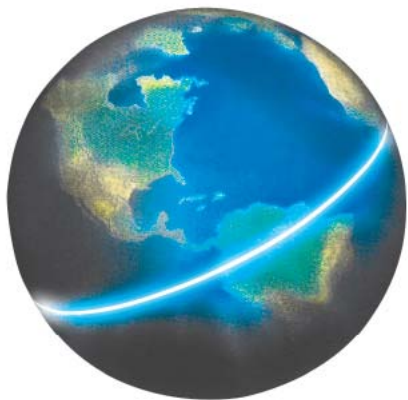


Amphenol Corporation



2004 Annual Report



Amphenol was founded in 1932. The company is one of the largest manufacturers of interconnect products in the world. The company designs, manufactures and markets electrical, electronic and fiber optic connectors, interconnect systems and coaxial and specialty cable.

Its activities are geared towards 7 major markets: Aerospace/Military, Automotive, Broadband Communication, Industrial, Internet Equipment, Mobile Phones and Wireless Infrastructure.

Amphenol is headquartered in Connecticut, USA and employs more than 16,000 people worldwide.

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Amphenol connecting people and technology



Financial Highlights

(dollars in thousands, except per share data)

	2004	2003	2002
Sales	\$1,530,446	\$1,239,504	\$1,062,002
Operating income	276,644	204,420	173,947
Net income	163,311	103,990 ⁽¹⁾	80,344
Net income per common share - diluted	1.82	1.18 ⁽¹⁾	.93
Average common shares outstanding	89,736,656	88,131,720	86,891,200
Current and long-term debt	\$ 449,053	\$ 542,959	\$ 644,248

⁽¹⁾ Includes a one-time charge for expenses incurred in the early extinguishment of debt of \$10,367, less tax benefit of \$3,525, or \$0.08 per share after taxes.



*Worldwide Management Meeting
Shenzhen, China
February 2005*

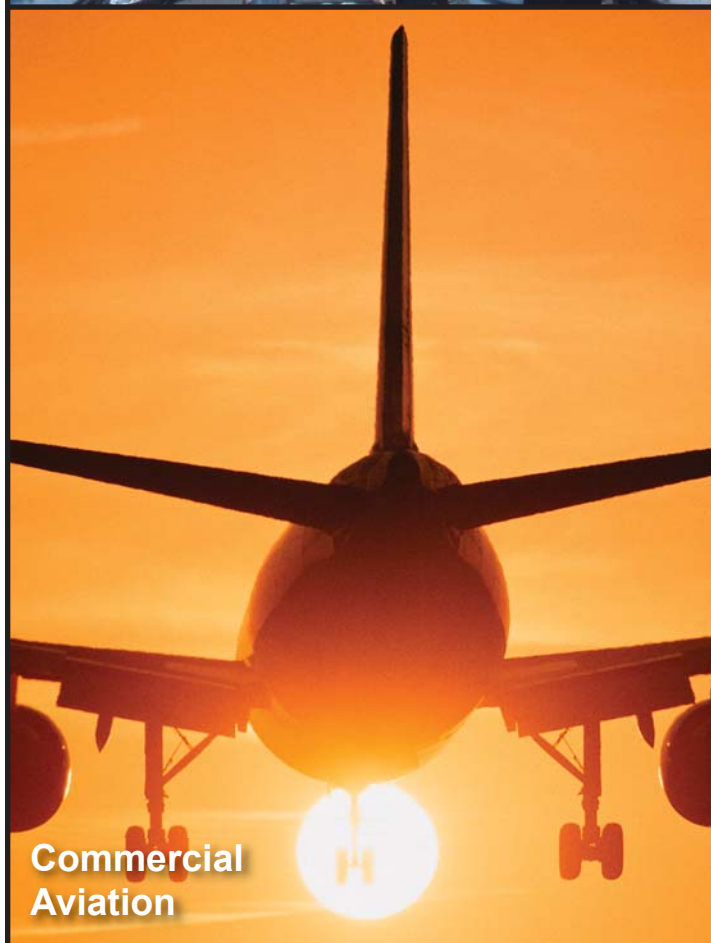
Where Is **Amphenol**?



Sophisticated
Military
Equipment



High-performance
Cellular Towers

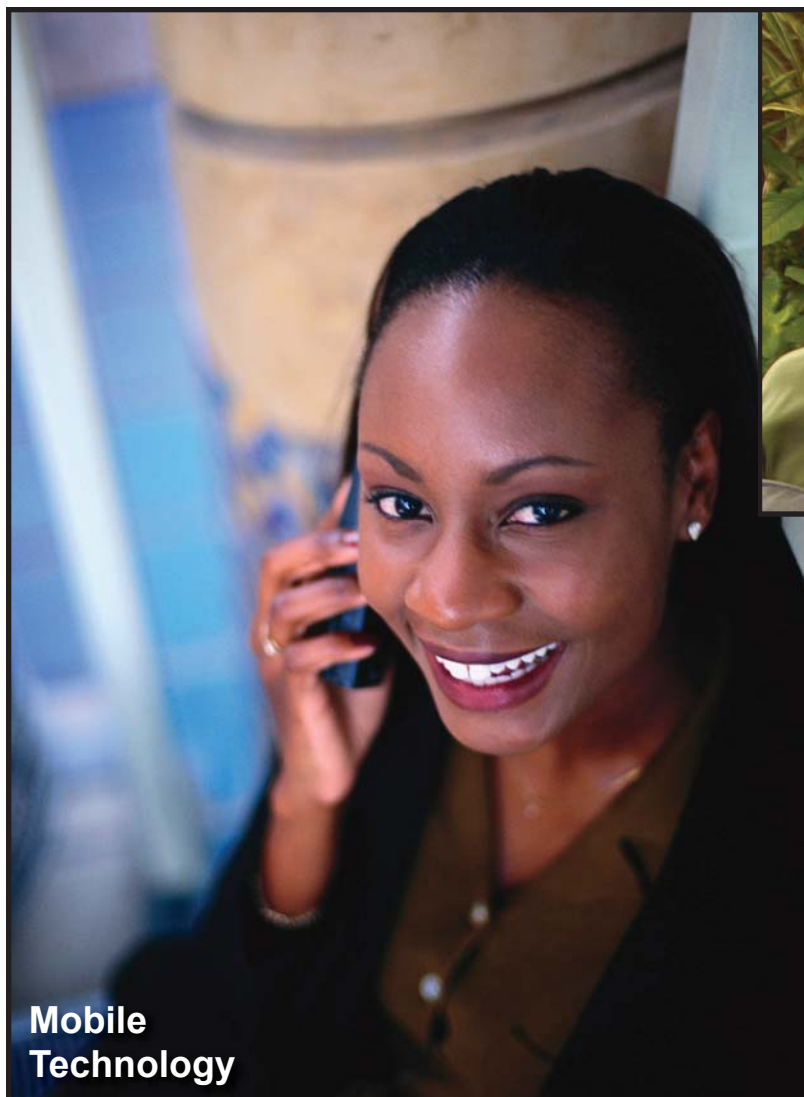


Commercial
Aviation



High-speed
Mass Transit

Amphenol is everywhere high-performance products are found.



**Mobile
Technology**



**High-speed
Broadband Networks**



**Safety Systems
for Cars**



Supercomputers



**Satellite
Radio**

Dear Fellow Shareholders:

2004 was a year of record performance.

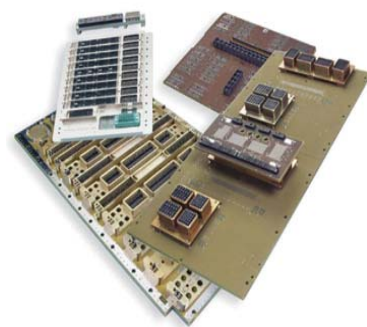
The Company achieved new records for sales, EPS and cash flow. Sales grew 23% to \$1.5 billion and EPS grew 44% to \$1.82 (excluding the 2003 one-time expense for early extinguishment of debt). The fourth quarter of 2004 represented the twelfth consecutive increase in quarterly EPS. This performance was far ahead of the industry. Net income as a percentage of sales reached 11%; a level of profitability, again, far better than the industry. In addition, we maintained our strong fiscal discipline generating the highest level of free cash flow in the Company's history; a cash flow that is vital to insuring the flexibility to reinvest in the many opportunities we see.

In addition to the outstanding financial performance, the Company achieved a number of important milestones in 2004. These include:

- ◆ The achievement of an upgrade in credit rating reflecting our strong financial condition;
- ◆ The successful transition to a broader shareholder base as KKR phased out their investment;
- ◆ Inclusion in the S&P 400 Mid Cap Index;
- ◆ The second stock split in four years;
- ◆ Initiation of a 5 million share stock repurchase program; and
- ◆ The declaration, effective in 2005, of the first cash dividends in the Company's history.

With respect to the major markets we serve with interconnect and cable products and assemblies, we made significant progress in 2004 in strengthening our relationship with the leading manufacturers in each of our markets as well as broadening our geographical presence and product portfolio. The following is an overview of last year's activity:

- The military/aerospace market comprised 24% of sales in 2004 and was up 21% over year 2003 levels. The Company is the acknowledged leader in high performance interconnect components for aerospace/harsh environment applications. The U.S. and certain other countries are continuing in a long term trend to upgrade military defense systems and increase homeland security programs. Several prominent military/aerospace programs in which the Company has significant participation are in the early phases of production, and other major programs in which we have achieved design wins are still in the prototype stage. Such programs should provide very significant future long-term revenues. The commercial aerospace market has gone through difficult times in the past few years but there are indications of an improving trend and the long-term future of commercial aviation transportation is good. We are excited about our participation in the development of new aircraft models in Europe and North America. We are proud of the outstanding engineering capabilities represented by our leadership position in the military/aerospace market.



- Sales to the wireless, telecom and data communications markets, which comprised 37% of sales in 2004, were up 26% from year 2003 levels. We have an excellent portfolio of interconnect products and integrated solutions for the mobile handset market, mobile network infrastructure market and the Internet equipment market. In the mobile handset market, we had components in more than half of the worldwide production of mobile phones last year, and we continue to strengthen our relationships with the leading mobile phone manufacturers worldwide. As mobile handsets increase in complexity and functionality, the outlook for growth in this market is excellent. Increased demand for greater mobile communication and data services in



developed countries and the continuing demand for communication services in developing countries is driving mobile network upgrades and expansion. In addition, deployment of 3G networks has begun and will continue to drive future demand. We continue to gain position with the leading infrastructure equipment manufacturers and increasingly are developing relationships with network system operators with a broad portfolio of value added interconnect solutions. With respect to the Internet equipment market, we have excellent penetration in the areas of servers, storage systems and datacom equipment. Our value added interconnect products and systems serve an important role in the continuing demand for increased bandwidth, speed and miniaturization in this market. Our product offering to the communications markets is broad and deep, and our global resources have further strengthened our excellent relations with the major customers.

- The broadband market comprised 13% of our sales last year and was up 17% from year 2003 levels. We serve the broadband market primarily with coaxial cable; in addition we continue to broaden our participation in this market with installation related interconnect products. The growth in this market was fueled by expansion of broadband cable television systems in international markets and by the upgrade by cable operators in the U.S. to full service digital systems offering a variety of video, voice and data services.



- The industrial/automotive markets comprised 26% of our sales last year and were up 26% from year 2003 levels. Our automotive market product offering is comprised of interconnect systems for automotive safety devices, communication and entertainment systems, and the increasing presence of automotive electronic features. Our growth in this market was driven by the increased utilization of sophisticated airbag and related safety devices as well as the increased use of satellite radio and other electronic devices in automobiles. Our sales to the industrial market which include factory automation, medical, test and measurement instrumentation equipment, heavy equipment and mass transportation were also up last year reflecting the key role of factory automation in driving productivity improvements, the growing use of sophisticated electronic equipment and instrumentation for medical applications, and the increasing importance of sophisticated intercity and intracity mass transportation equipment. The industrial markets encompass a broad and diverse range of applications with significant opportunity for growth resulting from the increased use of sophisticated and complex electronic components with significant demands for increased power. We have done an excellent job of increasing our presence with leading industrial manufacturers.



2004 was a very rewarding year for all of us at Amphenol. It was a year where we continued to make significant investments for growth. We continued our expansion, investing \$44 million in new tooling manufacturing and test equipment, and opening eleven new manufacturing facilities, ensuring sufficient capacity to meet the increasing demands of our customers. In addition, we opened several new R&D and sales operations, consistent with our strategy of keeping these critical resources close to our customers. Our workforce expanded to over 16,000 worldwide with the vast majority of this expansion in low cost regions. At the end of 2004, 56% of the Company's workforce was in low cost regions . . . an excellent platform for profitable growth. We also continue to pursue our complementary acquisition strategy focusing on the opportunities presented by a fragmented industry that is continuing to consolidate. We completed one acquisition in 2004 expanding the Company's presence in the growing automotive electronics market. We continue to explore additional acquisitions that are complementary in nature and accretive to future performance.

In the dynamics of the global marketplace, I would like to share with you what I view as current industry trends and how Amphenol is positioned to take advantage of such trends:

Industry Trends

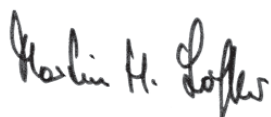
- Large \$35 billion + interconnect market with renewed growth
- Customers are reducing their vendor base
- Increased sophistication and proliferation of electronic equipment
- Customer migration to low cost areas and new markets
- Pricing pressure
- Fragmented industry continuing to consolidate

Amphenol Strengths

- Company has a diversified presence in high growth segments of the market.
- Establish preferred supplier relationships with leading companies in our target markets worldwide.
- Strong engineering resources for developing application-specific, value added solutions to customer needs.
- Strong global presence with extensive operations in low cost areas (56% of our workforce is in low cost areas).
- Strong culture of cost control that is embedded in our operating philosophy.
- Pursuing complementary acquisitions on a global basis where we can add value and that are accretive to performance.

Predicting the future in today's business environment is difficult. However, we are very confident that we are in excellent markets with a great organization, and we are very excited about the future. The excitement and confidence in the future also stems from the loyalty and trust of our excellent base of customers and suppliers; we thank them for their invaluable support.

Looking back over the last 5 years, years that include the most significant highs and lows in the history of the electronics industry, I believe the Amphenol management team has clearly demonstrated an ability to consistently perform at the highest levels in the industry. In closing, I would like to acknowledge the enormous contribution and entrepreneurial spirit from everyone in our organization. It is clearly this spirit that will drive the Company forward and continue to produce excellent returns for our shareholders.



