



# Q2 2016 Earnings

April 20, 2016

EVERY CONNECTION COUNTS



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# 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 and data and devices 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 the conditions precedent to our proposed tax litigation settlement with the IRS relating to our intercompany debt dispute are not met and the intercompany debt dispute is not settled; the risk that Creganna Medical's operations will not be successfully integrated into ours; and the risk that revenue opportunities, cost savings and other anticipated synergies from the Creganna Medical 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. 25, 2015 as well as in our Quarterly Reports on Form 10-Q, 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.

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# Earnings Highlights

- Adjusted EPS above the midpoint of guidance in a challenging macro environment
- Continued slow recovery in Industrial markets; China excluding Auto remains sluggish
- Reiterating full year guidance of \$12.3B in sales and adjusted EPS of \$4.00
- Returned \$1.2B to shareholders; generated \$165M in free cash flow
- Continued execution of our Harsh strategy
  - Completed Creganna acquisition and announced tuck-in acquisition in Sensors
  - Completed sale of Circuit Protection business
- SubCom business momentum continues
  - New program Hawaiki in force, adds \$200M of lifetime revenue
  - Total value of programs in force ~\$1B



# Segment Orders Summary

(\$ in millions)

	FY15	FY16	FY16
	Q2	Q1	Q2
Transportation	1,653	1,583	1,550
Industrial	828	728	764
Communications Ex SubCom	513	408	425
<b>Total TE Ex SubCom</b>	<b>2,994</b>	<b>2,719</b>	<b>2,739</b>
<b>Total TE Ex SubCom @ Constant Currency</b>	<b>2,952</b>	<b>2,758</b>	<b>2,786</b>
<b>Book to Bill Ex SubCom</b>	<b>1.03</b>	<b>1.04</b>	<b>1.00</b>

- Transportation orders remain solid
- Auto demand steady, Q2 impacted by a customer backlog correction
- Industrial continues to recover with Q/Q growth in OEM and distribution orders
- Communications orders grew 4% Q/Q
- China orders recovering, driven by Auto; other markets remain sluggish
- SubCom – new Hawaiki program now in force

# Transportation Solutions

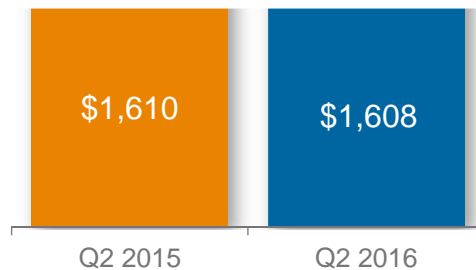


\$ in Millions

## Sales

Actual

**Flat**



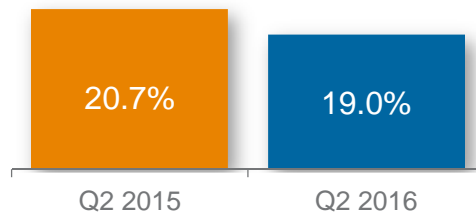
Organic

**Up 3%**

	Actual	Organic
Orders	\$1,550 (6)%	(2)%

## Adjusted Operating Margin

Operating margins up sequentially and in line with expectations



## Business Performance

Y/Y Growth Rates		Actual	Organic
Automotive	\$1,215	0%	4%
Commercial Transportation	\$208	(1)%	1%
Sensors	\$185	(2)%	2%
<b>Transportation Solutions</b>	<b>\$1,608</b>	<b>(0)%</b>	<b>3%</b>

- Automotive organic sales growth driven by strength in China and EMEA
- Commercial Transportation organic growth driven by China and EMEA heavy truck markets, offset by weakness in North America
- Sensors 2% organic growth impacted by weakness in Industrial markets
- Y/Y adjusted operating margin decline driven by currency impacts and investment for growth

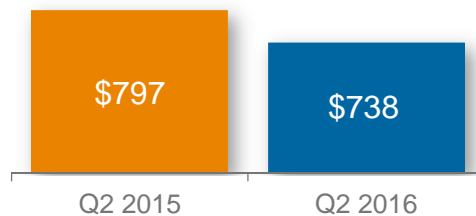
# Industrial Solutions

\$ in Millions

## Sales

Actual

**Down 7%**



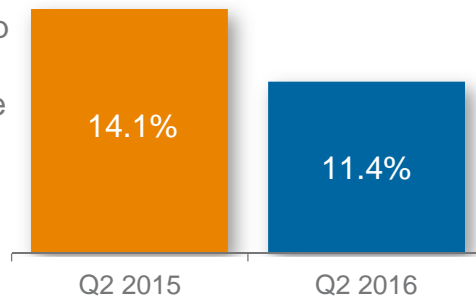
Organic

**Down 7%**

	Actual	Organic
Orders	\$764 (8)%	(9)%

## Adjusted Operating Margin

Operating margin up sequentially and expected to improve in 2H



## Business Performance

Y/Y Growth Rates

Actual Organic

Industrial Equipment	\$308	(5)%	(8)%
Aerospace & Defense	242	(2)%	(2)%
Oil and Gas	31	(44)%	(42)%
Energy	157	(8)%	(2)%
<b>Industrial Solutions</b>	<b>\$738</b>	<b>(7)%</b>	<b>(7)%</b>

