

Q2 2014 Earnings Call

April 23, 2014

EVERY CONNECTION COUNTS

TE connectivity

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 and our planned acquisition of the SEACON Group (the “SEACON Acquisition”). 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 networks and consumer 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 SEACON Acquisition may not be consummated; the risk that a regulatory approval that may be required for the SEACON Acquisition is not obtained or is obtained subject to conditions that are not anticipated; the risk that revenue opportunities, cost savings and other anticipated synergies from the SEACON Acquisition may not be fully realized or may take longer to realize than expected; and the risk that the SEACON Group’s operations will not be successfully integrated into ours. 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. 27, 2013 as well as in our Quarterly Report on Form 10-Q for the fiscal quarter ended December 27, 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 $3.43 billion; up 6% organically versus prior year
- Adjusted EPS of $0.95, up 25% versus prior year
- Adjusted Operating Margin of 15.5%, up 190 basis points versus prior year
- Free Cash Flow of $273 million; returned $281 million to shareholders
- Book-to-Bill of 1.03 with orders up 4% organically, excluding Subsea Communications
- Full year outlook
  - $13.95 billion of revenue at the mid-point, up 5% versus the prior year
  - Adjusted EPS of $3.78 at the mid-point, up 17% versus the prior year

Majority of markets showing momentum

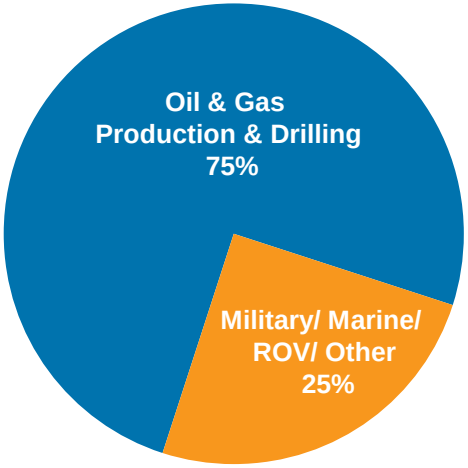
Organic Sales Growth, Adjusted EPS, Adjusted Operating Margin, and Free Cash Flow are non-GAAP measures; see Appendix for description and reconciliation.

SEACON Group Overview

Overview

- A leading provider of underwater connector technology and systems that serves the military, marine, and oil and gas industries.
- Founded in 1964; operations in the U.S., Norway, U.K., and Mexico
- Purchase price: $490 million (~13.5x EBITDA)
- CY13 Sales*: $115 million
- Expected to close in the current fiscal year

Sales by Market



Products



Waterproof Electrical



Underwater Mateable



Wet-Mate Optical



High Pressure / High Temperature



Mil-Spec

Significantly increases our position in the higher growth oil & gas markets

* Unaudited

Transportation Solutions Q2 Summary

($ in Millions)		Growth Rates	
		Actual	Organic
Sales	$1,571	13%	13%
Orders	$1,568	7%	7%
Book to Bill	*1.00*		
Adj. Operating Income	$346	33%	
Adj. Operating Margin	*22.0%*		

Sales by Business

		Growth Rates	
		Actual	Organic
Automotive	$1,571	13%	13%
Transportation Solutions	**$1,571**	**13%**	**13%**

Sales by Region

Region	Q2 FY14	Actual Growth	Organic Growth
Americas	$345	6%	10%
EMEA	682	16%	12%
Asia-Pacific	544	15%	18%
Total	$1,571	13%	13%

- Revenue up 13%; global vehicle production up ~5%
- Double-digit sales increases in all regions; Europe up vs. expectations due to increase in local demand
- Industrial transportation up due to increasing heavy truck production and impact of changing emissions standards
- Adjusted operating margin increase due to volume growth, product mix and productivity

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

Industrial Solutions Q2 Summary

($ in Millions)		Growth Rates	
		Actual	Organic
Sales	$789	4%	4%
Orders	$827	1%	2%
Book to Bill	*1.05*		
Adj. Operating Income	$112	10%	
Adj. Operating Margin	*14.2%*		