Martin H. Loeffler
Chairman, Chief Executive Officer
and President

Amphenol Markets

Aerospace/Military



Amphenol is the world leader in the design, manufacture, and supply of high performance interconnect systems for military and aerospace harsh environment applications. Amphenol provides an unparalleled product breadth, from cable interconnects to backplane levels. Key markets supported are avionics, radar, communications, ordnance, missiles, engines, ground vehicles and tanks, space, and all levels of aviation. Amphenol is a technology innovator that designs to meet customers' needs from program inception. From original designs to off the shelf delivery, Amphenol leads the way.

Automotive



Amphenol is a leading supplier of interconnect systems for automotive safety devices. As the inventor of airbag and seatbelt pretensioner interconnect systems, Amphenol has defined the standards in this industry and continues its innovative leadership. In addition, Amphenol provides innovative interconnect solutions for the expanding electronics in automobiles including entertainment, communication, navigation and telematic modules. For selected applications such as engine control, sensors, and actuators, as well as auxiliary motors, Amphenol provides wiring components, custom specific overmolded devices, and harness assemblies. Amphenol Automotive's core competences include application-specific automotive interconnect solutions requiring a high degree of engineering and system integration.

Broadband Communication



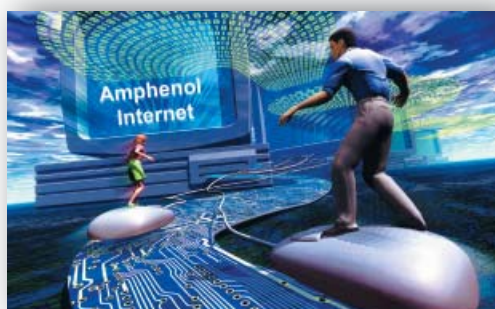
Amphenol is a world leader in broadband communication products with industry leading engineering, design and manufacturing expertise. Amphenol offers a broad range of coaxial cable products to service the growing broadband market, from customer premise cables and interconnect devices to distribution cable and fiber optic equipment. Amphenol is also a world leader in radio frequency connectors, and has products deployed on a wide range of broadband equipment from digital set-top smart-card systems, to high-speed cable modems and DBS interface devices. Amphenol, leads the way in broadband communications.

Industrial



Amphenol is a technological leader in the design, manufacture, and supply of high performance interconnect systems for a broad range of industrial applications, including factory automation, heavy equipment, instrumentation, motion control, medical equipment, mass transportation, and oil exploration. Amphenol's core competences include application specific industrial interconnect solutions, requiring a high degree of engineering and system integration with innovative solutions for the increasing demands of power distribution.

Internet Equipment



Amphenol is a global-provider of interconnect solutions to the designers and manufacturers of world wide web devices and systems. Amphenol's range of offerings in cable, cable assembly and connector products, spans applications in PC's, storage systems, optical and copper networks, modems, hubs, routers, switches, media display systems, and internet appliances. With its design creativity and cost effectiveness, Amphenol leads the way in interconnect development for internet equipment, infrastructure, enterprise networks and appliances. Whether industry standard or application-specific designs are required, Amphenol provides customers with products capable of performing at the leading edge of today's high speed technology.

Mobile Phones



Amphenol provides interconnect and antenna components for more than 50% of the world's annual mobile phone production. Amphenol manufactures essentially all of the connectors found in mobile phones, PDAs and other mobile devices. The broad product offering includes antennas, RF switches/plugs, navigation key/side key, microphone/speaker/vibra connectors, LCD connectors, board to board connectors, SIM/MMC/SD readers, battery connectors, I/O, system connectors, charger (plug and socket) connectors, hinges/plastic parts, and test cables. Our capability for high volume production of these technically demanding, miniaturized products, combined with our speed of new product design, is a critical factor for our success in this market.

Wireless Infrastructure



Amphenol is the leading global solutions provider to the wireless infrastructure market with applications such as cellular base stations, radio links, mobile switches, wireless routers, wireless local loop and cellsite, antenna systems, combiners, transceivers, filters and tower amplifiers. Amphenol offers a wide product portfolio for every wireless standard and generation radio technology including 2.5G, 3G and future all-IP solutions. The products range from different RF, low frequency and FO cable assemblies to power interconnect systems.

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:

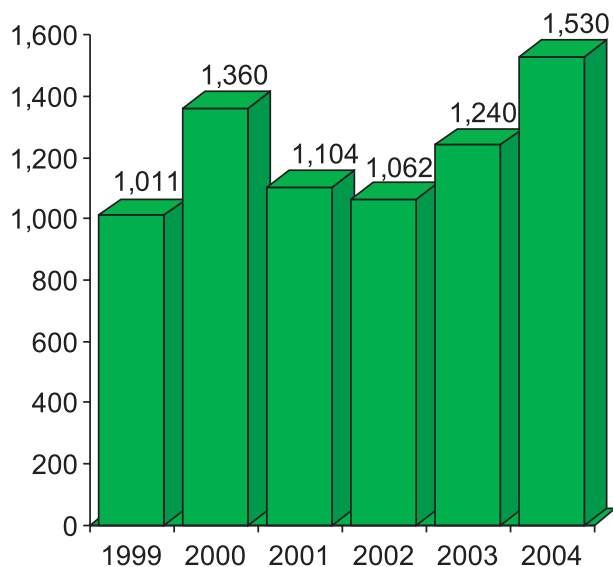
- *Continue to Develop Application-Specific Interconnect Solutions for OEMs.* The Company seeks to expand the scope and number of its preferred supplier designations and application-specific product opportunities with OEM and original design customers. The Company works closely with its network of such 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

is continuing to expand its international capabilities in order to provide just-in-time facilities near these customers. The Company is also able to take advantage of the lower manufacturing costs in some regions, and has established low-cost manufacturing and assembly facilities in the three major geographical markets of the Americas, Europe/Africa and Asia. In 2004, approximately 56% of its workforce was located in low-cost labor regions.

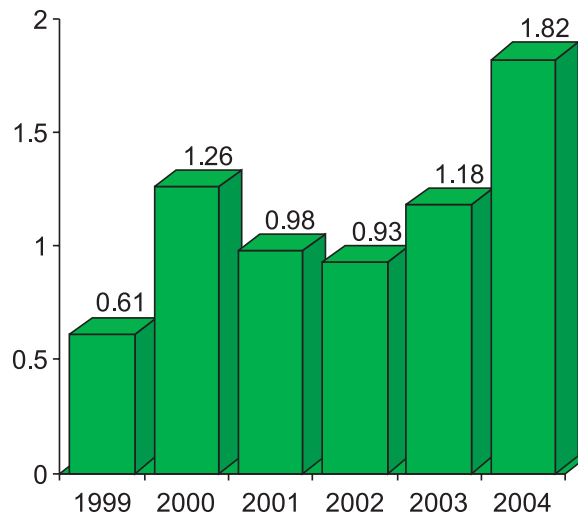
- *Foster Collaborative, Entrepreneurial Management.* Our management system is designed to provide clear P&L and balance sheet responsibility in a flat organizational structure. Each general manager is incented to grow and develop his business and to think entrepreneurially in providing timely and cost effective solutions to customer needs. In addition, the general managers have access to the resources of the larger organization and are encouraged through internal structure to work collaboratively with other general managers to meet the needs of the expanding marketplace and to achieve common goals.
- *Control Costs.* It is very important in today's global marketplace to have a competitive cost structure. Product quality and comprehensive customer service are not mutually exclusive with controlling costs. Controlling costs is part of a mindset - it is having the discipline to invest in programs that have a good return; it is maintaining a cost structure as flexible as possible to respond to changes in the marketplace; it is dealing with suppliers and vendors in a fair but prudent way to insure a reasonable cost for materials and services; it is a mindset of managers to manage the Company's assets as if they were their own.
- *Pursue Strategic Acquisitions and Investments.* The Company believes that the fragmented nature of the interconnect industry provides significant opportunities for strategic acquisitions. Therefore, management continues to pursue strategic acquisitions of smaller companies with significant growth potential that complement the Company's existing business and further expand its product lines, technological capabilities and geographic presence. Furthermore, such acquisitions have the potential for improving the profitability of acquired companies by leveraging Amphenol's access to world markets and lower manufacturing costs resulting from greater economies of scale.

KEY OPERATING INDICES

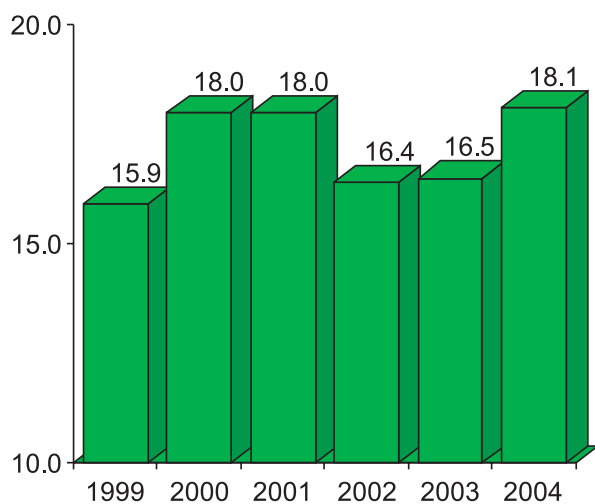
Net Sales
\$ Millions



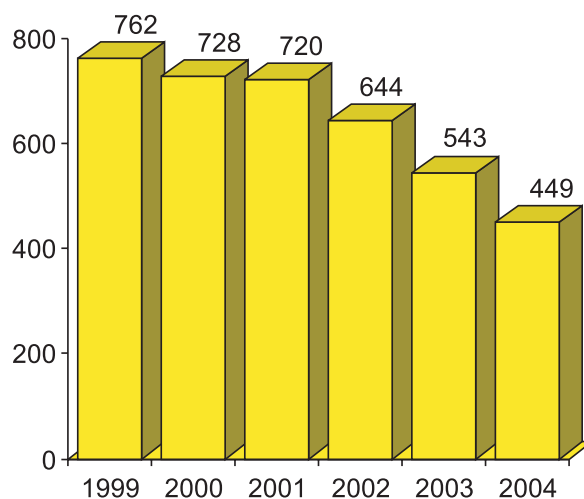
Earnings Per Share - Diluted
\$ Dollars



Operating Margin
Percent (%)



Current and Long-Term Debt
\$ Millions



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2004

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-10879

AMPHENOL CORPORATION

(Exact name of Registrant as specified in its Charter)

Delaware

(State or other jurisdiction of incorporation or organization)

22-2785165

(I.R.S. Employer Identification No.)

358 Hall Avenue, Wallingford, Connecticut 06492

203-265-8900

(Address, including zip code, and telephone
number, including area code, of Registrant's
principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Class A Common Stock, \$.001 par value
(Title of each Class)

New York Stock Exchange, Inc.
(Name of each Exchange on which Registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is an accelerated filer (as indicated in Rule 12b-2 of the Act).

Yes ☒ No ☐

The aggregate market value of Amphenol Corporation common stock, \$.001 par value, held by non-affiliates was approximately \$2,641 million based on the reported last sale price of such stock on the New York Stock Exchange on June 30, 2004.

As of December 31, 2004 the total number of shares outstanding of registrant's common stock was 87,891,533.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement, which is expected to be filed within 120 days following the end of the fiscal year covered by this report, are incorporated by reference into Part III hereof.

A M P H E N O L C O R P O R A T I O N 2 0 0 4 A N N U A L R E P O R T

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AMPHENOL CORPORATION 2004 ANNUAL REPORT

PART I

Item 1. Business

General

Amphenol Corporation ("Amphenol" or the "Company") is one of the world's largest designers, manufacturers and marketers of electrical, electronic and fiber optic connectors, interconnect systems and coaxial and flat-ribbon cable. The Company was incorporated in 1987. Certain predecessor businesses, which now constitute part of the Company, have been in business since 1932. The primary end markets for the Company's products are:

- communication systems for the converging technologies of voice, video and data communications;
- a broad range of industrial applications including factory automation and motion control systems, medical and industrial instrumentation, mass transportation and natural resource exploration, and automotive applications; and
- commercial and military aerospace applications.

The Company's strategy is to provide its customers with comprehensive design capabilities, a broad selection of products and a high level of service on a worldwide basis while maintaining continuing programs of productivity improvement and cost control. For 2004, the Company reported net sales, operating income and net income of \$1,530.4 million, \$276.6 million and \$163.3 million, respectively. The table below summarizes information regarding the Company's primary markets and end applications for the Company's products:

	Communications	Industrial/Automotive	Commercial and Military Aerospace
Percentage of Sales	50%	26%	24%
Primary End Applications	<p>Voice</p> <ul style="list-style-type: none"> •wireless handsets and personal communication devices •base stations and other wireless and telecommunications infrastructure •broadband <p>Video</p> <ul style="list-style-type: none"> •broadband cable television networks and set top converters <p>Data</p> <ul style="list-style-type: none"> •cable modems •servers and storage systems •computers, personal computers and related peripherals •data networking equipment 	<p>Factory automation</p> <p>Instrumentation and medical systems</p> <p>Automobile safety systems and other on board electronics</p> <p>Mass transportation</p> <p>Oil exploration</p> <p>Off-road construction</p>	<p>Military and Commercial Aircraft</p> <ul style="list-style-type: none"> •avionics •engine controls •flight controls •passenger related systems <p>Missile systems</p> <p>Battlefield communications</p> <p>Satellite and space programs</p>

AMPHENOL CORPORATION 2004 ANNUAL REPORT

The Company designs and manufactures connectors and interconnect systems which are used primarily to conduct electrical and optical signals for a wide range of sophisticated electronic applications. The Company believes, based primarily on published market research, that it is one of the largest connector manufacturers in the world. The Company has developed a broad range of connector and interconnect products for communications equipment applications including the converging voice, video and data communications markets. The Company is a leader in developing interconnect products for factory automation, machine tools, instrumentation and medical systems, mass transportation applications and automotive applications, including airbags, pretensioner seatbelts and other on board automotive electronics. In addition, the Company is the leading supplier of high performance, military-specification, circular environmental connectors that require superior performance and reliability under conditions of stress and in hostile environments. These conditions are frequently encountered in commercial and military aerospace applications and other demanding industrial applications such as oil exploration, medical instrumentation and off-road construction.