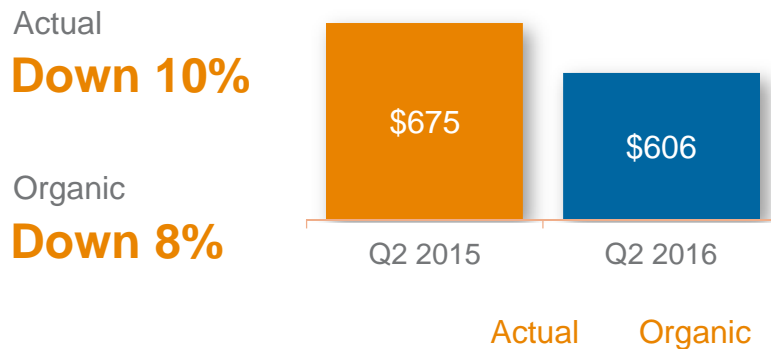
- EMEA stable, with weakness driven by NA supply chain corrections and China slowdown
- Aerospace & Defense declines driven by Defense-related distribution softness; Aerospace up Y/Y
- O&G market remains weak with impact to adjacent industries
- Adjusted Operating Margin down Y/Y driven primarily by declines in Oil & Gas

# Communications Solutions



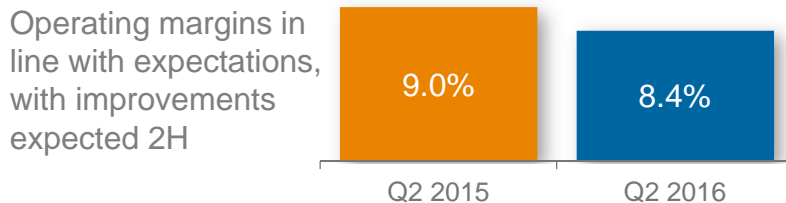
\$ in Millions

## Sales



	Actual	Organic
Orders ex SubCom	\$425 (17)%	(15)%

## Adjusted Operating Margin



## Business Performance

Y/Y Growth Rates		Actual	Organic
SubCom	\$200	18%	18%
Appliances	\$147	(8)%	(6)%
Data & Devices	\$259	(25)%	(24)%
<b>Communications Solutions</b>	<b>\$606</b>	<b>(10)%</b>	<b>(8)%</b>

- SubCom growth driven by execution of multiple programs in force
- Appliances impacted by inventory corrections in the NA Distribution channel and lower Asia production
- Data & Devices in line with guidance expectations. Y/Y decline due to distribution inventory corrections and product exits
- Adjusted Operating Margin as expected

# Q2 Financial Summary

(\$ in Millions, except per share amounts)	Q2 FY15	Q2 FY16
<b>Net Sales</b>	\$ 3,082	\$ 2,952
<b>Operating Income</b>	\$ 448	\$ 535
Acquisition Related Charges	22	4
Restructuring & Other Charges (Credits), net	36	(99)
<b>Adjusted Operating Income</b>	\$ 506	\$ 440
<i>Operating Margin</i>	14.5%	18.1%
<i>Adjusted Operating Margin</i>	16.4%	14.9%
<b>GAAP Earnings Per Share</b>	\$ 0.77	\$ 1.06
Acquisition Related Charges	0.04	0.01
Restructuring & Other Charges (Credits), net	0.06	(0.17)
Tax Items	0.04	0.01
<b>Adjusted EPS</b>	\$ 0.91	\$ 0.90

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

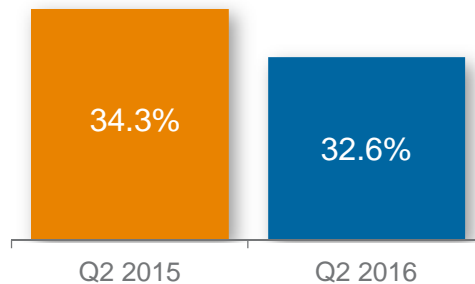




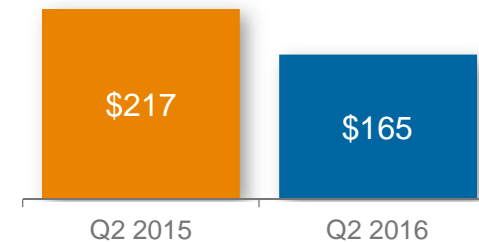
# Operating Metrics in Line with Expectations