Sales by Business

		Growth Rates	
		Actual	Organic
Industrial Equipment	$330	8%	8%
Aerospace, Defense, Oil, and Gas	273	5%	5%
Energy	186	(4)%	(1)%
Industrial Solutions	**$789**	**4%**	**4%**

Sales by Region

Region	Q2 FY14	Actual Growth	Organic Growth
Americas	$314	2%	3%
EMEA	327	1%	(1)%
Asia-Pacific	148	17%	22%
Total	$789	4%	4%

- Industrial Equipment growth driven by strong demand in factory automation and rail markets
- Double-digit growth in oil & gas markets and continued strength in commercial aerospace; defense down slightly
- Energy market up in Americas and Asia; offset by emerging market weakness in EMEA
- Adjusted operating margin up 70 basis points due to improved volumes, restructuring benefits and productivity initiatives

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

Network Solutions Q2 Summary

($ in Millions)		Growth Rates	
		Actual	Organic
Sales	$688	(5)%	(1)%
Orders	$690	(1)%	3%
Orders ex SubCom	*$661*	*(2)%*	*1%*
Book to Bill	*1.00*		
B:B ex SubCom	*1.05*		
Adj. Operating Income	$39	(13)%	
Adj. Operating Margin	*5.7%*		

Sales By Business

		Growth Rates	
		Actual	Organic
Telecom Networks	$318	6%	6%
Data Communications	160	(18)%	(7)%
Enterprise Networks	149	1%	5%
Subsea Communications	61	(26)%	(27)%
Network Solutions	**$688**	**(5)%**	**(1)%**

Sales by Region (excluding Subsea Communications)

Region	Q2 FY14	Actual Growth	Organic Growth
Americas	$263	(3)%	-%
EMEA	204	18%	16%
Asia-Pacific	160	(19)%	(8)%
Total	$627	(2)%	2%

- Telecom Networks and Enterprise Networks growth driven by increasing demand in fiber networks
- Data Communications revenue down due to product divestitures and market conditions
- SubCom decline driven by customer project delays
- Adjusted operating margin down due to revenue declines in SubCom and Data Communications

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

Consumer Solutions Q2 Summary

($ in Millions)		Growth Rates	
		Actual	Organic
Sales	$383	(4)%	(3)%
Orders	$403	(1)%	-%
Book to Bill	*1.05*		
Adj. Operating Income	$35	(3)%	
Adj. Operating Margin	*9.1%*		

Sales by Business

		Growth Rates	
		Actual	Organic
Consumer Devices	$223	(9)%	(8)%
Appliances	160	5%	5%
Consumer Solutions	**$383**	**(4)%**	**(3)%**

Sales by Region

Region	Q2 FY14	Actual Growth	Organic Growth
Americas	$64	(2)%	(2)%
EMEA	58	(5)%	(8)%
Asia-Pacific	261	(4)%	(2)%
Total	$383	(4)%	(3)%

- Consumer Devices in line with expectations; decline versus prior year driven by decline in PC and feature phone markets
- Appliances growth driven by increasing demand in Asia
- Adjusted operating margin flat versus the prior year despite lower revenues

