	(5)	(2.4)		
Asia-Pacific	(9)	(4.1)	(2)	(16)	(27)	(12.4)		
Total	(31)	(3.6)	(2)	(19)	(52)	(6.1)		
Industrial Solutions:								
Americas	(11)	(3.2)	(1)	-	(12)	(3.6)		
EMEA	(21)	(6.3)	4	-	(17)	(5.0)		
Asia-Pacific	1	0.8	(7)	-	(6)	(4.3)		
Total	(31)	(3.8)	(4)	-	(35)	(4.3)		
Consumer Solutions:								
Americas	(6)	(9.0)	-	-	(6)	(7.4)		
EMEA	(17)	(17.4)	1	-	(16)	(18.4)		
Asia-Pacific	(27)	(8.7)	(8)	-	(35)	(11.0)		
Total	(50)	(10.2)	(7)	-	(57)	(11.7)		
Total:								
Americas	(5)	(0.4)	(4)	(2)	(11)	(0.9)		
EMEA	(9)	(0.7)	14	(1)	4	0.3		
Asia-Pacific	11	1.0	(38)	(16)	(43)	(3.8)		
Total	(3)	(0.1) %	(28)	(19)	(50)	(1.4) %		

⁽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 June 28, 2013

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) ⁽²⁾
		Acquisition Related Charges	Restructuring and Other Charges, Net	Tax Items ⁽¹⁾	
(\$ in millions, except per share data)					
Operating Income:					
Transportation Solutions	\$ 282	\$ 1	\$ 1	\$ -	\$ 284
Network Solutions	48	-	26	-	74
Industrial Solutions	84	2	22	-	108
Consumer Solutions	25	-	18	-	43
Total	\$ 439	\$ 3	\$ 67	\$ -	\$ 509
Operating Margin	12.7%				14.8%
Other Income, Net	\$ 18	\$ -	\$ -	\$ (8)	\$ 10
Income Tax Expense	\$ (93)	\$ (1)	\$ (21)	\$ -	\$ (115)
Effective Tax Rate	21.9%				23.6%
Income from Continuing Operations Attributable to TE Connectivity Ltd.	\$ 332	\$ 2	\$ 46	\$ (8)	\$ 372
Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.	\$ 0.79	\$ -	\$ 0.11	\$ (0.02)	\$ 0.88

⁽¹⁾ Relates to reimbursements by Tyco International and Covidien in connection with pre-separation tax matters.

⁽²⁾ See description of non-GAAP measures contained in this appendix.

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended June 29, 2012

	Adjustments				Adjusted (Non-GAAP) ⁽³⁾
	U.S. GAAP	Acquisition Related Charges ⁽¹⁾	Restructuring and Other Charges, Net	Tax Items ⁽²⁾	
	(\$ in millions, except per share data)				
Operating Income:					
Transportation Solutions	\$ 178	\$ 57	\$ 3	\$ -	\$ 238
Network Solutions	64	-	18	-	82
Industrial Solutions	87	37	-	-	124
Consumer Solutions	42	-	4	-	46
Total	<u>\$ 371</u>	<u>\$ 94</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 490</u>
Operating Margin	<u>10.6%</u>				<u>14.0%</u>
Other Income, Net	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ 9</u>
Income Tax Expense	<u>\$ (88)</u>	<u>\$ (23)</u>	<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ (117)</u>
Effective Tax Rate	<u>25.3%</u>				<u>25.6%</u>
Income from Continuing Operations Attributable to TE Connectivity Ltd.	<u>\$ 260</u>	<u>\$ 71</u>	<u>\$ 19</u>	<u>\$ (10)</u>	<u>\$ 340</u>
Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.	<u>\$ 0.60</u>	<u>\$ 0.16</u>	<u>\$ 0.04</u>	<u>\$ (0.02)</u>	<u>\$ 0.79</u>

⁽¹⁾ Includes \$68 million of non-cash amortization associated with fair value adjustments primarily related to acquired inventories and customer order backlog recorded in cost of sales, \$15 million of acquisition and integration costs, and \$11 million of restructuring charges.

⁽²⁾ Relates to reimbursements by Tyco International and Covidien in connection with pre-separation tax matters.

⁽³⁾ 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 29, 2013

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) ⁽²⁾
		Acquisition Related Charges	Restructuring and Other Charges, Net	Tax Items ⁽¹⁾	
(\$ in millions, except per share data)					
Operating Income:					
Transportation Solutions	\$ 241	\$ 1	\$ 18	\$ -	\$ 260
Network Solutions	19	-	26	-	45
Industrial Solutions	78	2	21	-	101
Consumer Solutions	21	-	16	-	37
Total	<u>\$ 359</u>	<u>\$ 3</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ 443</u>
Operating Margin	<u>11.0%</u>				<u>13.6%</u>
Other Income, Net	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 8</u>
Income Tax Expense	<u>\$ (60)</u>	<u>\$ (1)</u>	<u>\$ (24)</u>	<u>\$ (13)</u>	<u>\$ (98)</u>
Effective Tax Rate	<u>17.8%</u>				<u>23.3%</u>
Income from Continuing Operations Attributable to TE Connectivity Ltd.	<u>\$ 278</u>	<u>\$ 2</u>	<u>\$ 57</u>	<u>\$ (14)</u>	<u>\$ 323</u>
Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.	<u>\$ 0.66</u>	<u>\$ -</u>	<u>\$ 0.13</u>	<u>\$ (0.03)</u>	<u>\$ 0.76</u>

