

TE Connectivity Sales Up +4.0% YOY In CY 1Q15

TE Connectivity reported calendar year (CY) 1Q15 sales of \$3,082 million, up +4.0% year-over-year (+6% organically) and up +1.1% to CY 4Q14. (Numbers exclude discontinued operations.)

Orders in the quarter were \$3,000 million, flat year-over-year. The book-to-bill ratio is 1.03 (excluding Subsea Communications). (Numbers exclude discontinued operations.)

Net income was \$316 million (10.3% of sales), down -7.1% year-over-year and down -27.4% sequentially. (Numbers exclude discontinued operations.)

The following is TE's performance by market sector:

Market	Percent of Total Sales in Quarter	Calendar 1Q15 Sales	Calendar 1Q15 YOY	Calendar 1Q15 Organic YOY
Automotive	39%	\$1,215	-6%	4%
Commercial Transportation	7%	\$208	-9%	-1%
Sensors	6%	\$187	282%	2%
Mil/Aero/Marine	10%	\$303	11%	6%
Industrial	11%	\$324	-2%	6%
Energy	6%	\$170	-9%	4%
Data & Devices	11%	\$346	-10%	-6%
Appliances	5%	\$159	-1%	6%
Subsea Communications	6%	\$170	181%	181%
	100%	\$3,082	4.0%	6.0%

Note: Organic sales performance takes out the impact of actions such as the acquisitions. TE is now treating their Broadband Network Systems business as a discontinued and BNS sales have been taken out of the above growth calculations.

TE reorganized their product lines to reflect the sale of their Broadband Networks (BNS) product line to CommScope which is expected to close by the end of calendar 2015.

Outlook

TE Connectivity forecasts sales of \$3,130 to \$3,230 million in CY 2Q15, a year-over-year change of +1.5% to +5.0% actual and +7% organically (midpoint). Versus the prior year, TE expects Transportation to be up mid-single-digits organically, Industrial to be up low single-digits organically, and Communications Solutions to be up mid-teens organically.

The full fiscal year outlook for fiscal 2015 is for sales of \$12,350 to \$12,650 million, a year-over-year change of +4.0% midpoint and +6.0% organic midpoint.

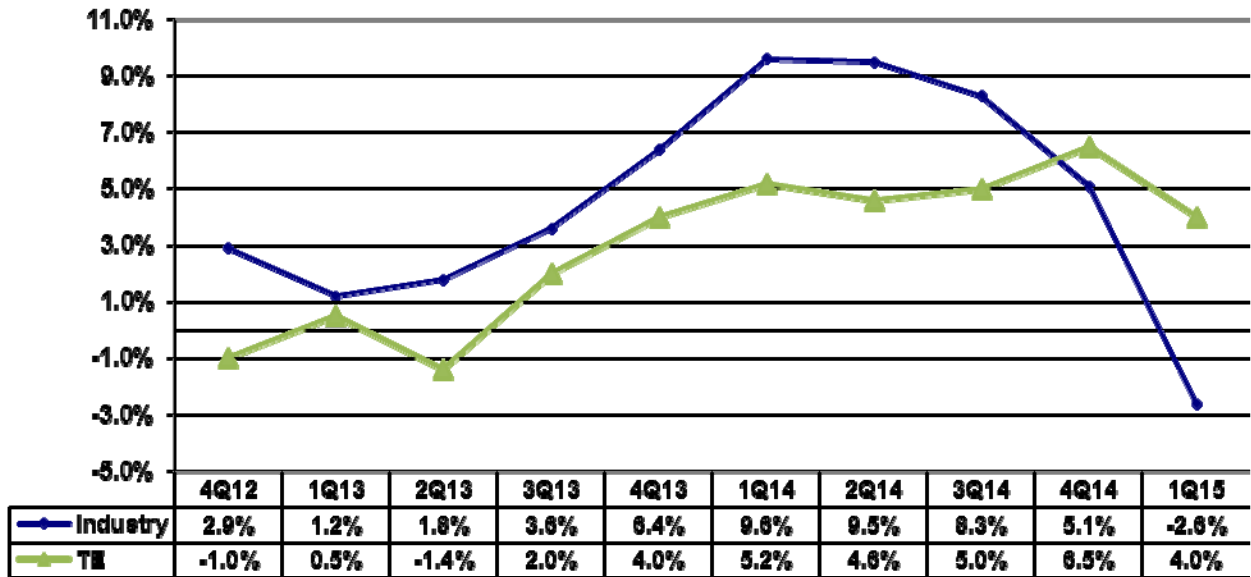
Bishop & Associates' Comments

TE's year-over-year sales growth was +4.0% for CY 1Q15 versus the industry growth of -2.6%.

TE's decision to increase their focus on harsh environment applications should help increase their net income, as will their focus on connectors and sensors.

The following graph plots TE's sales performance versus the connector industry by quarter since 3Q12 (year-over-year percentage change).

TE Connectivity vs. Industry



Note - TE's 2014 sales growth performance was recalculated to exclude sales from the discontinued BNS business.