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

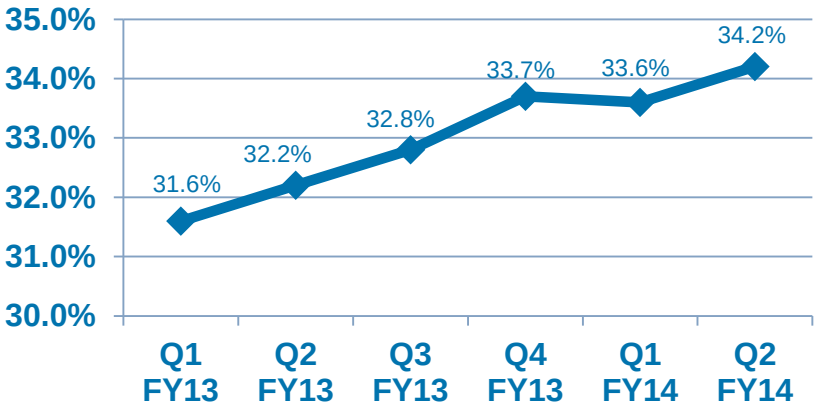
Q2 Financial Summary

($ in Millions, except per share amounts)	Q2 FY14	Q2 FY13
Net Sales	**$ 3,431**	**$ 3,265**
Operating Income	**$ 510**	**$ 359**
Restructuring & Other Charges, net	21	81
Acquisition Related Charges	1	3
Adjusted Operating Income	**$ 532**	**$ 443**
Operating Margin	*14.9%*	*11.0%*
Adjusted Operating Margin	*15.5%*	*13.6%*
GAAP Earnings Per Share	**$ 0.87**	**$ 0.66**
Restructuring & Other Charges, net	0.03	0.13
Tax Items	0.05	(0.03)
Adjusted EPS	**$ 0.95**	**$ 0.76**

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

Q2 Operating Results & Other Items

Gross Margin Percentage



Operating Expenses

($ in Millions)	Q2 FY14	Q2 FY13
RD&E	$ 170	$ 171
SG&A	471	438
Total	$ 641	$ 609
% of Sales		
RD&E	*5.0%*	*5.2%*
SG&A	*13.7%*	*13.4%*

Other Items

($ in Millions)	Q2 FY14	Q2 FY13
Interest Expense, Net	$ (26)	$ (30)
Adjusted Other Income, Net	$ 2	$ 8
Income Tax Expense	$ (136)	$ (60)
Effective Tax Rate	*27.2%*	*17.8%*
Adj. Income Tax Expense	$ (110)	$ (98)
Adj. Effective Tax Rate	*21.7%*	*23.3%*

Adjusted Other Income, Adjusted Income Tax Expense and Adjusted Effective Tax Rate are non-GAAP measures; see Appendix for description and reconciliation.

Q2 Balance Sheet and Cash Flow Summary

Free Cash Flow and Working Capital

($ in Millions)	Q2 FY14	Q2 FY13
Cash from Continuing Operations	$ 453	$ 446
Capital expenditures, net	(159)	(125)
Pre-separation tax payments (receipts), net	(21)	32
Free Cash Flow	**$ 273**	**$ 353**
A/R - $	$ 2,402	$ 2,214
Days Sales Outstanding	63	61
Inventory (Excl. CIP) - $	$ 1,828	$ 1,753
Days on Hand	73	71
Accounts Payable - $	$ 1,421	$ 1,348
Days Outstanding	57	55

Liquidity, Cash & Debt

Liquidity Summary

($ in Millions)	Q2 FY14	Q2 FY13
Beginning Cash Balance	$ 1,397	$ 972
Free Cash Flow	273	353
Dividends	(102)	(88)
Share repurchases	(182)	(198)
Proceeds from exercise of share options	52	70
Pre-separation tax (payments) receipts, net	21	(32)
Repayment of long-term debt	(57)	-
Net increase in commercial paper	50	-
Other	(23)	(4)
Ending Cash Balance	**$ 1,429**	**$ 1,073**
Total Debt	**$ 2,995**	**$ 3,030**

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

Q3 Outlook^

($ in Millions, except per share amounts)			
Sales	$3,540	to	$3,640
Y/Y Growth			
Actual	*3%*		*6%*
Organic*	*2%*		*5%*
Adjusted EPS*	$0.96	to	$1.00
Y/Y Growth	*9%*		*14%*

Transportation Solutions

- ✓ Revenue up 8-10% vs. prior year
- ✓ Global auto production expected to be up ~2% vs. prior year
  - ✓ Asia up ~4%
  - ✓ North America up 1-2%
  - ✓ EMEA up 1-2%