Industry analysts estimate that the worldwide market for interconnect products will grow approximately 5% in 2005. The Company believes that the worldwide industry for interconnect products and systems is highly fragmented with over 2,000 producers of connectors worldwide, of which the 10 largest, including Amphenol, accounted for a combined market share of approximately 50% in 2004. Industry analysts estimate that the total sales for the industry were approximately \$35 billion in 2004.

The Company's Times Fiber subsidiary is the world's second largest producer of coaxial cable for the cable television market. The Company believes that its Times Fiber unit is one of the lowest cost producers of coaxial cable for cable television. The Company's coaxial cable and connector products are used in cable television systems including full service cable television/telecommunication systems being installed by cable operators and telecommunication companies offering video, voice and data services. The Company is also a major supplier of coaxial cable to the developing international cable television market.

The Company is a global manufacturer employing advanced manufacturing processes. The Company manufactures and assembles its products at facilities in the Americas, Europe, Africa and Asia. The Company sells its connector products through its own global sales force and independent manufacturers' representatives to thousands of OEMs in approximately 60 countries throughout the world as well as through a global network of electronics distributors. The Company sells its cable products primarily to cable television operators and to telecommunication companies who have entered the broadband communications market. For the year 2004, approximately 48% of the Company's net sales were in North America, 27% were in Europe and 25% were in Asia and other countries.

The Company implements its product development strategy through product design teams and collaboration arrangements with customers which result in the Company obtaining approved vendor status for its customers' new products and programs. The Company seeks to have its products become widely accepted within the industry for similar applications and products manufactured by other potential customers, which the Company believes will provide additional sources of future revenue. By developing application specific products, the Company has decreased its exposure to standard products which generally experience greater pricing pressure. In addition to product design teams and customer collaboration arrangements, the Company uses key account managers to manage customer relationships on a global basis such that it can bring to bear its total resources to meet the worldwide needs of its multinational customers. The Company is also focused on making strategic acquisitions in certain markets to further broaden and enhance its product offerings and expand its global capabilities.

A M P H E N O L C O R P O R A T I O N 2 0 0 4 A N N U A L R E P O R T

Business Segments

The following table sets forth the dollar amounts of the Company's net trade sales for its business segments. For a discussion of factors affecting changes in sales by business segment and additional segment financial data, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 7 in the Company's "Notes to Consolidated Financial Statements."

	2004	2003	2002
	(dollars in thousands)		
Net trade sales by business segment:			
Interconnect products and assemblies	\$1,333,838	\$ 1,071,968	\$ 892,309
Cable products	<u>196,608</u>	<u>167,536</u>	<u>169,693</u>
	<u><u>\$1,530,446</u></u>	<u><u>\$ 1,239,504</u></u>	<u><u>\$ 1,062,002</u></u>
Net trade sales by geographic area (1):			
United States operations	\$ 674,302	\$ 555,918	\$ 501,073
International operations	<u>856,144</u>	<u>683,586</u>	<u>560,929</u>
	<u><u>\$1,530,446</u></u>	<u><u>\$ 1,239,504</u></u>	<u><u>\$ 1,062,002</u></u>

(1) Based on customer location to which product is shipped.

Interconnect Products and Assemblies. The Company produces a broad range of interconnect products and assemblies primarily for voice, video and data communication systems, commercial and military aerospace systems, automotive and mass transportation applications, and industrial and factory automation equipment. Interconnect products include connectors, which when attached to an electronic or fiber optic cable, a printed circuit board or other device, facilitate electronic or fiber optic transmission. Interconnect assemblies generally consist of a system of cable and connectors for linking electronic and fiber optic equipment. The Company designs and produces a broad range of connector and cable assembly products used in communication applications, such as: engineered cable assemblies used in base stations for wireless communication systems and internet networking equipment; smart card acceptor devices used in mobile GSM telephones, cable modems and other applications to facilitate reading data from smart cards; fiber optic couplers and connectors used in fiber optic signal transmission; input/output connectors and assemblies used for servers and data storage devices and linking personal computers and peripheral equipment; and sculptured flexible circuits used for integrating printed circuit boards in communication applications. The Company also designs and produces a broad range of radio frequency connector products used in telecommunications, computer and office equipment, instrumentation equipment, local area networks and automotive electronics. The Company's radio frequency interconnect products and assemblies are also used in base stations, mobile communication devices and other components of cellular and personal communications networks.

The Company believes that it is the largest supplier of high performance, military-specification, circular environmental connectors. Such connectors require superior performance and reliability under conditions of stress and in hostile environments. High performance environmental connectors and interconnect systems are generally used to interconnect electronic and fiber optic systems in sophisticated aerospace, military, commercial and industrial equipment. These applications present demanding technological requirements in that the connectors are subject to rapid and severe temperature changes, vibration, humidity and nuclear radiation. Frequent applications of these connectors and interconnect systems include aircraft, guided missiles, radar, military vehicles, equipment for spacecraft, energy, medical instrumentation, geophysical applications and off-road construction equipment. The Company also designs and produces industrial interconnect products used in a variety of applications such as factory automation equipment, mass transportation applications including railroads and marine transportation; and automotive safety products including interconnect devices and systems used in automotive airbags, pretensioner seatbelts, antilock braking systems and other on board automotive electronic systems. The Company also designs and produces highly-engineered cable and backplane assemblies. Such assemblies are specially designed by the Company in conjunction with OEM customers for specific applications, primarily for computer, wired and wireless communication systems, office equipment and aerospace applications. The cable assemblies utilize the Company's connector and cable products as well as components purchased from others.

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Cable Products. The Company designs, manufactures and markets coaxial cable primarily for use in the cable television industry. The Company manufactures two primary types of coaxial cable: semi-flexible, which has an aluminum tubular shield, and flexible, which has one or more braided metallic shields. Semi-flexible coaxial cable is used in the trunk and feeder distribution portion of cable television systems, and flexible cable (also known as drop cable) is used primarily for hookups from the feeder cable to the cable television subscriber's residence. Flexible cable is also used in other communication applications. The Company has also developed a broad line of radio frequency connectors for coaxial cable and fiber optic interconnect components for full service cable television/telecommunication networks.

The rapid development in fiber optic technologies, digital compression (which allows several channels to be transmitted within the same bandwidth that a single analog channel requires) and other communication technologies, including the Company's development of higher capacity coaxial cable, have resulted in technologies that enable cable television systems to provide channel capacity in excess of 500 channels. Such expanded channel capacity, along with other component additions, permit cable operators to offer full service networks with a variety of capabilities including near video-on-demand, pay-per-view special events, home shopping networks, interactive entertainment and education services, telephone services and high-speed access to data resources such as the Internet. With respect to expanded channel capacity systems, cable operators have generally adopted, and the Company believes that for the foreseeable future will continue to adopt, a cable system using both fiber optic cable and coaxial cable. Such systems combine the advantages of fiber optic cable in transmitting clear signals over a long distance without amplification, with the advantages of coaxial cable in ease of installation, low cost and compatibility with the receiving components of the customer's communication devices. The Company believes that while system operators are likely to increase their use of fiber optic cable for the trunk and feeder portions of the cable systems, there will be an ongoing need for high capacity coaxial cable for the local distribution and street-to-the-home portions of the cable system. In addition, U.S. cable system designs are increasingly being employed in international markets where cable television penetration is generally lower than in the U.S. The Company believes the development of cable television systems in international markets presents an opportunity to increase sales of its coaxial cable products.

The Company is also a leading producer of flat-ribbon cable, a cable made of wires assembled side by side such that the finished cable is flat. Flat-ribbon cable is used to connect internal components in systems with space and component configuration limitations. The product is used in computer and office equipment components as well as in a variety of telecommunication applications.

International Operations

The Company believes that its global presence is an important competitive advantage as it allows the Company to provide quality products on a timely and worldwide basis to its multinational customers. Approximately 56% of the Company's sales for the year ended December 31, 2004 were outside the United States. Approximately 48% of such international sales were in Europe. The Company has manufacturing and assembly facilities in the United Kingdom, Germany, France, the Czech Republic, and Estonia and sales offices in most European markets. The balance of the Company's international activities are located in Asia, Canada, Latin America, Africa and Australia. Asian operations include manufacturing facilities in Japan, Taiwan, China, Korea, India and Malaysia. The Company's international manufacturing and assembly facilities generally serve the respective local markets and coordinate product design and manufacturing responsibility with the Company's other operations around the world. The Company has low cost manufacturing and assembly facilities in Mexico, China, India, Africa and Eastern Europe to serve regional and world markets.

Customers

The Company's products are used in a wide variety of applications by numerous customers, the largest of which was less than 4% of net sales for the year ended December 31, 2004. The Company sells its products to over 10,000 customer locations worldwide. The Company's products are sold both directly to OEMs, contract manufacturers, cable system operators, telecommunication companies and through manufacturers' representatives and distributors. There has been a trend on the part of OEM customers to consolidate their lists of qualified suppliers to companies that have a global presence, can meet quality and delivery standards, have a broad product portfolio and design capability, and have competitive prices. The Company has focused its global resources to position itself to compete effectively in this environment. The Company has concentrated its efforts on service and productivity improvements including advanced computer aided design and manufacturing systems, statistical process controls and just-in-time inventory programs to increase product quality and shorten product delivery schedules. The Company's strategy is to provide comprehensive design capabilities, a broad selection of products and a high level of service in the areas in which it competes. The Company has achieved a preferred supplier designation from many of its OEM customers.

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The Company's sales to distributors represented approximately 21% of the Company's 2004 sales. The Company's recognized brand names, including "Amphenol," "Times Fiber," "Tuchel," "Socapex," "Sine," "Spectra-Strip," "Pyle-National," "Matrix," "Kai Jack" and others, together with the Company's strong connector design-in position (products that are specified in customer drawings), enhance its ability to reach the secondary market through its network of distributors.

Manufacturing

The Company employs advanced manufacturing processes including molding, stamping, plating, turning, extruding, die casting and assembly operations as well as proprietary process technology for flat-ribbon and coaxial cable production. The Company's manufacturing facilities are generally vertically integrated operations from the initial design stage through final design and manufacturing. Outsourcing of certain fabrication processes is used when cost-effective. Substantially all of the Company's manufacturing facilities are certified to the ISO9000 series of quality standards.

The Company employs a global manufacturing strategy to lower its production costs and to improve service to customers. The Company sources its products on a worldwide basis with manufacturing and assembly operations in the Americas, Europe, Asia, Africa and Australia. To better serve high volume OEM customers, the Company has established just-in-time facilities near major customers.

The Company's policy is to maintain strong cost controls in its manufacturing and assembly operations. The Company is continually evaluating and adjusting its expense levels and workforce to reflect current business conditions and maximize the return on capital investments.

The Company purchases a wide variety of raw materials for the manufacture of its products, including precious metals such as gold and silver used in plating, aluminum, brass, steel, copper and bimetallic products used for cable, contacts and connector shells; and plastic materials used for cable and connector bodies and inserts. Such raw materials are generally available throughout the world and are purchased locally from a variety of suppliers. The Company is not dependent upon any one source for raw materials, or if one source is used the Company attempts to protect itself through long-term supply agreements.

Research and Development

The Company's research and development expense for the creation of new and improved products and processes was \$32.5 million, \$26.4 million and \$24.2 million for 2004, 2003 and 2002, respectively. The Company's research and development activities focus on selected product areas and are performed by individual operating divisions. Generally, the operating divisions work closely with OEM customers to develop highly-engineered products and systems that meet customer needs. The Company focuses its research and development efforts primarily on those product areas that it believes have the potential for broad market applications and significant sales within a one-to-three year period.

Trademarks and Patents

The Company owns a number of active patents worldwide. The Company also regards its trademarks "Amphenol," "Times Fiber," "Tuchel," "Socapex," "Sine," "Spectra-Strip," "Pyle-National," "Matrix," "Kai Jack" and others to be of value in its businesses. The Company has exclusive rights in all its major markets to use these registered trademarks. While the Company considers its patents and trademarks to be valuable assets, the Company does not believe that its competitive position is dependent on patent or trademark protection or that its operations are dependent on any individual patent or trademark.

Competition

The Company encounters competition in substantially all areas of its business. The Company competes primarily on the basis of engineering, product quality, price, customer service and delivery time. Competitors include large, diversified companies, some of which have substantially greater assets and financial resources than the Company, as well as medium to small companies. In the area of coaxial cable for cable television, the Company believes that it and CommScope are the primary world providers of such cable; however, CommScope is larger than the Company in this market. In addition, the Company faces competition from other companies that have concentrated their efforts in one or more areas of the coaxial cable market.

Backlog

The Company estimates that its backlog of unfilled orders was \$293 million and \$262 million at December 31, 2004 and 2003, respectively. Orders typically fluctuate from quarter to quarter based on customer demands and general business conditions. Unfilled orders may be cancelled prior to shipment of goods. It is expected that all or a substantial portion of the backlog will be filled within the next 12 months. Significant elements of the Company's business, such as sales to the cable television industry, distributors, the computer industry, and other commercial customers, generally have short lead times. Therefore, backlog may not be indicative of future demand.

Employees

As of December 31, 2004, the Company had approximately 16,100 full-time employees worldwide. Of these employees, approximately 10,700 were hourly employees and the remainder were salaried. The Company had a one week strike in October 1995 at its Sidney, New York facility relating to the renewal of the labor contract at that facility with the International Association of Machinists and Aerospace Workers. The Company has not had any other significant work stoppages in the past ten years. The Company believes that it has a good relationship with its unionized and non-unionized employees.

Other

The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports are available, without charge, on the Company's web site, www.amphenol.com, as soon as reasonably practicable after they are filed electronically with the SEC. Copies are also available without charge, from Amphenol Corporation, Investor Relations, 358 Hall Avenue, Wallingford, CT 06492.