\$ in Millions

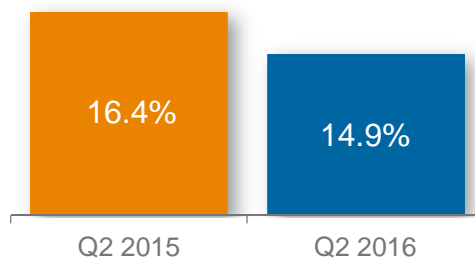
## Adjusted Gross Margin Percentage



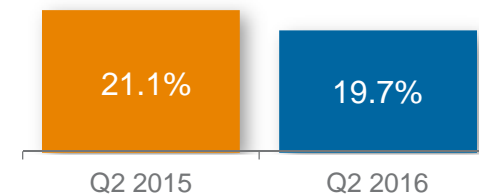
## Free Cash Flow



## Adjusted Operating Margin



## Adjusted EBITDA Margin



Expect improvement across metrics in second half

# Q3 Outlook

	Guidance*	Highlights
Transportation Solutions	<p><b>Up Low Single Digits</b> Up Low Single Digits Organic</p>	<ul style="list-style-type: none"> <li>• Auto remains strong; slight recovery in Commercial Transportation</li> <li>• Industrial Solutions growth driven by Creganna acquisition and Commercial Aerospace</li> <li>• Communications impacted by the sale of the Circuit Protection business and product exits in Data &amp; Devices</li> <li>• SubCom Y/Y growth continues with execution on programs in force</li> </ul>
Industrial Solutions	<p><b>Up Mid Single Digits</b> Flat Y/Y Organic</p>	
Communications Solutions	<p><b>Down Low Double Digits</b> Down Mid Single Digits Organic</p>	
TE Connectivity	<p><b>Sales \$3.0B to \$3.2B</b> <b>Adjusted EPS \$1.00 to \$1.06</b></p>	<ul style="list-style-type: none"> <li>• Sales up 1% actual and flat organic Y/Y at midpoint</li> <li>• Sales impacted by \$23M FX headwind Y/Y</li> <li>• Adjusted EPS up 14% at midpoint, includes ~\$.01 FX headwind</li> </ul>

**Adjusted EPS Growth of 14% Y/Y in Q3; 16% in Constant Currency**

\* Assumes foreign exchange rates and commodity prices that are consistent with current levels



# FY16 Outlook

	Guidance*	Highlights
Transportation Solutions	<p><b>Up Low Single Digits</b> Up Mid Single Digits Organic</p>	<ul style="list-style-type: none"> <li>• Transportation remains strong with mid single digit Automotive organic growth expected on 2% to 2.5% global auto production growth</li> <li>• Industrial growth expected in the second half vs the first half across all businesses; organic down slightly for the year due to market weakness</li> <li>• Expect growth in Communications in the second half vs the first half; full year impacted by sale of Circuit Protection and product exits</li> <li>• SubCom sales expected to be up ~20% Y/Y</li> </ul>
Industrial Solutions	<p><b>Up Low Single Digits</b> Down Low Single Digits Organic</p>	
Communications Solutions	<p><b>Down High Single Digits</b> Down Low Single Digits Organic</p>	
TE Connectivity	<p><b>Sales of \$12.1B - \$12.5B</b> <b>Adjusted EPS of \$3.90 - \$4.10</b></p>	<ul style="list-style-type: none"> <li>• Sales up 1% and 3% organic at midpoint</li> <li>• FX impacting sales by ~\$284M Y/Y</li> <li>• Adjusted EPS up 11% at midpoint, with ~\$0.10 FX headwind</li> <li>• Includes a 53<sup>rd</sup> week, which will occur in the 4<sup>th</sup> quarter</li> </ul>

**Sales Up 3% Organically, with 14% Adjusted EPS Growth Y/Y in Constant Currency**

\* Assumes foreign exchange rates and commodity prices that are consistent with current levels

Organic Sales Growth, Adjusted EPS and Adjusted EPS in Constant Currency are non-GAAP measures; see Appendix for description and reconciliation.



# Additional Information

# Y/Y Q2 2016

	<b>Sales</b> (in millions)	<b>Adjusted EPS</b>
<b>Q2 2015 Results</b>	<b>\$3,082</b>	<b>\$0.91</b>
FX Impact	(74)	(0.02)
Operational Performance	(56)	0.01
<b>Q2 2016 Results</b>	<b>\$2,952</b>	<b>\$0.90</b>

Adjusted EPS is a non-GAAP measure; See Appendix for description and reconciliation.

# Y/Y Q3 2016

	Sales (in millions)	Adjusted EPS
<b>Q3 2015 Results</b>	<b>\$3,118</b>	<b>\$0.90</b>
FX Impact	(23)	(0.01)
Operational Performance	5	0.14
<b>Q3 2016 Guidance</b>	<b>\$3,100</b>	<b>\$1.03</b>

Adjusted EPS is a non-GAAP measure; See Appendix for description and reconciliation.