Industrial Solutions

- ✓ Revenue up mid single digits vs. prior year
- ✓ Aerospace, Defense, Oil, and Gas up ~10-12%; Industrial Equipment up mid single digits; Energy ~flat

Network Solutions

- ✓ Revenue ~flat excluding Subsea Communications
- ✓ Telecom Networks up slightly; Data Communications down low single digits
- ✓ Subsea Communications market remains weak

Consumer Solutions

- ✓ Revenue up slightly
- ✓ Appliances up mid single digits offset by weak Consumer Devices demand

Revenue up 3-6% and adjusted EPS up 9-14 % 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 and reconciliation.

FY14 Outlook^

($ in Millions, except per share amounts)				
Sales	$13,800	to	$14,100	
Y/Y Growth				
Actual	*4%*		*6%*	
Organic*	*4%*		*6%*	
Adjusted EPS*	$3.72	to	$3.84	
Y/Y Growth	*15%*		*19%*	

Transportation Solutions

- ✓ Revenue up 10-12% vs. prior year
- ✓ Global auto production expected to be up ~5%
  - ✓ Asia up ~7%
  - ✓ North America up ~5%
  - ✓ EMEA up ~3%

Industrial Solutions

- ✓ Revenue up mid single digits vs. prior year
- ✓ Industrial Equipment up mid single digits
- ✓ Aerospace, Defense, Oil, and Gas up high single digits
- ✓ Energy ~flat

Network Solutions

- ✓ Revenue down slightly vs. prior year excluding SubCom
- ✓ Telecom Networks up mid single digits
- ✓ Enterprise Networks ~flat
- ✓ Subsea Communications revenue ~$300 million
- ✓ Data Communications down ~10-12%

Consumer Solutions

- ✓ Revenue ~ flat vs. prior year
- ✓ Appliances up mid single digits
- ✓ Consumer Devices down low single digits

Adjusted EPS Growth of 17% at Mid-Point

^ 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 and reconciliation.

Q&A

Appendix

Non-GAAP Measures

"Organic Sales Growth," "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 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.

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.

* U.S. Generally Accepted Accounting Principles

Non-GAAP Measures (cont.)

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 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.

FCF 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, also are considered by management in evaluating free cash flow. We believe investors should also 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.

Q2 Revenue Summary

($ in Millions)

Segment	Q2 FY14	Q2 FY13	Actual Growth	Organic Growth[(1)]
Transportation Solutions	$1,571	$1,385	13%	13%
Industrial Solutions	789	758	4%	4%
Network Solutions	688	725	(5)%	(1)%
Consumer Solutions	383	397	(4)%	(3)%
Total	$3,431	$3,265	5%	6%

[(1)]See description and reconciliation of non-GAAP measures contained in this appendix.

Reconciliation of Net Sales Growth– Q2 14 vs. Q2 13

	Change in Net Sales for the Quarter Ended March 28, 2014 versus Net Sales for the Quarter Ended March 29, 2013						Percentage of Segment's Total Net Sales for the Quarter Ended March 28, 2014
	Organic [1]		Translation [2]	Divestitures	Total		
	($ in millions)						
Transportation Solutions [3]:							
Automotive	$ 184	13.3 %	$ 2	$ -	$ 186	13.4 %	100 %
Total	184	13.3	2	-	186	13.4	100 %
Industrial Solutions [3]:							
Industrial Equipment	22	7.5	3	-	25	8.2	42
Aerospace, Defense, Oil, and Gas	12	4.5	1	-	13	5.0	35
Energy	(1)	(0.6)	(2)	(4)	(7)	(3.6)	23
Total	33	4.4	2	(4)	31	4.1	100 %
Network Solutions [3]:							
Telecom Networks	19	6.3	(1)	-	18	6.0	46
Data Communications	(13)	(7.2)	(2)	(20)	(35)	(17.9)	23
Enterprise Networks	7	4.9	(6)	-	1	0.7	22
Subsea Communications	(22)	(26.5)	1	-	(21)	(25.6)	9
Total	(9)	(1.3)	(8)	(20)	(37)	(5.1)	100 %
Consumer Solutions [3]:							
Consumer Devices	(19)	(7.5)	(2)	-	(21)	(8.6)	58
Appliances	7	4.6	-	-	7	4.6	42
Total	(12)	(2.9)	(2)	-	(14)	(3.5)	100 %
Total	$ 196	6.1 %	$ (6)	$ (24)	$ 166	5.1 %	