Cautionary Statements for Purposes of Forward Looking Information

Statements made by the Company in written or oral form to various persons, including statements made in filings with the SEC, that are not strictly historical facts are "forward looking" statements. Such statements should be considered as subject to uncertainties that exist in the Company's operations and business environment. The following includes some, but not all, of the factors or uncertainties that could cause the Company to fail to conform with expectations and predictions:

- A global economic slowdown in any one, or all, of the Company's market segments.
- The effects of significant changes in monetary and fiscal policies in the U.S. and abroad including significant currency fluctuations and unforeseen inflationary pressures.
- Substantial and unforeseen price pressure on the Company's products or significant cost increases that cannot be recovered through price increases or productivity improvements.
- Increased difficulties in obtaining a consistent supply of basic materials like steel, aluminum, copper, bimetallic products, gold or plastic resins at stable pricing levels.
- Unpredictable difficulties or delays in the development of new product programs.
- Significant changes in interest rates or in the availability of financing for the Company or certain of its customers.
- Rapid material escalation of the cost of regulatory compliance and litigation.
- Unexpected government policies and regulations affecting the Company or its significant customers.
- Unforeseen intergovernmental conflicts or actions, including but not limited to armed conflict and trade wars.
- Difficulties and unanticipated expense of assimilating newly-acquired businesses.

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- Any difficulties in obtaining or retaining the management and other human resource competencies that the Company needs to achieve its business objectives.
- The risks associated with any technological shifts away from the Company's technologies and core competencies. For example, a technological shift away from the use of coaxial cable in cable television/telecommunication systems could have a substantial impact on the Company's coaxial cable business.
- Unforeseen interruptions to the Company's business with its largest customers, distributors and suppliers resulting from, but not limited to, strikes, financial instabilities, computer malfunctions or inventory excesses.

Item 2. Properties

The Company's fixed assets include certain plants and warehouses and a substantial quantity of machinery and equipment, most of which is general purpose machinery and equipment using tools and fixtures and in many instances having automatic control features and special adaptations. The Company's plants, warehouses, machinery and equipment are in good operating condition, are well maintained, and substantially all of its facilities are in regular use. The Company considers the present level of fixed assets along with planned capital expenditures as suitable and adequate for operations in the current business environment. At December 31, 2004, the Company operated a total of 97 plants and warehouses of which (a) the locations in the U.S. had approximately 1.9 million square feet, of which 0.7 million square feet were leased; (b) the locations outside the U.S. had approximately 2.9 million square feet, of which 1.6 million square feet were leased; and (c) the square footage by segment was approximately 3.9 million square feet and 0.9 million square feet for interconnect products segment and cable products segment, respectively.

The Company believes that its facilities are suitable and adequate for the business conducted therein and are being appropriately utilized for their intended purposes. Utilization of the facilities varies based on demand for the products. The Company continuously reviews its anticipated requirements for facilities and, based on that review, may from time to time acquire or lease additional facilities and/or dispose of existing facilities.

Item 3. Legal Proceedings

The Company and its subsidiaries have been named as defendants in several legal actions in which various amounts are claimed arising from normal business activities. Although the amount of any ultimate liability with respect to such matters cannot be precisely determined, in the opinion of management, such matters are not expected to have a material effect on the Company's financial condition or results of operations.

Certain operations of the Company are subject to federal, state and local environmental laws and regulations which govern the discharge of pollutants into the air and water, as well as the handling and disposal of solid and hazardous wastes. The Company believes that its operations are currently in substantial compliance with all applicable environmental laws and regulations and that the costs of continuing compliance will not have a material effect on the Company's financial condition or results of operations.

Subsequent to the acquisition of Amphenol from Allied Signal Corporation ("Allied Signal") in 1987 (Allied Signal merged with Honeywell International Inc. in December 1999 ("Honeywell")), Amphenol and Honeywell have been named jointly and severally liable as potentially responsible parties in relation to several environmental cleanup sites. Amphenol and Honeywell have jointly consented to perform certain investigations and remedial and monitoring activities at two sites and they have been jointly ordered to perform work at another site. The costs incurred relating to these three sites are currently reimbursed by Honeywell based on an agreement (the "Honeywell Agreement") entered into in connection with the acquisition in 1987. For sites covered by the Honeywell Agreement, to the extent that conditions or circumstances occurred or existed at the time of or prior to the acquisition, Honeywell is obligated to reimburse Amphenol 100% of such costs. Honeywell representatives continue to work closely with the Company in addressing the most significant environmental liabilities covered by the Honeywell Agreement. Management does not believe that the costs associated with resolution of these or any other environmental matters will have a material adverse effect on the Company's financial condition or results of operations. The environmental investigation, remedial and monitoring activities identified by the Company, including those referred to above, are covered under the Honeywell Agreement.

Owners and occupiers of sites containing hazardous substances, as well as generators of hazardous substances, are subject to broad liability under various federal and state environmental laws and regulations, including expenditures for cleanup and monitoring costs and potential damages arising out of past disposal activities. Such liability in many cases may be imposed

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regardless of fault or the legality of the original disposal activity. The Company is currently performing monitoring activities at its manufacturing site in Sidney, New York. The Company is also performing design, cleanup, operations and maintenance and monitoring activities at three off-site disposal sites previously utilized by the Company's Sidney facility and others, the "Richardson Hill" landfill, the "Route 8" landfill and the "Sidney Center" landfill. The Company and Honeywell have entered into an administrative consent order with the United States Environmental Protection Agency (the "EPA") and are presently performing remedial measures for "Richardson Hill", which has been designated a "Superfund" site on the National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980. The administrative consent order requires the Company to complete the approved remedial measures and to continue to monitor the site. With respect to the second site, the "Route 8" landfill, the Company initiated a remediation program pursuant to a Consent Order with the New York Department of Environmental Protection and is continuing to monitor the results of those remediation efforts. In December 1995, the Company and Honeywell received a letter from the EPA demanding that the Company and Honeywell accept responsibility for the investigation and cleanup of the third site, Sidney Center landfill, another Superfund site. The Sidney Center landfill was a municipal landfill site utilized by the Company's Sidney facility and other local towns and businesses. In 1996, the Company and Honeywell received a unilateral order from the EPA directing the Company and Honeywell to perform certain investigation, design and cleanup activities at the Sidney Center landfill site. The Company and Honeywell responded to the unilateral order by agreeing to undertake certain remedial design activities. In 1997, the EPA filed a lawsuit against the Company and Honeywell seeking reimbursement of past costs expended by the EPA in connection with activities at the Sidney Center landfill site and seeking to affix liability upon the Company and Honeywell for all additional costs to be incurred in connection with all further investigations, design and cleanup activities at the Sidney Center landfill site. The Company joined four local municipalities as co-defendants in the lawsuit. In 2001, the Company and Honeywell were ordered by the Court to pay the EPA approximately \$3.5 million, net of contributions by the municipalities who had been joined as co-defendants in the lawsuit. Pursuant to that decision the Company and Honeywell are implementing the approved remedial measures for the Sidney Center landfill site. The municipalities who were joined in the lawsuit have agreed to monitor and maintain the caps installed at the Sidney Center landfill site as part of the approved remediation plan. The Company and Honeywell will be responsible for continuing groundwater monitoring at the site. The Company is also engaged in remediating or monitoring environmental conditions at certain of its other manufacturing facilities and has been named as a potentially responsible party for cleanup costs at other off-site disposal sites. All such environmental matters referred to in this paragraph are covered by the Honeywell Agreement.

Since 1987, the Company has not been identified nor has it been named as a potentially responsible party with respect to any other significant on-site or off-site hazardous waste matters. In addition, the Company believes that all of its manufacturing activities and disposal practices since 1987 have been in material compliance with all applicable environmental laws and regulations. Nonetheless, it is possible that the Company will be named as a potentially responsible party in the future with respect to additional Superfund or other sites. Although the Company is unable to predict with any reasonable certainty the extent of its ultimate liability with respect to any pending or future environmental matters, the Company believes, based upon all information currently known by management about the Company's manufacturing activities, disposal practices and estimates of liability with respect to all known environmental matters, that any such liability will not be material to its financial condition or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of our shareholders during the last quarter of the year ended December 31, 2004.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

On January 21, 2004, the Company announced a 2-for-1 stock split that was effective for stockholders of record as of March 17, 2004. The additional shares were distributed on March 29, 2004. The share information included herein reflects the effect of such stock split.

The Company affected the initial public offering of its Class A Common Stock in November 1991. The Company's common stock has been listed on the New York Stock Exchange since that time under the symbol "APH." The following table sets forth on a per share basis the high and low prices for the common stock for both 2004 and 2003 as reported on the New York Stock Exchange.

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	2004		2003	
	High	Low	High	Low
First Quarter	\$34.70	\$28.13	\$21.98	\$18.50
Second Quarter	34.49	29.75	24.70	19.38
Third Quarter	34.37	27.90	28.84	23.05
Fourth Quarter	37.52	32.23	32.07	26.03

As of January 31, 2005, there were 50 holders of record of the Company's common stock. A significant number of outstanding shares of common stock are registered in the name of only one holder, which is a nominee of The Depository Trust Company, a securities depository for banks and brokerage firms. The Company believes that there are a significant number of beneficial owners of its common stock.

Since its initial public offering in 1991, the Company has not paid any dividends; however, on January 19, 2005, the Company announced that it will commence payment of a quarterly dividend on its common stock of \$.03 per share. The Company expects the first dividend payment to be made on or about April 6, 2005 to shareholders of record as of March 15, 2005. The Company intends to retain the remainder of its earnings to provide funds for the operation and expansion of the Company's business, repurchase shares of its common stock and to repay outstanding indebtedness.

At December 31, 2003, Kohlberg Kravis Roberts & Co. L.P. ("KKR") owned 27.2% of the Company's Class A Common Stock. During the third quarter of 2004, partnerships affiliated with KKR sold all their Class A Common Stock and, as such, owned none of the Company's Class A Common Stock as of December 31, 2004. In 2004, 2003 and 2002, the Company paid KKR fees of \$0.5 million, \$0.9 million, and \$1.0 million, respectively for management and consulting services.

The following table summarizes our equity compensation plan information as of December 31, 2004:

<u>Plan category</u>	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
Equity compensation plans approved by security holders	7,012,208	\$21.22	1,788,370
Equity compensation plans not approved by security holders	—	—	—
Total	7,012,208	\$21.22	1,788,370

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Purchases of Equity Securities

On March 4, 2004, the Company announced that its Board of Directors authorized an open-market stock repurchase program (the "Program") of up to 2.0 million shares (on a post-split basis) of its common stock during the period ending December 31, 2005. On October 20, 2004 the Program was amended to increase the number of authorized shares to 5.0 million and to extend the expiration date until September 30, 2006. Approximately 3.5 million shares of common stock remain available for repurchase under the Program.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2004 to January 31, 2004	-	-	-	-
February 1, 2004 to February 29, 2004	-	-	-	-
March 1, 2004 to March 31, 2004	530,800	\$30.47	530,800	4,469,200
April 1, 2004 to April 30, 2004	-	-	-	-
May 1, 2004 to May 31, 2004	-	-	-	-
June 1, 2004 to June 30, 2004	-	-	-	-
July 1, 2004 to July 31, 2004	206,700	\$29.39	737,500	4,262,500
August 1, 2004 to August 31, 2004	280,300	\$29.38	1,017,800	3,982,200
September 1, 2004 to September 30, 2004	80,000	\$29.93	1,097,800	3,902,200
October 1, 2004 to October 31, 2004	40,000	\$33.83	1,137,800	3,862,200
November 1, 2004 to November 30, 2004	120,000	\$36.40	1,257,800	3,742,200
December 1, 2004 to December 31, 2004	197,700	\$35.62	1,455,500	3,544,500
Total	1,455,500	\$31.36	1,455,500	3,544,500

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Item 6. Selected Financial Data

(dollars in thousands, except per share data)

	<i>Year Ended December 31,</i>				
	<i>2004</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>
<i>Operations</i>					
Net sales	\$1,530,446	\$1,239,504	\$1,062,002	\$1,103,771	\$1,359,702
Net income	163,311	103,990 ⁽¹⁾	80,344	83,710	107,904
Net income per common share—Diluted	1.82	1.18 ⁽¹⁾	0.93	0.98	1.26
<i>Financial Position</i>					
Working capital	\$253,443	\$233,707	\$153,250	\$166,857	\$170,131
Total assets	1,306,711	1,181,384	1,078,908	1,026,743	1,004,322
Long-term debt, including current portion	449,053	542,959	644,248	720,319	728,346
Shareholders' equity	481,604	323,406	166,982	103,933	29,234
Weighted average shares outstanding—					
Diluted	89,736,656	88,131,720	86,891,200	85,994,242	85,757,844

⁽¹⁾ Includes a one-time charge for expenses incurred in the early extinguishment of debt of \$10,367, less tax benefit of \$3,525, or \$0.08 per share after taxes.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the results of operations for the three fiscal years ended December 31, 2004 has been derived from and should be read in conjunction with the consolidated financial statements included elsewhere in this document.

Executive Overview

The Company is a global designer, manufacturer and marketer of interconnect and cable products. In 2004, approximately 56% of the Company's sales were outside the U.S. The primary end markets for our products are:

- communication systems for the converging technologies of voice, video and data communications;
- a broad range of industrial applications including factory automation and motion control systems, medical and industrial instrumentation, mass transportation, natural resource exploration and automotive applications; and
- commercial and military aerospace applications.

The Company's products are used in a wide variety of applications by numerous customers, the largest of which was less than 4% of net sales in 2004. The Company encounters competition in all of its markets and competes primarily on the basis of engineering, product quality, price, customer service and delivery time. There has been a trend on the part of OEM customers to consolidate their lists of qualified suppliers to companies that have a global presence, can meet quality and delivery standards, have a broad product portfolio and design capability, and have competitive prices. The Company has focused its global resources to position itself to compete effectively in this environment. The Company believes that its global presence is an important competitive advantage as it allows the Company to provide quality products on a timely and worldwide basis to its multinational customers.

The Company's strategy is to provide comprehensive design capabilities, a broad selection of products and a high level of service in the areas in which it competes. The Company focuses its research and development efforts through close collaboration with its OEM customers to develop highly-engineered products that meet customer needs and have the potential for broad market applications and significant sales within a one-to-three year period. The Company is also focused on controlling costs. The Company does this by investing in modern manufacturing technologies, controlling purchasing processes and expanding into low cost labor areas.