**Guidance Range**  
**Sales \$3.0B - \$3.2B**  
**Adjusted EPS \$1.00 - \$1.06**

# Y/Y 2016

	<b>Sales</b> (in millions)	<b>Adjusted</b> <b>EPS</b>
<b>2015 Results</b>	<b>\$12,233</b>	<b>\$3.60</b>
FX Impact	(284)	(0.10)
Operational Performance	351	0.50
<b>2016 Guidance*</b>	<b>\$12,300</b>	<b>\$4.00</b>

Adjusted EPS is a non-GAAP measure; See Appendix for description and reconciliation.

\* 53 Week Year

**Guidance Range**  
**Sales \$12.1B - \$12.5B**  
**Adjusted EPS \$3.90 - \$4.10**

# Q2 Balance Sheet & Cash Flow Summary

## Free Cash Flow and Working Capital

(\$ in Millions)	Q2 2015	Q2 2016
<b>Cash from Continuing Operations</b>	\$350	\$155
Capital expenditures, net	(155)	(131)
Pre-separation and BNS related tax payments, net	22	141
<b>Free Cash Flow</b>	<b>\$217</b>	<b>\$165</b>
<b>A/R - \$</b>	<b>\$2,094</b>	<b>\$2,095</b>
Days Sales Outstanding*	61	65
<b>Inventory (Excl. CIP) - \$</b>	<b>\$1,650</b>	<b>\$1,562</b>
Days on Hand*	73	72
<b>Accounts Payable - \$</b>	<b>\$1,233</b>	<b>\$1,116</b>
Days Outstanding*	55	51

Free Cash Flow is a non-GAAP measure, see Appendix for description

\* Adjusted to exclude the impact of acquisitions.

## Liquidity, Cash & Debt

### Liquidity Summary

(\$ in Millions)	Q2 2015	Q2 2016
<b>Beginning Cash Balance</b>	\$868	\$2,223
<b>Free Cash Flow</b>	217	165
Dividends	(118)	(118)
Share repurchases	(130)	(1,274)
Acquisitions, net of cash acquired	(218)	(6)
Divestiture, net of cash retained	-	261
Repayment of long-term debt	(250)	(500)
Proceeds from issuance of debt and CP, net	255	500
Proceeds from exercise of share options	72	27
Pre-separation and BNS related tax payments, net	(22)	(141)
Other	23	13
<b>Ending Cash Balance</b>	<b>\$697</b>	<b>\$1,150</b>
<b>Total Debt</b>	<b>\$4,126</b>	<b>\$3,884</b>





# Appendix

## Non-GAAP Measures

“Organic Sales Growth,” “Sales in Constant Currency,” “Adjusted Gross Margin,” “Adjusted Gross Margin Percentage,” “Adjusted Operating Income,” “Adjusted Operating Income in Constant Currency,” “Adjusted Operating Margin,” “Adjusted Other Income, Net,” “Adjusted Income Tax Expense,” “Adjusted Effective Tax Rate,” “Adjusted Income from Continuing Operations,” “Adjusted Earnings Per Share,” “Adjusted Earnings Per Share in Constant Currency,” “Adjusted EBITDA,” “Adjusted EBITDA Margin,” and “Free Cash Flow” are non-GAAP measures and should not be considered replacements for results in accordance with accounting principles generally accepted in the U.S. (“GAAP”). These non-GAAP measures may not be comparable to similarly-titled measures reported by other companies. The primary limitation of these measures is that they exclude the financial impact of items that would otherwise either increase or decrease our reported results. This limitation is best addressed by using these non-GAAP measures in combination with the most directly comparable GAAP measures in order to better understand the amounts, character and impact of any increase or decrease in reported amounts. The following provides additional information regarding these non-GAAP measures:

**Organic Sales Growth** – is a useful measure of our underlying results and trends in the business. It is also a significant component in our incentive compensation plans. The difference between reported net sales growth (the most comparable GAAP measure) and Organic Sales Growth 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.

**Sales in Constant Currency** – represents net sales (the most comparable GAAP measure) excluding the impact of fluctuations in foreign currency exchange rates between periods. We believe constant currency information provides valuable supplemental information regarding our sales.

**Adjusted Gross Margin and Adjusted Gross Margin Percentage** – represent gross margin and gross margin percentage (the most comparable GAAP measures) before special items including acquisition related charges, if any. 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.

**Adjusted Operating Income** – represents operating income (the most comparable GAAP measure) before special items including charges or income related to restructuring and other charges, acquisition related charges, impairment charges, and other income or charges, if any. 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.

**Adjusted Operating Income in Constant Currency** – represents Adjusted Operating Income excluding the impact of fluctuations in foreign currency exchange rates between periods. We believe constant currency information provides valuable supplemental information regarding our operating income.

**Adjusted Operating Margin** – represents operating margin (the most comparable GAAP measure) before special items including charges or income related to restructuring and other charges, acquisition related charges, impairment charges, and other income or charges, if any. We present Adjusted Operating Margin before special items to give investors a perspective on the underlying business results. 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.

**Adjusted Other Income, Net** – represents other income, net (the most comparable GAAP measure) before special items including tax sharing income related to certain proposed adjustments to prior period tax returns and other tax items, if any. 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.