[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 is presented consistently with our internal management reporting and may be periodically revised as management deems necessary.

Reconciliation of Net Sales Growth by Segment and Geography – Q2 14 vs. Q2 13

	Change in Net Sales for the Quarter Ended March 28, 2014 versus Net Sales for the Quarter Ended March 29, 2013									
	Organic [1]			Translation [2]	Divestitures	Total				
	($ in millions)									
Transportation Solutions:										
EMEA	$	70	11.9 %	$	22	$	-	$	92	15.6 %
Asia–Pacific		83	17.6		(10)		-		73	15.5
Americas		31	9.7		(10)		-		21	6.5
Total		184	13.3		2		-		186	13.4
Industrial Solutions:										
EMEA		(5)	(1.3)		12		(4)		3	0.9
Asia–Pacific		28	22.3		(6)		-		22	17.5
Americas		10	3.3		(4)		-		6	1.9
Total		33	4.4		2		(4)		31	4.1
Network Solutions:										
EMEA		28	16.2		5		(1)		32	18.5
Asia–Pacific		(15)	(7.8)		(5)		(18)		(38)	(19.2)
Americas		(22)	(6.5)		(8)		(1)		(31)	(8.8)
Total		(9)	(1.3)		(8)		(20)		(37)	(5.1)
Consumer Solutions:										
EMEA		(5)	(7.8)		2		-		(3)	(4.9)
Asia–Pacific		(6)	(2.1)		(4)		-		(10)	(3.7)
Americas		(1)	(1.5)		-		-		(1)	(1.5)
Total		(12)	(2.9)		(2)		-		(14)	(3.5)
Total:										
EMEA		88	7.8		41		(5)		124	10.8
Asia–Pacific		90	8.6		(25)		(18)		47	4.4
Americas		18	1.7		(22)		(1)		(5)	(0.5)
Total	$	196	6.1 %	$	(6)	$	(24)	$	166	5.1 %

[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 March 28, 2014

	U.S. GAAP	Adjustments: Acquisition Related Charges	Adjustments: Restructuring and Other Charges, Net	Adjustments: Tax Items [1]	Adjusted (Non-GAAP) [2]
		($ in millions, except per share data)			
Operating Income:					
Transportation Solutions	$ 347	$ -	$ (1)	$ -	$ 346
Industrial Solutions	106	1	5	-	112
Network Solutions	23	-	16	-	39
Consumer Solutions	34	-	1	-	35
Total	$ 510	$ 1	$ 21	$ -	$ 532
Operating Margin	14.9%				15.5%
Other Income, Net	$ 16	$ -	$ -	$ (14)	$ 2
Income Tax Expense	$ (136)	$ -	$ (10)	$ 36	$ (110)
Effective Tax Rate	27.2%				21.7%
Income from Continuing Operations Attributable to TE Connectivity Ltd.	$ 364	$ 1	$ 11	$ 22	$ 398
Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.	$ 0.87	$ -	$ 0.03	$ 0.05	$ 0.95

[1] Includes income tax expense related to adjustments to prior year income tax returns. In addition, other income includes amounts related 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 March 29, 2013