The Company's strategic objective is to further enhance its position in its served markets by pursuing the following success factors:

- Focus on customer needs
- Design and develop application-specific interconnect solutions
- Establish a strong global presence in resources and capabilities
- Preserve and foster a collaborative, entrepreneurial management structure
- Maintain a culture of controlling cost
- Pursue strategic acquisitions

For the year ended December 31, 2004, the Company reported net sales, operating income and net income of \$1,530.4 million, \$276.6 million and \$163.3 million, respectively; up 23%, 35% and 57%, respectively, from 2003. Sales of interconnect products and assemblies and sales of cable products increased in each of the Company's related major markets and geographic regions. Net income benefited from both the increase in operating income and reduced interest expense. Sales and profitability trends are discussed in detail in "Results of Operations" below. In addition, one strength of the Company is its ability to consistently generate cash. The Company uses cash generated from operations to fund capital expenditures and acquisitions, repurchase shares of its common stock and to reduce indebtedness. In 2004, the Company generated operating cash flow of \$208.3 million of which \$100.3 million was used to reduce debt.

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Results of Operations

The following table sets forth the components of net income as a percentage of net sales for the periods indicated.

	<i>Year Ended December 31,</i>		
	<i>2004</i>	<i>2003</i>	<i>2002</i>
Net sales	100.0%	100.0%	100.0%
Cost of sales, excluding depreciation and amortization	65.3	66.2	65.9
Depreciation and amortization expense	2.5	3.0	3.3
Selling, general and administrative expense	14.1	14.3	14.4
Operating income	18.1	16.5	16.4
Interest expense	(1.5)	(2.4)	(4.3)
Other expenses, net	(.4)	(.6)	(.5)
Expense for early extinguishment of debt	-	(.8)	-
Income before income taxes	16.2	12.7	11.6
Provision for income taxes	(5.5)	(4.3)	(4.0)
Net income	<u>10.7%</u>	<u>8.4%</u>	<u>7.6%</u>

2004 Compared to 2003

Net sales were \$1,530.4 million for the year ended December 31, 2004 compared to \$1,239.5 million for 2003 an increase of 23% in U.S. dollars and 20% in local currencies. Sales of interconnect products and assemblies increased 24% in U.S. dollars and 20% in local currencies compared to 2003 (\$1,333.8 million in 2004 versus \$1,072.0 million in 2003). Sales increased in all major geographic regions as a result of the continuing development of new application specific and value added products, economic improvement in some of the Company's major end markets and the impact of acquisitions in 2004 and 2003 (\$50.3 million). Sales increased in the Company's major end markets including mobile communications, industrial, automotive, military/aerospace, and computer/data communications markets. The increase in sales in the mobile communications markets (approximately \$105.7 million) is attributable primarily to increased demand on wireless infrastructure products in all regions, increased demand on mobile handset products in Asia and the impact of acquisitions during 2003 of companies in North America and China serving the wireless installation market. The increase in sales in the industrial market (approximately \$49 million) reflects increased sales in North America and Europe. Automotive sales increased approximately \$34 million primarily in Europe and to a lesser extent in North America, reflecting the increased use of safety and telematic applications in cars and as a result of acquisitions. The increase in military/aerospace sales (approximately \$63.9 million) relates primarily to increased demand on military programs and avionics applications in North America and Europe. Sales to the computer and data communications related markets increased approximately \$11.1 million reflecting increased sales in North America, Europe and Asia and the impact of acquisitions. Sales of cable products increased 17% compared to 2003 (\$196.6 million in 2004 versus \$167.5 million in 2003). Such increase is primarily due to

increased sales in broadband cable television markets.

Geographically, sales in the U.S. in 2004 increased approximately 21% compared to 2003 (\$674.3 million in 2004 versus \$555.9 million in 2003); international sales for 2004 increased approximately 25% in U.S. dollars (\$856.1 million in 2004 versus \$683.6 million in 2003) and increased approximately 19% in local currency compared to 2003. The comparatively weak U.S. dollar in 2004 had the currency effect of increasing net sales by approximately \$46.6 million when compared to foreign currency translation rates in 2003.

The gross profit margin as a percentage of net sales (including depreciation in cost of sales) increased to 32% in 2004 compared to 31% in 2003. An increase in margins was achieved in both the interconnect products and assemblies segment and the cable segment although the cable segment increase was partially offset by a continued increase in material costs. The operating margin for interconnect products and assemblies increased approximately 2% compared to the prior year. The increase is generally attributable to the continuing development of new higher margin application specific products, excellent operating leverage on incremental volume and aggressive programs of cost controls.

Selling, general and administrative expenses were \$215.0 million and \$177.4 million in 2004 and 2003, respectively, and remained approximately 14.0% of sales in 2004 and 2003, respectively. Research and development expenditures increased approximately \$6.1 million, commensurate with sales, reflecting increases in expenditures for new product development and represented approximately 2% of sales for both 2004 and 2003. Selling and marketing expenses remained approximately 7% of sales. Shipping expense, which relates primarily to sales of cable products to the broadband market, increased commensurate with sales for those products. Administrative expenses increased by approximately \$11.8

million, due primarily to increases in costs relating to insurance, pensions, medical benefits and professional fees.

Interest expense was \$22.5 million for 2004 compared to \$29.5 million for 2003. The decrease is primarily attributable to lower interest rates including the effect of the refinancing completed in the second quarter of 2003 (see Liquidity and Capital Resources) and lower average debt levels. At current interest rates, interest expense for 2005 is expected to be approximately \$19 million.

Expenses for early extinguishment of debt totaling \$10.4 million in 2003, relate to the refinancing of the Company's senior credit facilities. Such one-time expenses include the call premium related to the redemption of the Company's Senior Subordinated Notes of \$4.7 million, write-off of unamortized deferred debt issuance costs of \$3.9 million and other related fees and expenses of \$1.8 million.

Other expenses, net, for 2004 and 2003 were \$6.7 million and \$7.0 million, respectively. Other expenses, net, are comprised primarily of foreign currency transaction losses (\$0.6 million in 2004 and \$1.3 million in 2003), reflecting the relative weakness of the U.S. dollar in 2004 and 2003, program fees on sale of accounts receivable (\$2.3 million in 2004 and \$1.5 million in 2003), reflecting lower receivable fee rates in 2003, minority interests (\$3.0 million in 2004 and \$2.4 million in 2003) and agency and commitment fees on the Company's credit facilities (\$1.0 million in 2004 and \$0.8 million in 2003). In addition, in 2003 the Company incurred \$1.0 million in expenses relating to a secondary stock offering (for which the Company did not receive any proceeds). See Note 8 to the Company's Consolidated Financial Statements for details of the components of other expenses, net.

The provision for income taxes was at an effective rate of 34.0% in 2004 and 2003.

2003 Compared to 2002

Net sales were \$1,239.5 million for the year ended December 31, 2003

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compared to \$1,062.0 million for 2002. Sales of interconnect products and assemblies increased 20% compared to 2002 (\$1,072.0 million in 2003 versus \$892.3 million in 2002). Sales increased in the Company's major end markets including military/aerospace, mobile communications, industrial, automotive and computer/data communications markets. The increases occurred in all major geographic regions, with approximately one third of the increase attributable to the effect of currency translation, as detailed below. The remaining increase was attributable to the continuing development of new application specific and value added products, economic improvement in some of the Company's major end markets and acquisitions in 2002 and 2003. The increase in military/aerospace sales (approximately \$47 million) relates primarily to increased demand on military programs and avionics applications in North America and Europe, and an acquisition (\$8 million). The increase in sales in the mobile communications markets (approximately \$42 million) is attributable to the acquisition of companies in North America and China serving the network infrastructure market (approximately \$18 million) and increases in Asia in sales of handset products. The increase in sales in the industrial market (approximately \$36 million) reflects increases resulting from acquisitions in North America (approximately \$16 million) and increased sales in Europe. Automotive sales increased approximately \$33 million primarily in Europe and to a lesser extent in North America reflecting increased use of safety and telematic applications in cars. Sales to the computer and data communications related markets increased approximately \$23 million; a cable assembly acquisition in North America contributed one-third of the increase and the remainder reflects increased sales in Europe and Asia. Sales of cable products decreased 1% compared to 2002 (\$167.5 million in 2003 versus \$169.7 million in 2002). Such decrease is generally attributable to continuing low levels of capital spending by U.S. and international cable television

operators for cable system upgrades and expansion. The lower levels of spending are not expected to change significantly in the near term.

Geographically, sales in the U.S. in 2003 increased approximately 11% compared to 2002 (\$555.9 million in 2003 versus \$501.1 million in 2002); international sales for 2003 increased approximately 22% in U.S. dollars (\$683.6 million in 2003 versus \$560.9 million in 2002) and increased approximately 12% in local currency compared to 2002. The comparatively weak U.S. dollar in 2003 had the currency effect of increasing net sales by approximately \$63.9 million when compared to foreign currency translation rates in 2002.

The gross profit margin as a percentage of net sales (including depreciation in cost of sales) remained constant at 31% for 2003 and 2002. An increase in margins in the interconnect products and assemblies segment was offset by a decline in margins in the cable products segment. The operating margin for interconnect products and assemblies increased approximately 2% compared to the prior year, the increase is generally attributable to the effects of higher sales volume and cost reduction activities relating to purchased materials and increased activity in low cost labor areas. The increase was offset by a decline in operating profit margins for cable products of approximately 6% compared to the prior year due primarily to higher material costs and change in product mix.

Selling, general and administrative expenses were \$177.4 million and \$152.9 million in 2003 and 2002, respectively, and remained constant at approximately 14% of sales. Research and development expenditures increased approximately \$2.2 million, reflecting increases in expenditures for new product development. Selling and marketing expenses remained constant at approximately 7% of sales. Shipping expense, which relates primarily to sales of cable products to the broadband market, remained stable, commensurate with sales for those products. Administrative expenses increased by approximately \$6.9 million, due

primarily to increases in costs relating to insurance, pensions and medical benefits.

Interest expense was \$29.5 million for 2003 compared to \$45.9 million for 2002. The decrease is primarily attributable to lower interest rates including the effect of the refinancing completed in the second quarter of 2003 (see Liquidity and Capital Resources) and lower average debt levels.

Expenses for early extinguishment of debt totaling \$10.4 million in 2003, relate to the refinancing of the Company's senior credit facilities. Such one-time expenses include the call premium related to the redemption of the Company's Senior Subordinated Notes of \$4.7 million, write-off of unamortized deferred debt issuance costs of \$3.9 million and other related fees and expenses of \$1.8 million.

Other expenses, net, for 2003 and 2002 was \$7.0 million and \$5.4 million, respectively. Other expenses, net, is comprised primarily of foreign currency transaction losses (\$1.3 million in 2003 and \$2.7 million in 2002), reflecting the relative weakness of the U.S. dollar in 2003 and 2002, program fees on sale of accounts receivable (\$1.5 million in 2003 and \$1.8 million in 2002), reflecting lower receivable fee rates in 2003, minority interests (\$2.4 million in 2003 and \$1.8 million in 2002) and agency and commitment fees on the Company's credit facilities (\$0.8 million in 2003 and \$0.6 million in 2002). In addition, in 2003 the Company incurred \$1.0 million in expenses relating to a secondary stock offering (for which the Company did not receive any proceeds), and in 2002 the Company realized \$1.5 million of income relating to a license fee settlement. See Note 8 to the Company's Consolidated Financial Statements for details of the components of other expenses, net.

The provision for income taxes for 2003 was at an effective rate of 34% compared to 34.5% in 2002.

Liquidity and Capital Resources

Cash provided by operating activities totaled \$208.3 million, \$170.0 million and \$120.6 million for 2004,

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2003 and 2002, respectively. In 2004, the Company reclassified certain amounts in its 2003 and 2002 Consolidated Statements of Cash Flow from financing activities to operating activities as a result of a determination that they had not been reported in accordance with Statement of Financial Accounting Standard No. 95 "Statement of Cash Flows". The amounts reclassified of \$10.6 and (\$11.0) million in 2003 and 2002, respectively, reflect a change in classification of the net change in the accounts receivables sold under the Company's accounts receivable securitization agreement. As a result of these reclassifications, there was no impact on the Company's net change in cash and short-term cash investments in 2003 and 2002. The net change during 2004 in accounts receivables sold under the Company's accounts receivable securitization agreement which is included in operating activities is \$6.2 million. The increase in cash from operating activities in 2004 compared to 2003 is primarily attributable to an increase in net income in addition to a larger reduction in the non-cash components of working capital compared to 2003, partially offset by a larger decrease in long-term liabilities resulting from a \$20 million contribution to the Company's pension plan in 2004 (compared to a \$10 million contribution in 2003). The increase in cash from operating activities in 2003 compared to 2002 is primarily attributable to an increase in net income and a larger reduction in the 2003 period in non-cash components of working capital.

The non - cash components of working capital decreased \$14.1 million in 2004 due primarily to a \$3.2 million increase in accounts payable, an increase of \$15.7 million in accrued liabilities, an increase of \$6.2 million in receivables sold and an increase of \$28.5 million related to accrued income taxes, partially offset by a \$26.0 million increase in accounts receivable due to higher sales levels and an operating addition of \$14.5 million in inventory.

The non - cash components of working capital decreased \$11.6 million in 2003 due primarily to a \$20.8 million increase in accounts payable, an

operating reduction of \$4.6 million in inventory, an increase of \$10.6 million in receivables sold, and an increase in accrued income taxes of \$18.0 million, partially offset by a \$28.8 million increase in accounts receivable due to higher sales levels and a decrease of \$7.7 million in accrued liabilities.

The non-cash components of working capital decreased \$4.8 million in 2002 due primarily to a \$12.9 million decrease in inventory as inventory levels were reduced in response to lower sales levels, a \$6.2 million increase in accrued income taxes and a \$3.7 million increase in accounts payable, partially offset by an \$11 million decrease in receivables sold and a \$6.5 million reduction in accrued liabilities.

