

TE Connectivity Sales Up +1.4% YOY In CY 2Q15

TE Connectivity reported calendar year (CY) 2Q15 sales of \$3,118 million, up +1.4% year-over-year (+4% organically) and up +1.2% to CY 1Q15. (Numbers exclude discontinued operations.)

Orders in the quarter resulted in a book-to-bill ratio is 1.00 (excluding Subsea Communications). (Numbers exclude discontinued operations.)

Net income was \$309 million (9.9% of sales), down -11.0% year-over-year and down -2.2% sequentially. (Numbers exclude discontinued operations.)

The following is TE's performance by market sector:

Market	Percent of Total Sales in Quarter	Calendar 2Q15 Sales	Calendar 2Q15 YOY	Calendar 2Q15 Organic YOY
Automotive	39%	\$1,221	-6%	6%
Commercial Transportation	7%	\$206	-14%	-5%
Sensors	6%	\$194	288%	4%
Mil/Aero/Marine	9%	\$279	-4%	-5%
Industrial	11%	\$345	-1%	1%
Energy	6%	\$182	-13%	flat
Data & Devices	11%	\$328	-20%	-16%
Appliances	5%	\$161	-9%	-3%
Subsea Communications	6%	\$202	288%	288%
	100%	\$3,118	1.4%	4.0%

Note: Organic sales performance takes out the impact of actions such as the acquisitions. TE is now treating their Broadband Network Systems (BNS) business as 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 \$3,020 to \$3,180 million in CY 3Q15, a year-over-year change of -1.7% to +3.5% actual and +3% organically (midpoint). Versus the prior year, TE expects Transportation to be up mid-single-digits organically, Industrial to be down low single-digits organically, and Communications Solutions to be up mid-single-digits organically.

The full fiscal year outlook for fiscal 2015 is for sales of \$12,280 to \$12,420 million, a year-over-year change of +3% midpoint and +5% organic midpoint.

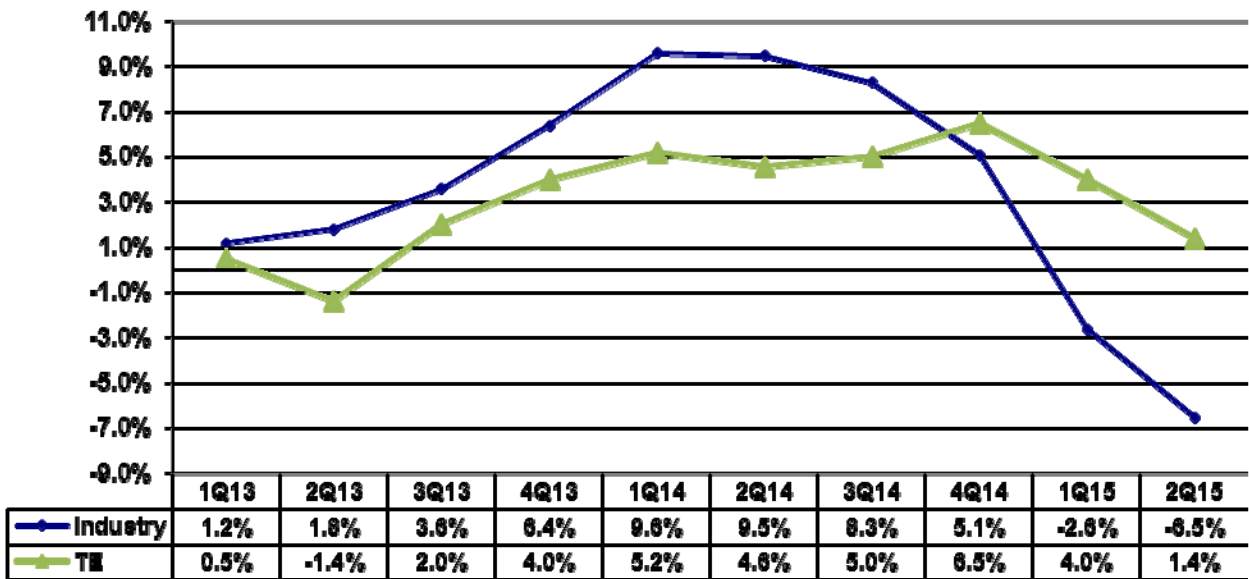
Bishop & Associates' Comments

TE's year-over-year sales growth was +1.4% for CY 2Q15 versus the industry decline of -6.5%. TE exceeded the industry sales performance by almost 8 points.

With approximately two-third of their sales outside of the Americas, TE's performance is being impacted by the strong dollar. As forecast by TE for their full FY 2015, they expect the impact of currency exchange to reduce their sale by approximately \$925 million year-over-year.

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.