⁽¹⁾ Reflects income tax benefits recognized in connection with the lapse of statutes of limitations for examinations of prior year income tax returns in certain non-U.S. locations partially offset by income tax expense related to adjustments to prior year income tax returns.

⁽²⁾ See description of non-GAAP measures contained in this appendix.

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

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) ⁽³⁾
		Acquisition Related Charges ⁽¹⁾	Restructuring and Other Charges, Net	Tax Items ⁽²⁾	
(\$ in millions, except per share data)					
Operating Income:					
Transportation Solutions	\$ 196	\$ 5	\$ 5	\$ -	\$ 206
Network Solutions	71	-	11	-	82
Industrial Solutions	97	9	14	-	120
Consumer Solutions	37	-	9	-	46
Total	<u>\$ 401</u>	<u>\$ 14</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 454</u>
Operating Margin	<u>11.9%</u>				<u>13.5%</u>
Other Income, Net	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ 12</u>
Income Tax (Expense) Benefit	<u>\$ 18</u>	<u>\$ (1)</u>	<u>\$ (10)</u>	<u>\$ (107)</u>	<u>\$ (100)</u>
Effective Tax Rate	<u>(4.7)%</u>				<u>23.5%</u>
Income from Continuing Operations Attributable to TE Connectivity Ltd.	<u>\$ 398</u>	<u>\$ 13</u>	<u>\$ 29</u>	<u>\$ (114)</u>	<u>\$ 326</u>
Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.	<u>\$ 0.93</u>	<u>\$ 0.03</u>	<u>\$ 0.07</u>	<u>\$ (0.27)</u>	<u>\$ 0.76</u>

⁽¹⁾ Includes \$7 million of non-cash amortization associated with acquisition-related adjustments recorded in cost of sales, \$4 million of acquisition and integration costs, and \$3 million of restructuring costs.

⁽²⁾ Other income adjustment relates to reimbursements by Tyco International and Covidien in connection with pre-separation tax matters. Income tax expense adjustment includes income tax benefits recognized in connection with a reduction in the valuation allowance associated with certain tax loss carryforwards.

⁽³⁾ 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

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

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ See description of non-GAAP measures contained in this appendix.

Gross Margin & Gross Margin Percentage Reconciliation

	For the Quarters Ended					
	March 30, 2012	June 29, 2012	September 28, 2012	December 28, 2012	March 29, 2013	June 28, 2013
	(\$ in millions)					
Net sales	\$ 3,249	\$ 3,499	\$ 3,364	\$ 3,134	\$ 3,265	\$ 3,449
Cost of sales	2,228	2,481	2,300	2,145	2,213	2,317
Gross margin	<u>1,021</u>	<u>1,018</u>	<u>1,064</u>	<u>989</u>	<u>1,052</u>	<u>1,132</u>
Gross margin percentage	<u>31.4%</u>	<u>29.1%</u>	<u>31.6%</u>	<u>31.6%</u>	<u>32.2%</u>	<u>32.8%</u>
Acquisition Related Charges	-	68	7	-	-	-
Adjusted gross margin ⁽¹⁾	<u>\$ 1,021</u>	<u>\$ 1,086</u>	<u>\$ 1,071</u>	<u>\$ 989</u>	<u>\$ 1,052</u>	<u>\$ 1,132</u>
Adjusted gross margin percentage ⁽¹⁾	<u>31.4%</u>	<u>31.0%</u>	<u>31.8%</u>	<u>31.6%</u>	<u>32.2%</u>	<u>32.8%</u>

⁽¹⁾ See description of non-GAAP measures contained in this appendix.

Reconciliation of Free Cash Flow

Reconciliation of Free Cash Flow:

Net cash provided by continuing operating activities

Capital expenditures, net

Pre-separation tax payments, net

Payments related to accrued interest on debt assumed in the acquisition of Deutsch

Payments to settle acquisition-related foreign currency derivative contracts

Free Cash Flow ⁽¹⁾

	<u>For the Nine Months Ended</u>	
	<u>June 28,</u>	<u>June 29,</u>
	<u>2013</u>	<u>2012</u>
	(in millions)	
\$	1,453	\$ 1,174
	(393)	(372)
	28	26
	-	17
	-	20
\$	<u>1,088</u>	<u>\$ 865</u>

⁽¹⁾ See description of non-GAAP measures contained in this appendix.

EVERY CONNECTION COUNTS