## Non-GAAP Measures (cont.)

Adjusted Income Tax Expense – represents income tax expense (the most comparable GAAP measure) 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. 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).

Adjusted Effective Tax Rate – represents effective income tax rate (the most comparable GAAP measure) 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. 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).

Adjusted Income from Continuing Operations – represents income from continuing operations (the most comparable GAAP measure) before special items including charges or income related to 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, the related tax effects. 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.

Adjusted Earnings Per Share – represents diluted earnings per share from continuing operations (the most comparable GAAP measure) before special items, including charges or income related to 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, the related tax effects. 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 insight into our underlying operating results, trends, and the comparability of these results between periods, since it excludes the impact of special items, which may recur, but tend to be irregular as to timing. It also is a significant component in our incentive compensation plans.

Adjusted Earnings Per Share in Constant Currency – represents Adjusted Earnings Per Share excluding the impact of fluctuations in foreign currency exchange rates between periods. We believe constant currency information provides valuable supplemental information regarding our earnings per share.

Adjusted EBITDA and Adjusted EBITDA Margin -represent net income and net income as a percentage of net sales (the most comparable GAAP measures) before interest expense, interest income, income taxes, depreciation, and amortization, as adjusted for net other income, income from discontinued operations, and special items including charges or income related to restructuring and other charges, acquisition related charges, impairment charges, and other income or charges, if any. We present Adjusted EBITDA and Adjusted EBITDA Margin to give investors a perspective in assessing our operating performance, trends, and the comparability of our results between periods.

Free Cash Flow (FCF) –is a useful measure of our ability to generate cash. The difference between net cash provided by continuing operating activities (the most comparable GAAP measure) and Free Cash Flow 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.

Free Cash Flow is defined as net cash provided by continuing operating activities excluding voluntary pension contributions and the cash impact of special items, if any, minus net capital expenditures. Net capital expenditures consist of capital expenditures less proceeds from the sale of property, plant, and equipment. These items are subtracted because they represent long-term commitments. Voluntary pension contributions are excluded 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, are also considered by management in evaluating Free Cash Flow.

Free Cash Flow 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. 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



## Segment Summary for the Quarter Ended March 25, 2016

Segment	Net Sales		Y/Y Actual Sales Growth	Y/Y Organic Sales Growth <sup>(1)</sup>	Operating Margin for the Quarter Ended March 25, 2016	Adjusted Operating Margin for the Quarter Ended March 25, 2016 <sup>(1)</sup>
	For the Quarters Ended					
	March 27, 2015	March 25, 2016				
	(\$ in millions)					
Transportation Solutions	\$ 1,610	\$ 1,608	(0.1) %	3.2 %	18.0 %	19.0 %
Industrial Solutions	797	738	(7.4)	(7.4)	8.5	11.4
Communications Solutions	675	606	(10.2)	(8.3)	30.2	8.4
Total	<u>\$ 3,082</u>	<u>\$ 2,952</u>	<u>(4.2) %</u>	<u>(2.0) %</u>	<u>18.1 %</u>	<u>14.9 %</u>

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

## Reconciliation of Net Sales Growth– Q2 16 vs. Q2 15

	Change in Net Sales for the Quarter Ended March 25, 2016 versus Net Sales for the Quarter Ended March 27, 2015						Percentage of Segment's Total Net Sales for the Quarter Ended March 25, 2016
	Organic <sup>(1)</sup>	Translation <sup>(2)</sup>	Acquisitions		Total		
			(Divestiture)				
	(\$ in millions)						
<b>Transportation Solutions</b> <sup>(3)</sup> :							
Automotive	\$ 47	3.9 %	\$ (43)	\$ -	\$ 4	0.3 %	76 %
Commercial Transportation	1	0.7	(4)	-	(3)	(1.4)	13
Sensors	4	1.9	(7)	-	(3)	(1.6)	11
Total	52	3.2	(54)	-	(2)	(0.1)	100 %
<b>Industrial Solutions</b> <sup>(3)</sup> :							
Aerospace, Defense, Oil, and Gas:							
Aerospace and Defense	(6)	(2.4)	(2)	2	(6)	(2.4)	33
Oil and Gas	(23)	(42.4)	(1)	-	(24)	(43.6)	4
Aerospace, Defense, Oil, and Gas total	(29)	(9.6)	(3)	2	(30)	(9.9)	37
Industrial Equipment	(26)	(7.9)	(4)	14	(16)	(4.9)	42
Energy	(4)	(2.4)	(9)	-	(13)	(7.6)	21
Total	(59)	(7.4)	(16)	16	(59)	(7.4)	100 %
<b>Communications Solutions</b> <sup>(3)</sup> :							
Data and Devices	(72)	(24.2)	(3)	(12)	(87)	(25.1)	43
Subsea Communications	30	17.6	-	-	30	17.6	33
Appliances	(10)	(6.4)	(2)	-	(12)	(7.5)	24
Total	(52)	(8.3)	(5)	(12)	(69)	(10.2)	100 %
<b>Total</b>	<b>\$ (59)</b>	<b>(2.0) %</b>	<b>\$ (75)</b>	<b>\$ 4</b>	<b>\$ (130)</b>	<b>(4.2) %</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 about net sales is presented consistently with our internal management reporting and may be periodically revised as management deems necessary.

# Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended March 25, 2016

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) <sup>(3)</sup>
		Acquisition Related Charges <sup>(1)</sup>	Restructuring and Other Charges (Credits), Net <sup>(1)(2)</sup>	Tax Items	
(\$ in millions, except per share data)					
<b>Operating Income:</b>					
Transportation Solutions	\$ 289	\$ 1	\$ 15	\$ -	\$ 305
Industrial Solutions	63	3	18	-	84
Communications Solutions	183	-	(132)	-	51
<b>Total</b>	<u>\$ 535</u>	<u>\$ 4</u>	<u>\$ (99)</u>	<u>\$ -</u>	<u>\$ 440</u>
<b>Operating Margin</b>	<u>18.1%</u>				<u>14.9%</u>
<b>Other Income, Net</b>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>
<b>Income Tax Expense</b>	<u>\$ (130)</u>	<u>\$ (1)</u>	<u>\$ 35</u>	<u>\$ 3</u>	<u>\$ (93)</u>
<b>Effective Tax Rate</b>	<u>25.0%</u>				<u>21.9%</u>
<b>Income from Continuing Operations</b>	<u>\$ 389</u>	<u>\$ 3</u>	<u>\$ (64)</u>	<u>\$ 3</u>	<u>\$ 331</u>
<b>Diluted Earnings per Share from Continuing Operations</b>	<u>\$ 1.06</u>	<u>\$ 0.01</u>	<u>\$ (0.17)</u>	<u>\$ 0.01</u>	<u>\$ 0.90</u>

<sup>(1)</sup> The tax effect of each non-GAAP adjustment is calculated based on the jurisdictions in which the expense (income) is incurred and the tax laws in effect for each such jurisdiction.

<sup>(2)</sup> Includes the gain on the divestiture of our Circuit Protection Devices business.

<sup>(3)</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 27, 2015

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) <sup>(4)</sup>
		Acquisition Related Charges <sup>(1)(2)</sup>	Restructuring and Other Charges, Net <sup>(2)</sup>	Tax Items <sup>(3)</sup>	
(\$ in millions, except per share data)					
<b>Operating Income:</b>					
Transportation Solutions	\$ 323	\$ 10	\$ -	\$ -	\$ 333
Industrial Solutions	84	12	16	-	112
Communications Solutions	41	-	20	-	61
<b>Total</b>	<u>\$ 448</u>	<u>\$ 22</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 506</u>
<b>Operating Margin</b>	<u>14.5%</u>				<u>16.4%</u>
<b>Other Income (Expense), Net</b>	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 6</u>
<b>Income Tax Expense</b>	<u>\$ (94)</u>	<u>\$ (4)</u>	<u>\$ (10)</u>	<u>\$ 5</u>	<u>\$ (103)</u>
<b>Effective Tax Rate</b>	<u>22.9%</u>				<u>21.5%</u>
<b>Income from Continuing Operations</b>	<u>\$ 316</u>	<u>\$ 18</u>	<u>\$ 26</u>	<u>\$ 16</u>	<u>\$ 376</u>
<b>Diluted Earnings per Share from Continuing Operations</b>	<u>\$ 0.77</u>	<u>\$ 0.04</u>	<u>\$ 0.06</u>	<u>\$ 0.04</u>	<u>\$ 0.91</u>

<sup>(1)</sup> Includes \$6 million of non-cash amortization associated with fair value adjustments related to acquired inventories and customer order backlog recorded in cost of sales, \$14 million of acquisition and integration costs, and \$2 million of restructuring costs.

<sup>(2)</sup> The tax effect of each non-GAAP adjustment is calculated based on the jurisdictions in which the expense (income) is incurred and the tax laws in effect for each such jurisdiction.

<sup>(3)</sup> Includes an income tax charge for the estimated tax impacts of certain intercompany dividends related to the restructuring and anticipated sale of the Broadband Network Solutions business. Also includes an income tax benefit associated with the settlement of audits of prior year income tax returns and the related impact to other expense pursuant to the tax sharing agreement with Tyco International and Covidien.

