

**TE Connectivity Quarterly Sales Down -7.1%  
2015 Calendar Year Down -1.2%**

TE Connectivity reported calendar year (CY) 4Q15 sales of \$2,833 million, down -7.1% year-over-year and down -5.1% sequentially. For the Full Calendar Year, TE's sales were \$12,017 million, down -1.2% from CY2014.

Orders in the quarter were \$2,719 million, up +3% sequentially and resulted in a book-to-bill ratio of 1.04 (excluding Subsea Communications).

Net income was \$353 million (12.5% of sales), down -18.9% year-over-year and up +159.6%% sequentially.

The following is TE's performance by market sector:

<b>Market</b>	<b>Percent of Total Sales in Quarter</b>	<b>Calendar 4Q15 Sales</b>	<b>Calendar 4Q15 YOY</b>	<b>Calendar 4Q15 Organic YOY</b>
<b>Automotive</b>	40%	\$1,141	-7%	1%
<b>Commercial Transportation</b>	7%	\$185	-11%	-5%
<b>Sensors</b>	6%	\$181	1%	9%
<b>Mil/Aero/Marine</b>	8%	\$218	-6%	-3%
<b>Industrial</b>	10%	\$289	-7%	-7%
<b>Oil &amp; Gas</b>	1%	\$34	-44%	-44%
<b>Energy</b>	6%	\$168	-7%	4%
<b>Data &amp; Devices</b>	9%	\$264	-27%	-25%
<b>Appliances</b>	5%	\$131	-17%	-13%
<b>Subsea Communications</b>	8%	\$222	66%	66%
	<b>100%</b>	<b>\$2,833</b>	<b>-7.1%</b>	<b>-2.0%</b>

Note: Organic sales performance takes out the impact of actions such as the acquisitions.

In the quarter, TE announced the sale of their Circuit Protection business which they expect to close in the second quarter.

**Outlook**

TE Connectivity forecasts sales of \$2,880 to \$3,080 million in CY 1Q16, a year-over-year change of -3% actual to midpoint and +1% organically (midpoint). Versus the prior year organically, TE expects Transportation to be up mid-single-digits, Industrial to be down mid-single-digits, and Communications Solutions to be down high single-digits.

The full fiscal year outlook for fiscal 2016 is for sales of \$11,900 to \$12,700 million, a year-over-year change of +1% midpoint and +4% organic midpoint.

**Bishop & Associates' Comments**

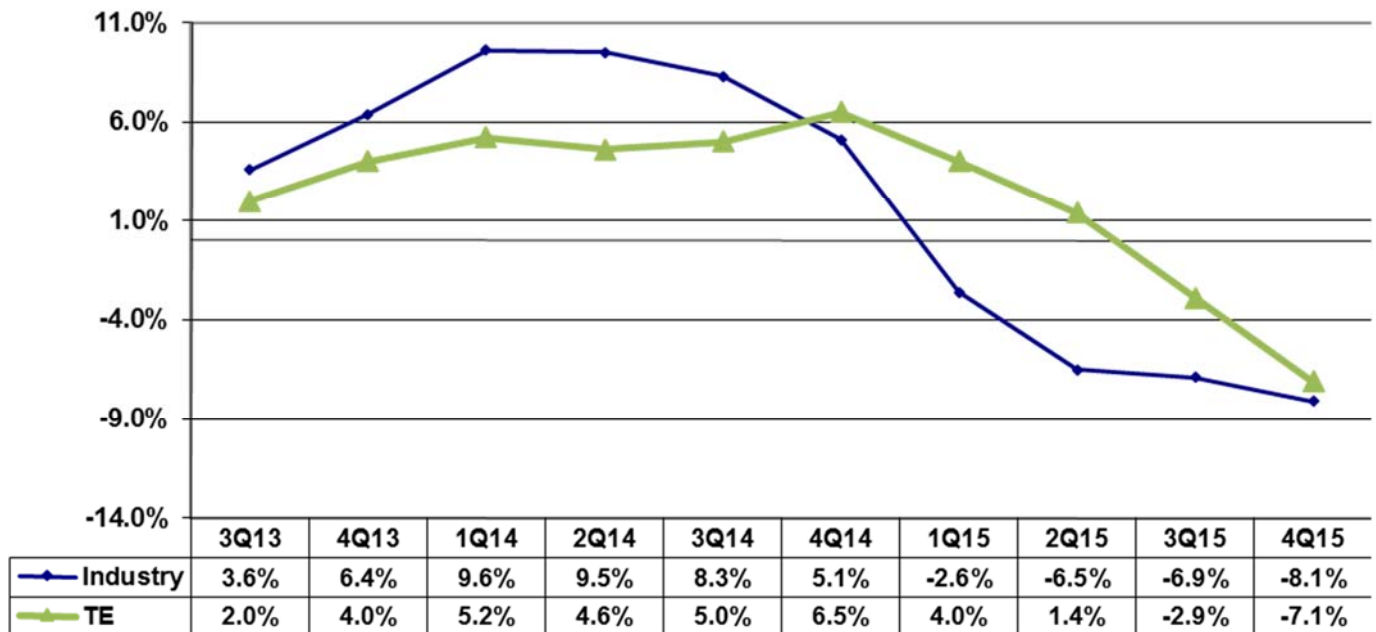
TE's year-over-year sales growth was -7.1% for CY 4Q15 versus the industry decline of -8.1%. TE exceeded the industry sales performance by 1 point.

With approximately two-third of their sales outside of the Americas, TE's performance is being impacted by the strong dollar. For CY 4Q15, the impact of currency exchange reduced their sales by \$184 million year-over-year.

Despite the sales decline in some of their more profitable product lines, TE was able to maintain their operating margin at 14.0%.

The following graph plots TE's sales performance versus the connector industry by quarter since 3Q13 (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.