In 2004, accounts receivable increased \$41.7 million to \$214.2 million, due to an increase in sales levels, \$12.6 million from an acquired company, and a \$9.3 million increase due to translation resulting from the comparatively weaker U.S. dollar at December 31, 2004 compared to December 31, 2003, partially offset by a \$6.2 million increase in sales of receivables (further discussed below). Days sales outstanding, computed before sales of receivables, decreased to approximately 64 days from 66 days in 2003. Inventory increased \$25.9 million to \$247.3 million, primarily due to an increase of \$6.7 million due to translation resulting from the comparatively weaker U.S. dollar at December 31, 2004 compared to December 31, 2003, and \$4.7 million in inventory from an acquired company coupled with an operating addition of \$14.5 million. Inventory turnover increased to 4.2x at December 31, 2004 from 3.9x at December 31, 2003. Deferred taxes and other assets decreased \$0.3 million to \$28.1 million reflecting the decrease in deferred taxes, the details of which are included in Note 3 to the Company's Consolidated Financial Statements. Goodwill increased \$29.1 million to \$545.4 million primarily as a result of an acquisition completed in the third quarter of 2004 as well as additional contingent consideration paid in 2004 relating to a prior year acquisition. Land and

depreciable assets, net, increased \$19.5 million to \$197.8 million reflecting capital expenditures of \$44.3 million, assets from acquisitions of approximately \$6.8 million, an increase of \$7.8 million due to translation resulting from the comparatively weaker U.S. dollar at December 31, 2004 compared to December 31, 2003, depreciation of \$38.2 million and disposals of \$1.2 million. Accounts payable and accrued salaries, wages and employee benefits increased \$18.0 million and \$7.4 million to \$134.9 million and \$38.5 million, respectively, due primarily to an increase in sales levels, liabilities assumed from acquired companies and a \$0.8 million and \$0.3 million increase, respectively, due to translation resulting from the comparatively weaker U.S. dollar at December 31, 2004 compared to December 31, 2003. Accrued income taxes increased \$23.7 million due primarily to increased profits. Other accrued liabilities increased \$5.3 million to \$37.1 million relating primarily to an increase in liabilities for the purchase of acquired companies and accruals relating to higher sales volume.

In 2004, cash from operating activities of \$208.3 million (including additional sales of receivables of \$6.2 million) and proceeds from exercise of stock options and related tax benefits of \$30.3 million were used primarily to fund capital expenditures of \$44.3 million, acquisitions of \$41.8 million, the purchase of treasury stock of \$45.6 million, an increase in cash on hand of \$6.6 million and for a net debt reduction of \$100.3 million. For 2003, cash from operating activities of \$170.0 million (including additional sales of receivables of \$10.6 million), proceeds from the refinancing of \$27.0 million and proceeds from exercise of stock options and related tax benefits of \$35.9 million were used primarily to fund capital expenditures of \$30.2 million, acquisitions of \$51.1 million, an increase in cash on hand of \$2.9 million and for a net debt reduction of \$148.8 million.

During the second quarter 2003, the Company completed a refinancing of its senior credit facilities. During 2003 borrowings of \$625.0 million under a

new bank loan agreement (Bank Agreement), described below, were used to repay \$439.5 million outstanding under the Company's previous bank agreement, redeem all outstanding senior subordinated notes totaling \$148.7 million (including the call premium of \$4.7 million) and to pay other fees and expenses associated with the refinancing of \$8.9 million. A prepayment of the new bank loan of \$37.0 million was made in June with excess borrowing proceeds and cash flow from operations and additional prepayments of \$89.0 million were made in the second half of 2003. The 2003 refinancing had the effect of extending the maturity of the Company's debt coming due in 2003 through 2007. In November 2004, the Company amended the credit agreement. The primary effects of the amendment were to lower interest cost, and reduce limitations relative to additional indebtedness and restricted payments including repurchase of the Company's common stock and dividends.

The Company's new Bank Agreement includes a Term Loan, consisting of a Tranche A and B, and a \$125.0 million revolving credit facility. At December 31, 2004, the Tranche A had a balance of \$13.0 million and matures in 2008, and the Tranche B had a balance of \$400.0 million and matures over the period 2005 to 2010 with annual payments of \$4 million and a balloon payment due at maturity. The revolving credit facility expires in 2008; availability under the facility at December 31, 2004 was \$116.2 million, after a reduction of \$8.8 million for outstanding letters of credit. The Company's interest rate on loans under the new Bank Agreement is LIBOR plus 150 basis points. The Bank Agreement is secured by a first priority pledge of 100% of the capital stock of the Company's direct domestic subsidiaries and 65% of the capital stock of direct material foreign subsidiaries, as defined in the Bank Agreement. In addition, if the Company's credit rating as assigned by Standard & Poor's or Moody's were to decline to BB- or Ba3, respectively,

the Company would be required to perfect liens in favor of participants in the Bank Agreement in substantially all of the Company's U.S.-based assets. At December 31, 2004, the Company's credit rating from Standard and Poor's was BB+ and from Moody's was Ba1. The Bank Agreement requires that the Company satisfy certain financial covenants including an interest coverage ratio of higher than 3x (EBITDA divided by interest expense) and a leverage test (Debt divided by EBITDA) lower than 3.75x and 3.50x based on total debt and senior debt, respectively. At December 31, 2004, such ratios as defined in the Bank Agreement, were 12.91x, 1.65x and 1.65x, respectively. The Bank Agreement also includes limitations with respect to, among other things, indebtedness in excess of \$50 million for capital leases, \$450 million for general indebtedness and \$200 million for acquisition indebtedness, of which approximately \$6.9 million, \$0 and \$4.2, respectively, were outstanding at December 31, 2004, and restricted payments, including dividends on the Company's common stock, in excess of 50% of consolidated cumulative net income plus \$50 million, or approximately \$170.6 million at December 31, 2004. In conjunction with entering into the new Bank Agreement the Company entered into interest rate swap agreements that fixed the Company's LIBOR interest rate on \$250.0 million and \$50.0 million of floating rate bank debt at 2.44% and 3.01%, expiring in May 2006 and June 2006, respectively.

The Company's primary ongoing cash requirements will be for operating and capital expenditures, product development activities, repurchase of its common stock, dividends and debt service. The Company's debt service requirements consist primarily of principal and interest on bank borrowings. The Company's primary sources of liquidity are internally generated cash flow, the Company's revolving credit facility and the sale of receivables under the Company's accounts receivable securitization

agreement. The Company expects that ongoing requirements for operating and capital expenditures, product development activities, repurchase of its common stock, dividends and debt service requirements will be funded from these sources; however, the Company's sources of liquidity could be adversely affected by, among other things, a decrease in demand for the Company's products, a deterioration in certain of the Company's financial ratios or a deterioration in the quality of the Company's accounts receivable.

The Company expects that capital expenditures in 2005 will be approximately \$50 million. The Company's required debt and capital lease amortization in 2005 is \$16.9 million; the Company's required cash interest payments for 2005, at current interest rates, are estimated at approximately \$19 million. The Company may also use cash to fund part or all of the cost of future acquisitions. Since its initial public offering in 1991, the Company has not paid any dividends. However, on January 19, 2005, the Company announced that it will commence payment of a quarterly dividend on its common stock of \$.03 per share. The Company expects the first dividend payment to be made on or about April 6, 2005 to shareholders of record as of March 15, 2005. The Company intends to retain the remainder of its earnings to provide funds for the operation and expansion of the Company's business, repurchase of its common stock and to repay outstanding indebtedness. Management believes that the Company's working capital position, ability to generate strong cash flow from operations and access to credit markets will allow it to meet its obligations for the next twelve months and the foreseeable future.

Off-Balance Sheet Arrangement - Accounts Receivable Securitization

A subsidiary of the Company has an agreement with a financial institution whereby the subsidiary can sell an undivided interest of up to \$85.0 million in a designated pool of qualified accounts

receivable. The Company services, administers and collects the receivables on behalf of the purchaser. The agreement includes certain covenants and provides for various events of termination. The agreement expires in May 2007. At December 31, 2004, approximately \$80.0 million (\$73.8 million at December 31, 2003) of receivables were sold under the agreement and are therefore not reflected in the accounts receivable balance in the accompanying Consolidated Balance Sheets.

Environmental Matters

Subsequent to the acquisition of Amphenol from Allied Signal Corporation in 1987 (Allied Signal merged with Honeywell International Inc. ("Honeywell") in December 1999, Amphenol and Honeywell have been named jointly and severally liable as potentially responsible parties in relation to several environmental cleanup sites. Amphenol and Honeywell have jointly consented to perform certain investigations and remedial and monitoring activities at two sites and they have been jointly ordered to perform work at another site. The costs incurred relating to these three sites are currently reimbursed by Honeywell based on an agreement entered into in connection with the acquisition in 1987. For sites covered by this agreement, to the extent that conditions or circumstances occurred or existed at the time of or prior to the acquisition, Honeywell is obligated to reimburse Amphenol 100% of such costs. Honeywell representatives work closely with the Company in addressing the most significant environmental liabilities covered by the Agreement. Management does not believe that the costs associated with resolution of these or any other environmental matters will have a material adverse effect on the Company's financial condition or results of operations. The environmental investigation, remedial and monitoring activities identified by the Company, including those referred to above, are

covered under the Honeywell Agreement.

Inflation and Costs

The cost of the Company's products is influenced by the cost of a wide variety of raw materials, including precious metals such as gold and silver used in plating; aluminum, copper, brass and steel used for contacts, shells and cable; and plastic materials used in molding connector bodies, inserts and cable. In general, increases in the cost of raw materials, labor and services have been offset by price increases, productivity improvements and cost saving programs.

Risk Management

The Company has to a significant degree mitigated its exposure to currency risk in its business operations by manufacturing and procuring its products in the same country or region in which the products are sold so that costs reflect local economic conditions. In other cases involving U.S. export sales, raw materials are a significant component of product costs for the majority of such sales and raw material costs are generally dollar based on a worldwide scale, such as basic metals and petroleum-derived materials.

Stock Split

On January 21, 2004, the Company announced a 2-for-1 stock split that was effective for shareholders of record as of March 17, 2004. The additional shares were distributed on March 29, 2004. The share information included herein reflects the effect of such stock split.

Recent Accounting Changes

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard, No. 123R ("FAS 123R") "Share-based payment". FAS 123R applies to all transactions involving the issuance, by a company, of its own equity (stock, stock options, or other equity instruments) in exchange for goods or services, including employee services.

FAS 123R requires entities to recognize the cost of employee services received in exchange for the stock-based compensation using the fair value of those stocks on the grant-date (with limited exceptions). This statement is effective for the first interim reporting period beginning after June 15, 2005. The Company is currently assessing the impact that this statement will have on the Company's Consolidated Financial Statements, but does not anticipate the impact to be more than \$2 million per quarter based on the options outstanding as of December 31, 2004.

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the "Act") was enacted. The Act introduced a new prescription drug benefit under Medicare ("Medicare Part D"), as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a prescription drug benefit that is at a minimum actuarially equivalent to Medicare Part D. FASB Staff Position ("FSP"), 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003," was provided by the FASB to offer guidance on accounting and disclosure requirements for the Act. The Company does not believe the new Act will have a material impact on the Company's Consolidated Financial Statements.

In November 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard, No. 151 ("FAS 151"), "Inventory Costs – an amendment of ARB No. 43, Chapter 4," in an effort to conform U.S. accounting standards for inventories to International Accounting Standards. FAS 151 requires idle facility expenses, freight, handling costs and wasted material (spoilage) costs to be recognized as current period charges. It also requires that the allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the relevant production facilities. FAS 151 will be effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The Company is currently evaluating the

impact of this standard but does not believe that it will have a material impact on the Company's Consolidated Financial Statements.

Pensions

The Company and its domestic subsidiaries have a defined benefit pension plan ("Plan") covering substantially all U.S. employees. Plan benefits are generally based on years of service and compensation and are generally noncontributory. Certain foreign subsidiaries also have defined benefit plans covering their employees. The pension expense for all pension plans approximated \$10.1 million, \$6.5 million and \$0.7 million in 2004, 2003 and 2002, respectively, and is calculated based upon a number of actuarial assumptions established on January 1 of the applicable year, including an expected long-term rate of return on Plan assets. In developing the expected long-term rate of return assumption for U.S. plans, we evaluated input from our actuaries and investment consultants as well as long-term inflation assumptions. Projected returns by such consultants are based on broad equity and bond indices. We also considered our historical fifteen-year compounded return of 10.1%, which has been in excess of these broad equity and bond benchmark indices. Our expected long-term rate of return on Plan assets is based on an asset allocation assumption of 60% with equity managers, with an expected long-term rate of return of 11%; 25% with fixed income managers, with an expected long-term rate of return of 6.75% and 15% with high yield bond managers, with an expected rate of return of 8.5%. As of December 31, 2004, our asset allocation was 65% with equity managers and 35% with fixed income managers, including high yield managers. We believe that our long-term asset allocation on average will approximate 60% with equity managers and 40% with fixed income managers. We regularly review our actual asset allocation and periodically rebalance our investments to our targeted allocation when considered appropriate. Based on this methodology the Company's

expected long-term rate of return assumption is 9.5% for both 2004 and 2003.

The discount rate used by the Company for valuing pension liabilities is based on a review of high quality corporate bond yields with maturities approximating the remaining life of the projected benefit obligations. The discount rate on this basis has decreased from 6.15% at December 31, 2003 to 5.75% at December 31, 2004. This will have the effect of increasing pension expense in 2005 by approximately \$1.9 million. Although future changes to the discount rate are unknown, had the discount rate increased or decreased 50 basis points, the pension liability would have decreased \$13.2 million or increased \$14.5 million, respectively.

The Company made cash contributions to the U.S. pension plans of \$20 million and \$10 million in 2004 and 2003, respectively. The liability for accrued pension and post employment benefit obligations increased modestly in 2004 to \$102.1 million from \$100.3 million in 2003, due to the negative impact on accumulated liabilities of the reduction in the discount rate and the foreign currency translation effect for non-U.S. plans. The Company estimates that, based on current actuarial calculations, it will make a cash contribution to the pension plan in 2005 of approximately \$10 million. Cash contributions in subsequent years will depend on a number of factors including the investment performance of Plan assets.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could

differ from those estimates. Estimates are adjusted as new information becomes available. The Company's significant accounting policies are set forth below.

Revenue Recognition - Sales and related cost of sales are recognized upon shipment of products. Allowances for estimated uncollectible accounts, discounts, returns and allowances are provided based upon historical experience, current trends and specific information which indicates that an allowance is appropriate.

Inventories - Inventories are stated at the lower of standard cost, which approximates average cost, or market. Provisions for slow moving and obsolete inventory are provided based on historical experience and product demand. Should future product demand change, existing inventory could become slow moving or obsolete and provisions would be increased accordingly.

Depreciable Assets - Property, plant and equipment are carried at cost less accumulated depreciation. The appropriateness and the recoverability of the carrying value of such assets are periodically reviewed taking into consideration current and expected business conditions. Historically, the Company has not had any significant impairments.