<sup>(4)</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 June 26, 2015

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) <sup>(3)</sup>
		Acquisition Related Charges <sup>(1)(2)</sup>	Restructuring and Other Charges, Net <sup>(2)</sup>	Tax Items	
(\$ in millions, except per share data)					
<b>Operating Income:</b>					
Transportation Solutions	\$ 303	\$ 5	\$ 9	\$ -	\$ 317
Industrial Solutions	98	5	6	-	109
Communications Solutions	68	-	3	-	71
<b>Total</b>	<u>\$ 469</u>	<u>\$ 10</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 497</u>
<b>Operating Margin</b>	<u>15.0%</u>				<u>15.9%</u>
<b>Other Income, Net</b>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5)</u>	<u>\$ 6</u>
<b>Income Tax Expense</b>	<u>\$ (100)</u>	<u>\$ (5)</u>	<u>\$ (1)</u>	<u>\$ 2</u>	<u>\$ (104)</u>
<b>Effective Tax Rate</b>	<u>22.2%</u>				<u>21.9%</u>
<b>Income from Continuing Operations</b>	<u>\$ 351</u>	<u>\$ 5</u>	<u>\$ 17</u>	<u>\$ (3)</u>	<u>\$ 370</u>
<b>Diluted Earnings per Share from Continuing Operations</b>	<u>\$ 0.85</u>	<u>\$ 0.01</u>	<u>\$ 0.04</u>	<u>\$ (0.01)</u>	<u>\$ 0.90</u>

<sup>(1)</sup> Includes \$8 million of acquisition and integration costs, \$1 million of non-cash amortization associated with fair value adjustments related to acquired inventories and customer order backlog recorded in cost of sales, and \$1 million of restructuring costs.

<sup>(2)</sup> The tax effect of each non-GAAP adjustment is calculated based on the jurisdictions in which the expense (income) is incurred and the tax laws in effect for each such jurisdiction.

<sup>(3)</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 25, 2015

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) <sup>(4)</sup>
		Acquisition Related Charges <sup>(1)(2)</sup>	Restructuring and Other Charges, Net <sup>(2)</sup>	Tax Items <sup>(3)</sup>	
(\$ in millions, except per share data)					
<b>Operating Income:</b>					
Transportation Solutions	\$ 1,193	\$ 61	\$ 39	\$ -	\$ 1,293
Industrial Solutions	352	33	44	-	429
Communications Solutions	204	-	66	-	270
<b>Total</b>	<u>\$ 1,749</u>	<u>\$ 94</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 1,992</u>
<b>Operating Margin</b>	<u>14.3%</u>				<u>16.3%</u>
<b>Other Income (Expense), Net</b>	<u>\$ (55)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84</u>	<u>\$ 29</u>
<b>Income Tax Expense</b>	<u>\$ (337)</u>	<u>\$ (22)</u>	<u>\$ (29)</u>	<u>\$ (36)</u>	<u>\$ (424)</u>
<b>Effective Tax Rate</b>	<u>21.4%</u>				<u>22.3%</u>
<b>Income from Continuing Operations</b>	<u>\$ 1,238</u>	<u>\$ 72</u>	<u>\$ 120</u>	<u>\$ 48</u>	<u>\$ 1,478</u>
<b>Diluted Earnings per Share from Continuing Operations</b>	<u>\$ 3.01</u>	<u>\$ 0.18</u>	<u>\$ 0.29</u>	<u>\$ 0.12</u>	<u>\$ 3.60</u>

<sup>(1)</sup> Includes \$55 million of acquisition and integration costs, \$36 million of non-cash amortization associated with fair value adjustments related to acquired inventories and customer order backlog recorded in cost of sales, and \$3 million of restructuring costs.

<sup>(2)</sup> The tax effect of each non-GAAP adjustment is calculated based on the jurisdictions in which the expense (income) is incurred and the tax laws in effect for each such jurisdiction.

<sup>(3)</sup> Includes \$264 million of income tax benefits associated with the settlement of audits of prior year income tax returns as well as the related impact of \$84 million to other expense pursuant to the tax sharing agreement with Tyco International and Covidien. Also includes \$216 million of income tax charges associated with the tax impacts of certain intercompany legal entity restructurings made in connection with our integration of Measurement Specialties, Inc. and \$29 million of income tax charges for the tax impacts of certain intercompany dividends related to the restructuring and sale of the Broadband Network Solutions business.

<sup>(4)</sup> See description of non-GAAP measures contained in this Appendix.



## Reconciliation of Gross Margin & Gross Margin Percentage

	For the Quarters Ended	
	March 27, 2015	March 25, 2016
	(\$ in millions)	
Net Sales	\$ 3,082	\$ 2,952
Cost of Sales	2,031	1,990
<b>Gross Margin</b>	<u>1,051</u>	<u>962</u>
<b>Gross Margin Percentage</b>	<u>34.1%</u>	<u>32.6%</u>
Acquisition Related Charges	6	1
<b>Adjusted Gross Margin<sup>(1)</sup></b>	<u>\$ 1,057</u>	<u>\$ 963</u>
<b>Adjusted Gross Margin Percentage<sup>(1)</sup></b>	<u>34.3%</u>	<u>32.6%</u>

