

Business Strategy

The Company's strategic objective is to further enhance its position as a leading global designer, manufacturer and marketer of connectors, interconnect systems and cable products. The Company seeks to achieve this objective by pursuing the following strategies:

- *Continue to Develop Application-Specific Interconnect Solutions for OEMs.* The Company seeks to expand the scope and number of its preferred supplier designations and application-specific product opportunities with OEM and original design customers. The Company works closely with its network of such customers at the design stage to create and manufacture innovative solutions to meet customers' specific interconnection needs. The application-specific products designed and manufactured for OEMs and original design customers generally have higher value-added content than other interconnect products and have been developed across all of the Company's product lines. In addition to solidifying its relationship with OEMs and providing a source of high value added sales, this product development strategy has a number of important ancillary benefits. For example, once an application-specific product has been developed for a particular OEM customer, the new product often becomes widely accepted in the industry for similar applications. Thereafter, the demand for these new products grows as they become incorporated into products manufactured by other potential customers, thereby providing additional sources of revenue.
- *Expand Product Lines.* The Company's product line strategy is to provide a complete product offering in its focus markets. Management believes that it is very important to continually develop the breadth and depth of Amphenol's product lines in order to maintain its designation as a preferred supplier with many OEM, original design and electronic manufacturing services customers. By expanding its product lines, the Company is able to leverage its extensive customer relationships to cross-sell additional interconnect products. Moreover, given that many OEMs and other customers are reducing the size of their supplier base, Amphenol believes that the expansion of its product lines with new value added integrated solutions helps to further solidify its importance to existing customers and enables it to effectively market products to new customers.
- *Expand Global Presence.* The Company intends to further expand its global manufacturing, engineering, sales and service operations to better serve its existing client base, penetrate developing markets and establish new customer relationships. As the Company's multinational OEM, original design and electronic manufacturing services customers expand their international operations to access developing world markets and lower manufacturing and labor costs in certain regions, the Company