Goodwill - The Company performs its annual evaluation for the impairment of goodwill for the Company's reporting units, in accordance with FAS No. 142, as of each June 30. Goodwill impairment for each reporting unit is evaluated using a two-step approach requiring the Company to determine the fair value of the reporting unit and compare that to the carrying value including goodwill. If the carrying value exceeded the fair value, the goodwill of the reporting unit would be potentially impaired and a second step of additional testing would be performed to measure the impairment loss. Historically, the Company has not had any impairments.

The significant accounting policies are more fully described in Note 1 to the Company's Consolidated Financial Statements.

A M P H E N O L C O R P O R A T I O N 2 0 0 4 A N N U A L R E P O R T

Disclosures about contractual obligations and commitments

The following table summarizes the Company's known obligations to make future payments pursuant to certain contracts as of December 31, 2004, as well as an estimate of the timing in which such obligations are expected to be satisfied:

Contractual Obligations (dollars in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt	\$442,688	\$ 14,341	\$15,462	\$31,939	\$380,946
Capital lease obligations	6,365	2,568	3,763	34	-
Operating leases	48,708	16,546	17,682	9,127	5,353
Purchase obligations	76,537	74,589	1,402	546	-
Other long-term liabilities	7,275	803	6,394	78	-
Total	\$581,573	\$108,847	\$44,703	\$41,724	\$386,299

Item 7A.

Quantitative and Qualitative Disclosures About Market Risk

The Company, in the normal course of doing business, is exposed to the risks associated with foreign currency exchange rates and changes in interest rates.

Foreign Currency Exchange Rate Risk

The Company conducts business in several international currencies through its worldwide operations, and as a result is subject to foreign exchange exposure due to changes in exchange rates of the various currencies. Changes in exchange rates can positively or negatively affect the Company's sales, gross margins and retained earnings. The Company attempts to minimize currency exposure risk by producing its products in the same country or region in which the products are sold and thereby generating revenues and incurring expenses in the same currency and by managing its working capital although there can be no assurance that this approach will be successful, especially in the event of a significant and sudden decline in the value of any of the international currencies of the Company's worldwide operations. The Company does not engage in purchasing forward exchange contracts for speculative purposes.

Interest Rate Risk

Relative to interest rate risk, the Company completed a refinancing of its senior credit facilities during the second quarter 2003 as discussed in Liquidity and Capital Resources above. In conjunction with the 2003 refinancing, the Company entered into interest rate swap agreements that fixed the Company's LIBOR interest rate on \$250.0 million and \$50.0 million of floating rate debt at 2.44% and 3.01%, expiring in May 2006 and June 2006, respectively. At December 31, 2004, the Company's average LIBOR rate was 2.5%. A 10% change in the LIBOR interest rate at December 31, 2004 would have the effect of increasing or decreasing interest expense by approximately \$0.3 million. The Company does not expect changes in interest rates to have a material effect on income or cash flows in 2005, although there can be no assurances that interest rates will not significantly change.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Amphenol Corporation
Wallingford, Connecticut

We have audited the accompanying consolidated balance sheets of Amphenol Corporation and subsidiaries (the “Company”) as of December 31, 2004 and 2003, and the related consolidated statements of income, shareholders’ equity and other comprehensive income, and cash flows for each of the three years in the period ended December 31, 2004. We also have audited management’s assessment, included in the accompanying Management Report on Internal Control in Item 9a, that the Company maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on these financial statements, an opinion on management’s assessment, and an opinion on the effectiveness of the Company’s internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audit of financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, evaluating management’s assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, management’s assessment that the Company maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Hartford, Connecticut
March 11, 2005

A M P H E N O L C O R P O R A T I O N 2 0 0 4 A N N U A L R E P O R T

Consolidated Statements of Income

(dollars in thousands, except per share data)

	<i>Year Ended December 31,</i>		
	<i>2004</i>	<i>2003</i>	<i>2002</i>
Net sales	\$1,530,446	\$1,239,504	\$1,062,002
Costs and expenses:			
Cost of sales, excluding depreciation and amortization	999,965	820,724	700,302
Depreciation and amortization expense	38,829	37,007	34,825
Selling, general and administrative expense	215,008	177,353	152,928
Operating income	276,644	204,420	173,947
Interest expense	(22,540)	(29,505)	(45,930)
Other expenses, net	(6,663)	(6,987)	(5,355)
Expense for early extinguishment of debt	-	(10,367)	-
Income before income taxes	247,441	157,561	122,662
Provision for income taxes	(84,130)	(53,571)	(42,318)
Net income	<u>\$ 163,311</u>	<u>\$ 103,990</u>	<u>\$ 80,344</u>
Net income per common share – Basic	<u>\$1.86</u>	<u>\$1.21</u>	<u>\$0.95</u>
Average common shares outstanding – Basic	88,023,082	86,100,688	84,891,698
Net income per common share – Diluted	<u>\$1.82</u>	<u>\$1.18</u>	<u>\$0.93</u>
Average common shares outstanding - Diluted	89,736,656	88,131,720	86,891,200

See accompanying notes to consolidated financial statements.

A M P H E N O L C O R P O R A T I O N 2 0 0 4 A N N U A L R E P O R T

Consolidated Balance Sheets

(dollars in thousands, except per share data)

	<i>December 31,</i>	
	<i>2004</i>	<i>2003</i>
Assets		
Current Assets:		
Cash and short-term cash investments	\$ 30,172	\$ 23,533
Accounts receivable, less allowance for doubtful accounts of \$8,666 and \$9,244, respectively	214,158	172,488
Inventories:		
Raw materials and supplies	55,697	48,917
Work in process	128,879	116,023
Finished goods	62,727	56,445
	<u>247,303</u>	<u>221,385</u>
Prepaid expenses and other assets	37,382	33,943
Total current assets	<u>529,015</u>	<u>451,349</u>
Land and depreciable assets:		
Land	14,120	13,948
Buildings	109,525	104,614
Machinery and equipment	423,363	387,173
	<u>547,008</u>	<u>505,735</u>
Less accumulated depreciation	<u>(349,255)</u>	<u>(327,469)</u>
	197,753	178,266
Deferred debt issuance costs	6,451	7,014
Goodwill	545,411	516,335
Deferred taxes and other assets	28,081	28,420
	<u>\$1,306,711</u>	<u>\$1,181,384</u>
Liabilities & Shareholders' Equity		
Current Liabilities:		
Accounts payable	\$ 134,856	\$ 116,835
Accrued interest	2,183	2,939
Accrued salaries, wages and employee benefits	38,535	31,091
Accrued income taxes	48,025	24,314
Other accrued expenses	37,064	31,784
Current portion of long-term debt	16,909	10,679
Total current liabilities	<u>277,572</u>	<u>217,642</u>
Long-term debt	432,144	532,280
Accrued pension and post employment benefit obligations	102,050	100,326
Other liabilities	13,341	7,730
Commitments and contingent liabilities (Notes 2, 6 and 9)		
Shareholders' Equity:		
Class A Common Stock, \$.001 par value; 100,000,000 shares authorized; 87,891,533 and 87,685,526 shares outstanding at December 31, 2004 and 2003, respectively	88	87
Additional paid-in capital (deficit)	(207,504)	(238,167)
Accumulated earnings	789,741	626,430
Accumulated other comprehensive loss	(55,078)	(64,944)
Treasury stock, at cost; 1,455,500 shares at December 31, 2004	(45,643)	-
Total shareholders' equity	<u>481,604</u>	<u>323,406</u>
	<u>\$1,306,711</u>	<u>\$1,181,384</u>

See accompanying notes to consolidated financial statements.

A M P H E N O L C O R P O R A T I O N 2 0 0 4 A N N U A L R E P O R T

Consolidated Statements of Changes in Shareholders' Equity and Other Comprehensive Income

(dollars in thousands, except per share data)

	<i>Common Stock</i>	<i>Additional Paid-In Capital (Deficit)</i>	<i>Comprehensive Income (Loss)</i>	<i>Accumulated Earnings</i>	<i>Accumulated Other Comprehensive Income (Loss)</i>	<i>Treasury Stock</i>	<i>Total Shareholders Equity</i>
Balance December 31, 2001	\$84	\$(280,266)		\$442,096	\$(57,981)	\$ -	\$103,933
Comprehensive income:							
Net income			<u>[\$80,344]</u>	80,344			80,344
Other comprehensive loss, net of tax:							
Translation adjustments			10,377		10,377		10,377
Revaluation of interest rate derivatives			8,837		8,837		8,837
Minimum pension liability adjustment			<u>(42,452)</u>		<u>(42,452)</u>		<u>(42,452)</u>
Other comprehensive loss			<u>(23,238)</u>				
Comprehensive income			<u>[\$57,106]</u>				
Deferred compensation		166					166
Stock options exercised, including tax benefit	<u>2</u>	<u>5,775</u>					<u>5,777</u>
Balance December 31, 2002	86	(274,325)		522,440	(81,219)	-	166,982
Comprehensive income:							
Net income			<u>[\$103,990]</u>	103,990			103,990
Other comprehensive loss, net of tax:							
Translation adjustments			17,047		17,047		17,047
Revaluation of interest rate derivatives			(669)		(669)		(669)
Minimum pension liability adjustment			<u>(103)</u>		<u>(103)</u>		<u>(103)</u>
Other comprehensive income			<u>16,275</u>				
Comprehensive income			<u>[\$120,265]</u>				
Deferred compensation		240					240
Stock options exercised, including tax benefit	<u>1</u>	<u>35,918</u>					<u>35,919</u>
Balance December 31, 2003	87	(238,167)		626,430	(64,944)	-	323,406
Comprehensive income:							
Net income			<u>[\$163,311]</u>	163,311			163,311
Other comprehensive income, net of tax:							
Translation adjustments			11,904		11,904		11,904
Revaluation of interest rate derivatives			2,116		2,116		2,116
Minimum pension liability adjustment			<u>(4,154)</u>		<u>(4,154)</u>		<u>(4,154)</u>
Other comprehensive income			<u>9,866</u>				
Comprehensive income			<u>[\$173,177]</u>				
Purchase of treasury stock						(45,643)	(45,643)
Deferred compensation		329					329
Stock options exercised, including tax benefit	<u>1</u>	<u>30,334</u>					<u>30,335</u>
Balance December 31, 2004	<u>\$88</u>	<u>\$(207,504)</u>		<u>\$789,741</u>	<u>\$(55,078)</u>	<u>\$(45,643)</u>	<u>\$481,604</u>

See accompanying notes to consolidated financial statements.

A M P H E N O L C O R P O R A T I O N 2 0 0 4 A N N U A L R E P O R T

Consolidated Statements of Cash Flow

(dollars in thousands, except per share data)

	<i>Year Ended December 31,</i>		
	<i>2004</i>	<i>2003</i>	<i>2002</i>
Net income	\$163,311	\$103,990	\$ 80,344
Adjustments for cash from operations:			
Depreciation and amortization	38,829	37,007	34,825
Amortization of deferred debt issuance costs	1,428	1,473	1,413
Expense for early extinguishment of debt	-	10,367	-
Net change in:			
Accounts receivable	(26,016)	(28,799)	1,054
Net change in receivables sold	6,200	10,600	(11,000)
Inventory	(14,511)	4,647	12,897
Prepaid expenses and other assets	1,721	(3,420)	1,951
Accounts payable	3,240	20,776	3,701
Accrued income taxes	28,483	17,967	6,242
Accrued liabilities	15,731	(7,736)	(6,547)
Accrued interest	(740)	(2,429)	(3,530)
Accrued pension and post employment benefits	(12,929)	(5,804)	121
Deferred taxes and other assets	1,344	11,168	(625)
Other	2,160	197	(283)
Cash flow provided by operations	<u>208,251</u>	<u>170,004</u>	<u>120,563</u>
Cash flow from investing activities:			
Additions to property, plant and equipment	(44,341)	(30,196)	(18,816)
Investments in acquisitions	(41,661)	(51,101)	(33,796)
Cash flow used by investing activities	<u>(86,002)</u>	<u>(81,297)</u>	<u>(52,612)</u>
Cash flow from financing activities:			
Net change in borrowings under revolving credit facilities	(14,302)	1,751	(17,839)
Decrease in borrowings under Bank Agreement	(86,000)	(150,543)	(63,205)
Retirement of debt: old Bank Agreement	-	(439,500)	-
senior subordinated notes	-	(148,740)	-
fees and expenses relating to refinancing	-	(9,720)	-
Borrowings under new Bank Agreement	-	625,000	-
Purchase of treasury stock	(45,643)	-	-
Proceeds from exercise of stock options including tax benefit	30,335	35,919	5,777
Cash flow used by financing activities	<u>(115,610)</u>	<u>(85,833)</u>	<u>(75,267)</u>
Net change in cash and short-term cash investments	6,639	2,874	(7,316)
Cash and short-term cash investments balance, beginning of period	23,533	20,659	27,975
Cash and short-term cash investments balance, end of period	<u>\$30,172</u>	<u>\$ 23,533</u>	<u>\$ 20,659</u>
Cash paid during the year for:			
Interest	\$ 21,868	\$ 30,819	\$ 48,059
Income taxes paid, net of refunds	43,660	21,996	34,061

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

(dollars in thousands, except per share data)

Note 1-Summary of Significant Accounting Policies

Operations

Amphenol Corporation ("Amphenol" or the "Company") is in two business segments which consist of manufacturing and selling interconnect products and assemblies, and manufacturing and selling cable products. The Company sells its products to customer locations worldwide.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany transactions have been eliminated in consolidation.

Cash and Short-Term Cash Investments

Cash and short-term cash investments consist of cash and liquid investments with an original maturity of less than three months. The carrying amount approximates fair value of those instruments.

Sale of Receivables

A subsidiary of the Company has an agreement with a financial institution whereby the subsidiary can sell an undivided interest of up to \$85,000 in a designated pool of qualified accounts receivable. The agreement expires in May 2007. Under the terms of the agreement, new receivables are added to the pool as collections reduce previously sold accounts receivable. The aggregate value of receivables transferred to the pool for the year 2004, 2003 and 2002 were \$606,136, \$538,093, and \$541,834, respectively. At December 31, 2004 and 2003, \$32,992 and \$24,568, respectively, of accounts receivable were transferred to the subsidiary, but not purchased by the financial institution and are therefore included in the accounts receivable balance in the accompanying Consolidated Balance Sheets. Due to the short-term nature of the accounts receivable, the fair value approximates the carrying value. The Company services, administers and collects the receivables on behalf of the purchaser. Program fees payable to the purchaser under this agreement are equivalent to rates afforded high quality commercial paper issuers plus certain administrative expenses and are included in other expenses, net, in the accompanying Consolidated Statements of Income. The agreement contains certain covenants and provides for various events of termination. At December 31, 2004 and 2003, approximately \$80,000 and \$73,800, respectively, of receivables were sold under the agreement and are therefore not reflected in the accounts receivable balance in the accompanying Consolidated Balance Sheets.

