

## TE Connectivity Sales Up +6.1% YOY in Calendar 4Q13

TE Connectivity reported calendar year 4Q13 sales of \$3,326 million, up +6.1% year-over-year and down sequentially -3.1% to calendar year 3Q13. Sales were up 7% organically over calendar year 4Q12.

Orders in the quarter were \$3,320 million, up 8% year-over-year and up sequentially +2.2%. The book-to-bill ratio is 1.03 (excluding Subsea Communications).

Net income was \$353 million (10.6% of sales), up +27.4% year-over-year and down -8.8% sequentially.

The following is TE's performance by market sector:

Market	Percent of Total Sales in Quarter	Calendar 4Q13 Sales	Calendar 4Q13 YOY	Calendar 4Q13 Organic YOY	Calendar 4Q13 Sequential
Automotive	43%	\$1,440	14%	14%	3%
Mil/Aero/Marine	7%	\$248	4%	4%	-7%
Industrial	10%	\$322	9%	10%	1%
Energy	6%	\$193	3%	4%	-7%
Consumer Devices	8%	\$258	-6%	-3%	3%
Appliances	5%	\$152	8%	8%	-19%
Data Communications	5%	\$164	-18%	-8%	-16%
Telecom Networks	9%	\$313	11%	11%	-9%
Enterprise Networks	5%	\$151	3%	6%	-6%
Subsea Communications	3%	\$85	-21%	-21%	-17%
	<b>100%</b>	<b>\$3,326</b>	<b>6.1%</b>	<b>7.0%</b>	<b>-3.1%</b>

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

**Outlook**

TE Connectivity forecasts sales of \$3,400 to \$3,500 million in calendar year 1Q14, a year-over-year change of +4.1% to +7.2% actual and +5% to +8% organically. Versus the prior year, TE expects Transportation to be up +10-12%, Network Solutions to be flat, Industrial to be up +5-7%, and Consumer to be down -3-4%.

The full fiscal year outlook for 2014 is for sales of \$13,800 to \$14,200 million, a year-over-year change of +4% to +7% actual and organic.

**Bishop & Associates' Comments**

TE's year-over-year sales growth was +1.7% for calendar 2013 versus the industry growth of +2.7%.

TE's automotive market business, at 43% of their sales in the last quarter, with +14% YOY growth, is helping offset sales declines in their Network Solutions and Consumer Solutions, which are down a combined -4% year-over-year.

The following graph plots TE's sales performance versus the connector industry by quarter since 3Q11 (year-over-year percentage change).

**TE Connectivity vs. Industry**