	U.S. GAAP	Adjustments: Acquisition Related Charges	Adjustments: Restructuring and Other Charges, Net	Adjustments: Tax Items [1]	Adjusted (Non-GAAP) [2]
	($ in millions, except per share data)				
Operating Income:					
Transportation Solutions	$ 241	$ 1	$ 18	$ -	$ 260
Industrial Solutions	79	2	21	-	102
Network Solutions	19	-	26	-	45
Consumer Solutions	20	-	16	-	36
Total	$ 359	$ 3	$ 81	$ -	$ 443
Operating Margin	11.0%				13.6%
Other Income, Net	$ 9	$ -	$ -	$ (1)	$ 8
Income Tax Expense	$ (60)	$ (1)	$ (24)	$ (13)	$ (98)
Effective Tax Rate	17.8%				23.3%
Income from Continuing Operations Attributable to TE Connectivity Ltd.	$ 278	$ 2	$ 57	$ (14)	$ 323
Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.	$ 0.66	$ -	$ 0.13	$ (0.03)	$ 0.76

[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 June 28, 2013

		Adjustments			
	U.S. GAAP	Acquisition Related Charges	Restructuring and Other Charges, Net	Tax Items [1]	Adjusted (Non-GAAP) [2]
	($ in millions, except per share data)				
Operating Income:					
Transportation Solutions	$ 282	$ 1	$ 1	$ -	$ 284
Industrial Solutions	84	2	22	-	108
Network Solutions	48	-	26	-	74
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 Year Ended September 27, 2013

	U.S. GAAP	Adjustments: Acquisition Related Charges	Adjustments: Restructuring and Other Charges, Net	Adjustments: Tax Items [1]	Adjusted (Non-GAAP) [2]
	($ in millions, except per share data)				
Operating Income:					
Transportation Solutions	$ 972	$ 7	$ 38	$ -	$ 1,017
Industrial Solutions	362	7	62	-	431
Network Solutions	136	-	125	-	261
Consumer Solutions	86	-	86	-	172
Total	$ 1,556	$ 14	$ 311	$ -	$ 1,881
Operating Margin	11.7%				14.2%
Other Income (Expense), Net	$ (183)	$ -	$ -	$ 213	$ 30
Income Tax (Expense) Benefit	$ 29	$ (5)	$ (90)	$ (354)	$ (420)
Effective Tax Rate	NM[3]				23.5%
Income from Continuing Operations Attributable to TE Connectivity Ltd.	$ 1,276	$ 9	$ 221	$ (141)	$ 1,365
Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.	$ 3.02	$ 0.02	$ 0.52	$ (0.33)	$ 3.23

[1] Includes $331 million of income tax benefits associated with the settlement of an audit of prior year income tax returns as well as the related impact of $231 million to other expense pursuant to the tax sharing agreement with Tyco International and Covidien. Also includes income tax expense related to adjustments to prior year income tax returns, income tax benefits recognized in connection with a reduction in the valuation allowance associated with certain tax loss carryforwards, and income tax benefits recognized in connection with the lapse of statutes of limitations for examinations of prior year income tax returns. In addition, the other income adjustment includes amounts related 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.

[3] Not meaningful.

Reconciliation of Forward-Looking Non-GAAP Financial Measures to Forward-Looking GAAP Financial Measures

	Outlook for Quarter Ending June 27, 2014	Outlook for Fiscal 2014
Diluted earnings per share from continuing operations attributable to TE Connectivity Ltd. (GAAP)	$0.93 - 0.97	$3.62 - 3.74
Restructuring and other charges, net	0.02	0.07
Acquisition related charges	0.01	0.02
Tax items	-	0.01
Adjusted diluted earnings per share from continuing operations attributable to TE Connectivity Ltd. (non-GAAP) [1]	$0.96 - 1.00	$3.72 - 3.84
Net sales growth (GAAP)	3 - 6 %	4 - 6 %
Translation	(1)	-
Acquisitions (divestitures)	-	-
Organic net sales growth (non-GAAP) [1]	2 - 5%	4 - 6 %

[1] See description of non-GAAP measures contained in this appendix.

EVERY CONNECTION COUNTS