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

## Reconciliation of Free Cash Flow

	<u>For the Quarters Ended</u>		<u>For the Six Months Ended</u>	
	<u>March 27,</u> <u>2015</u>	<u>March 25,</u> <u>2016</u>	<u>March 27,</u> <u>2015</u>	<u>March 25,</u> <u>2016</u>
	(in millions)			
Net cash provided by continuing operating activities	\$ 350	\$ 155	\$ 555	\$ 522
Capital expenditures, net	(155)	(131)	(285)	(269)
Payments related to pre-separation U.S. tax matters, net	22	139	26	140
Payments related to income taxes on the sale of the Broadband Network Solutions business	-	2	-	9
<b>Free cash flow</b> <sup>(1)</sup>	<u>\$ 217</u>	<u>\$ 165</u>	<u>\$ 296</u>	<u>\$ 402</u>

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

## Reconciliation of Adjusted EBITDA Margin

	For the Quarters Ended	
	March 27, 2015	March 25, 2016
	(\$ in millions)	
<b>Net Income</b>	\$ 599	\$ 380
(Income) loss from discontinued operations	(283)	9
Income tax expense (benefit)	94	130
Other (income) expense, net	5	(12)
Interest expense	37	32
Interest income	(4)	(4)
<b>Operating Income</b>	\$ 448	\$ 535
Acquisition related charges	22	4
Restructuring and other charges (credits), net	36	(99)
<b>Adjusted Operating Income</b> <sup>(1)</sup>	\$ 506	\$ 440
Depreciation and amortization <sup>(2)</sup>	143	143
<b>Adjusted EBITDA</b> <sup>(1)</sup>	\$ 649	\$ 583
<b>Net Sales</b>	\$ 3,082	\$ 2,952
Net income as a percentage of net sales	19.4%	12.9%
Adjusted EBITDA margin <sup>(1)</sup>	21.1%	19.7%

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

<sup>(2)</sup> Excludes non-cash amortization associated with fair value adjustments related to acquired customer order backlog of \$4 million and \$1 million for the quarters ended March 27, 2015 and March 25, 2016, respectively, and \$14 million and \$2 million for the six months ended March 27, 2015 and March 25, 2016, respectively, as these charges are included in the acquisition related charges line.

## Reconciliation of Forward-Looking Non-GAAP Financial Measures to Forward-Looking GAAP Financial Measures for Q3 2016 and Fiscal 2016

	<b>Outlook for Quarter Ending June 24, 2016</b>	<b>Outlook for Fiscal 2016</b>
<b>Diluted earnings per share from continuing operations (GAAP)</b>	\$0.90 - \$0.96	\$3.92 - \$4.12
Restructuring and other charges (credits), net	0.07	(0.01)
Acquisition related charges	0.03	0.06
Tax items	-	(0.07)
<b>Adjusted diluted earnings per share from continuing operations (non-GAAP) <sup>(1)</sup></b>	<u>\$1.00 - \$1.06</u>	<u>\$3.90 - \$4.10</u>
<b>Net sales growth (GAAP)</b>	(3) - 4%	(1) - 2%
Translation	1	2
(Acquisitions) divestitures	(1)	-
<b>Organic net sales growth (non-GAAP) <sup>(1)</sup></b>	<u>(3) - 4%</u>	<u>1 - 4%</u>

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

# Impact of Changes in Foreign Currency Exchange Rates for Q2 2016, Q3 2016 and Fiscal 2016

	<u>Net Sales</u>	<u>Adjusted Operating Income <sup>(1)</sup></u>	<u>Adjusted EPS <sup>(1)</sup></u>
	(in millions, except per share data)		
<b>Quarter ended March 27, 2015</b>	\$ 3,082	\$ 506	\$ 0.91
Impact of changes in foreign currency exchange rates	(74) <sup>(2)</sup>	(11)	(0.02)
Operational performance	<u>(56)</u>	<u>(55)</u>	<u>0.01</u>
<b>Quarter ended March 25, 2016</b>	<u>\$ 2,952</u>	<u>\$ 440</u>	<u>\$ 0.90</u>

	<u>Net Sales</u>	<u>Adjusted EPS <sup>(1)</sup></u>
	(in millions, except per share data)	
<b>Quarter ended June 26, 2015</b>	\$ 3,118	\$ 0.90
Impact of changes in foreign currency exchange rates	(23)	(0.01)
Operational performance	<u>5</u>	<u>0.14</u>
<b>Outlook for the quarter ending June 24, 2016 <sup>(3)</sup></b>	<u>\$ 3,100</u>	<u>\$ 1.03</u>

	<u>Net Sales</u>	<u>Adjusted EPS <sup>(1)</sup></u>
	(in millions, except per share data)	
<b>Year ended September 25, 2015</b>	\$ 12,233	\$ 3.60
Impact of changes in foreign currency exchange rates	(284)	(0.10)
Operational performance	<u>351</u>	<u>0.50</u>
<b>Outlook for the year ending September 30, 2016 <sup>(3)</sup></b>	<u>\$ 12,300</u>	<u>\$ 4.00</u>

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

<sup>(2)</sup> Includes \$1 million impact of changes in foreign currency exchange rates on sales from acquisitions.

<sup>(3)</sup> Outlook is as of April 20, 2016.