Reclassifications

In 2004, the Company reclassified certain amounts in its 2003 and 2002 Consolidated Statements of Cash Flow from financing activities to operating activities as a result of a determination that they had not been reported in accordance with Statement of Financial Accounting Standard No. 95 "Statement of Cash Flows". The amounts reclassified of \$10.6 and (\$11.0) million in 2003 and 2002, respectively, reflect a change in classification of the net change in the accounts receivables sold under the Company's accounts receivable securitization agreement. As a result of these reclassifications, there was no impact on the Company's net change in cash and short-term cash investments in 2003 and 2002.

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Inventories

Inventories are stated at the lower of standard cost, which approximates average cost, or market. The principal components of cost included in inventories are materials, direct labor and manufacturing overhead.

Depreciable Assets

Property, plant and equipment are carried at cost. Depreciation and amortization of property, plant and equipment are provided on a straight-line basis over the respective asset lives determined on a composite basis by asset group or on a specific item basis using the estimated useful lives of such assets which range from 3 to 12 years for machinery and equipment and 20 to 40 years for buildings. It is the Company's policy to periodically review fixed asset lives.

Deferred Debt Issuance Costs

Deferred debt issuance costs are being amortized on the interest method over the term of the related debt and such amortization is included in interest expense.

Goodwill

The Company performs its annual evaluation for the impairment of goodwill for the Company's reporting units, in accordance with Financial Accounting Standards Board Statement No. 142 ("FAS 142"), as of each June 30. The Company has defined its reporting units as the operating segments within its two reportable business segments "Interconnect Products and Assemblies" and "Cable Products", as the components of these operating segments have similar economic characteristics. Goodwill impairment for each reporting unit is evaluated using a two-step approach requiring the Company to determine the fair value of the reporting unit and compare that to the carrying value including goodwill. If the carrying value exceeded the fair value, the goodwill of the reporting unit would be potentially impaired and a second step of additional testing would be performed to measure the impairment loss. As of June 30, 2004, and for each previous year in which the impairment test has been performed, the fair market value of the Company's reporting units exceeded the carrying value and therefore no impairment was recognized. In 2004, goodwill increased by \$29,076 primarily as a result of one relatively minor acquisition with a total acquisition price of \$33,586, less the fair value of net assets acquired of \$13,980, payment of contingent consideration relating to previously acquired subsidiaries of \$10,490 less other purchase price adjustments occurring during the year of \$1,020. The increase in goodwill was related to the interconnect products and assemblies segment.

Revenue Recognition

The Company's primary source of revenue is from product sales to its customers.

Revenue from sales of the Company's products is recognized at the time the goods are delivered and title passes, provided the earning process is complete and revenue is measurable. Delivery is determined by the Company's shipping terms, which are primarily FOB shipping point. Revenue is recorded at the net amount to be received after deductions for estimated discounts, allowances and returns. These estimates and reserves are determined and adjusted as needed based upon historical experience, contract terms and other related factors.

The shipping costs for the majority of the Company's sales are paid directly by the Company's customers. In the broadband communication market (approximately 12% of consolidated sales), the Company pays for shipping cost to the majority of its customers. Amounts billed to customers related to shipping costs are immaterial and are included in net sales. All shipping costs incurred to transport products to the customer, which are not reimbursed, are included in selling, general and administrative expense.

Retirement Pension Plans

Costs for retirement pension plans include current service costs and amortization of prior service costs over periods of up to thirty years. It is the Company's policy to fund current pension costs taking into consideration minimum funding requirements and maximum tax deductible limitations. The expense of retiree medical benefit programs is recognized during the employees' service with the Company as well as amortization of a transition obligation recognized on adoption of the accounting principle.

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Stock Options

The Company applies APB Opinion 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for stock options. Accordingly, no compensation cost has been recognized for the Plans. Had compensation cost for stock options been determined based on the fair value of the option at date of grant consistent with the provisions of FAS No. 123, "Accounting for Stock-Based Compensation," the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net income	\$163,311	\$103,990	\$80,344
Less: Total stock based compensation expense determined under Black-Scholes option pricing model, net of related tax effects	<u>(4,714)</u>	<u>(5,148)</u>	<u>(6,559)</u>
Pro forma net income	<u>\$158,597</u>	<u>\$ 98,842</u>	<u>\$73,785</u>
 Earnings Per Share:			
Basic-as reported	\$1.86	\$1.21	\$0.95
Basic-pro forma	\$1.80	\$1.15	\$0.87
Diluted-as reported	\$1.82	\$1.18	\$0.93
Diluted-pro forma	\$1.77	\$1.12	\$0.85

The fair value of stock options has been estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Risk free interest rate	3.4%	3.2%	2.7%
Expected life	5 years	5 years	5 years
Expected volatility	27.0%	30.0%	40.0%
Expected dividend yield	0.0%	0.0%	0.0%

The weighted-average fair values of options granted during 2004, 2003 and 2002 were \$9.15, \$6.50 and \$8.54, respectively.

Income Taxes

Deferred income taxes are provided for revenue and expenses which are recognized in different periods for income tax and financial statement purposes. Deferred income taxes are not provided on undistributed earnings of foreign affiliated companies which are considered to be permanently invested. Deferred tax assets are regularly assessed for recoverability based on both historical and anticipated earnings levels and a valuation allowance is recorded when it is more likely than not that these amounts will not be recovered.

Foreign Currency Translation

The financial position and results of operations of the Company's significant foreign subsidiaries are measured using local currency as the functional currency. Assets and liabilities of such subsidiaries have been translated at current exchange rates and related revenues and expenses have been translated at weighted average exchange rates. The aggregate effect of translation adjustments so calculated is included as a component of accumulated other comprehensive loss within shareholders' equity. Transaction gains and losses are included in other expense, net.

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Research and Development

Research and development expenses for the creation of new and improved products and processes were \$32,459, \$26,361, and \$24,183, for the years 2004, 2003 and 2002, respectively.

Environmental Obligations

The Company recognizes the potential cost for environmental remediation activities when assessments are made, remedial efforts are probable and related amounts can be reasonably estimated; potential insurance reimbursements are not recorded. The Company regularly assesses its environmental liabilities through reviews of contractual commitments, site assessments, feasibility studies and formal remedial design and action plans.

Net Income per Common Share

Basic income per common share is based on the net income for the period divided by the weighted average common shares outstanding. Diluted income per common share assumes the exercise of outstanding, dilutive stock options using the treasury stock method. On January 21, 2004, the Company announced a 2-for-1 stock split that was effective for shareholders of record as of March 17, 2004. The additional shares were distributed on March 29, 2004. The share information included herein has been restated to reflect the effect of such stock split.

Derivative Financial Instruments

Derivative financial instruments, which are periodically used by the Company in the management of its interest rate and foreign currency exposures, are accounted for on an accrual basis. Income and expense are recorded in the same category as that arising from the related asset or liability. For example, amounts to be paid or received under interest rate swap agreements are recognized as an increase or decrease of interest expense in the periods in which they accrue. The Company adopted FAS 133, as amended by FAS 138, beginning January 1, 2001. Adoption of this new accounting standard resulted in a cumulative after-tax gain of \$291 in accumulated other comprehensive income as of that date. Gains and losses on derivatives designated as cash flow hedges resulting from changes in fair value are recorded in other comprehensive income, and subsequently reflected in net income in a manner that matches the timing of the actual income or expense of such instruments with the hedged transaction. At December 31, 2004, the Company had interest rate swap agreements that fix the Company's LIBOR interest rate on \$250,000 and \$50,000 of floating rate bank debt at 2.44% and 3.01%, expiring in May 2006 and June 2006, respectively. These agreements are designated as cash flow hedges and accounted for as described above.

Recent Accounting Changes

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard, No. 123R ("FAS 123R") "Share-based payment". FAS 123R applies to all transactions involving the issuance, by a company, of its own equity (stock, stock options, or other equity instruments) in exchange for goods or services, including employee services. FAS 123R requires entities to recognize the cost of employee services received in exchange for the stock-based compensation using the fair value of those stocks on the grant date (with limited exceptions). This statement is effective for the first interim reporting period beginning after June 15, 2005. The Company is currently assessing the impact that this statement will have on the Company's Consolidated Financial Statements, but does not anticipate the impact to be more than \$2 million per quarter based on the options outstanding as of December 31, 2004.

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the "Act") was enacted. The Act introduced a new prescription drug benefit under Medicare ("Medicare Part D"), as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a prescription drug benefit that is at a minimum actuarially equivalent to Medicare Part D. FASB Staff Position ("FSP") 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003," was provided by the FASB to offer guidance on accounting and disclosure requirements for the Act. The Company does not believe the new Act will have a material impact on the Company's Consolidated Financial Statements.

In November 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard, No. 151 ("FAS 151"), "Inventory Costs – an amendment of ARB No. 43, Chapter 4," in an effort to conform U.S. accounting standards for inventories to International Accounting Standards. FAS 151 requires idle facility expenses, freight, handling costs and wasted

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material (spoilage) costs to be recognized as current period charges. It also requires that the allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the relevant production facilities. FAS 151 will be effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The Company is currently evaluating the impact of this standard but does not believe that it will have a material impact on the Company's Consolidated Financial Statements.

Note 2—Long-Term Debt

Long-term debt consists of the following:

			<i>December 31,</i>	
	<i>Interest Rate at</i>	<i>Maturity</i>	<i>2004</i>	<i>2003</i>
	<i>December 31, 2004</i>			
Bank Agreement:				
Term Loan – Tranche A	3.3%	2008	\$ 13,000	\$ 90,000
Term Loan – Tranche B	4.0%	2005-2010	400,000	409,000
Notes payable to foreign banks and other debt	0.5% to 9.5%	2004-2017	36,053	43,959
			449,053	542,959
Less current portion			16,909	10,679
Total long-term debt			\$432,144	\$532,280

In the second quarter of 2003, the Company completed a refinancing of its senior credit facilities and redeemed all of its outstanding Senior Subordinated Notes ("Notes"). The new Bank Agreement ("Bank Agreement") consists of: (1) a \$125,000 five-year Revolving Credit Facility that matures in 2008, (2) a \$125,000 Tranche A Loan (December 31, 2004 balance \$13,000) and (3) a \$500,000 Tranche B Loan (December 31, 2004 balance \$400,000). In November 2004, the Company amended the credit agreement. The primary effect of the amendment was to lower interest cost and reduce limitations relative to indebtedness and restricted payments including repurchase of the Company's stock and dividends. At December 31, 2004, availability under the Revolving Credit Facility was \$116,193, after a reduction of \$8,807 for outstanding letters of credit. In connection with the 2003 refinancing, the Company incurred one-time expenses for the early extinguishment of debt of \$10,367 (less tax effects of \$3,525) or \$.08 per share after tax. Such one-time expenses include the call premium on the Notes, write-off of unamortized deferred debt issuance costs and other related costs. The Company's interest rate on borrowings under the Bank Agreement is LIBOR plus 150 basis points. The Company also pays certain annual agency and commitment fees. The Bank Agreement is secured by a first priority pledge of 100% of the capital stock of the Company's direct domestic subsidiaries and 65% of the capital stock of direct material foreign subsidiaries, as defined in the Bank Agreement. In addition, if the Company's credit rating as assigned by Standard & Poor's or Moody's were to decline to BB- or Ba3, respectively, the Company would be required to perfect liens in favor of participants in the Bank Agreement in substantially all of the Company's U.S. based assets. At December 31, 2004, the Company's credit rating from Standard & Poor's was BB+ and from Moody's was Ba1. The Bank Agreement requires that the Company satisfy certain financial covenants including an interest coverage ratio (EBITDA divided by interest expense) of higher than 3x and a leverage ratio (Debt divided by EBITDA) lower than 3.75x and 3.50x based on total debt and senior debt, respectively; at December 31, 2004, such ratios as defined in the Bank Agreement were 12.91x, 1.65x and 1.65x, respectively. The Bank Agreement also includes limitations with respect to, among other things, (i) indebtedness in excess of \$50,000 for capital leases, \$450,000 for general indebtedness, \$200,000 for acquisition indebtedness, (of which approximately \$6,856, \$0 and \$4,196 were outstanding at December 31, 2004, respectively), (ii) restricted payments including dividends on the Company's Common Stock in excess of 50% of consolidated cumulative net income subsequent to May 2003 plus \$50 million, or approximately \$170,560 at December 31, 2004, (iii) creating or incurring liens, (iv) making other investments, (v) acquiring or disposing of assets and (vi) capital expenditures.

In conjunction with the Bank Agreement, the Company entered into interest rate swap agreements that fixed the Company's LIBOR interest rate on \$250,000 and \$50,000 of floating rate bank debt at 2.44% and 3.01%, expiring in May 2006 and June 2006, respectively. While it is not the Company's intention to terminate the interest rate swap agreements, the fair value of such agreements was estimated by obtaining quotes from brokers which represented the amounts that the Company would receive or pay if the agreements were terminated. The fair value indicated that termination of the agreements at December 31, 2004 would have resulted in a pre-tax gain of \$2,396; such gain, net of tax, of \$1,447 was recorded in other comprehensive income.

The maturity of the Company's long-term debt over each of the next five years ending December 31, is as follows: 2005 - \$16,909; 2006 - \$13,829; 2007 - \$5,396; 2008 - \$27,518; 2009 - \$4,455; thereafter \$380,946.

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The Company estimates that the fair value of its long-term debt approximates book value.

Note 3—Income Taxes

The components of income before income taxes and the provision for income taxes are as follows:

	<i>Year Ended December 31,</i>		
	<i>2004</i>	<i>2003</i>	<i>2002</i>
Income before taxes:			
United States	\$103,240	\$ 58,560	\$ 52,337
Foreign	144,201	99,001	70,325
	<u>\$247,441</u>	<u>\$157,561</u>	<u>\$122,662</u>
Current provision:			
United States	\$ 47,596	\$ 24,483	\$ 23,448
Foreign	31,411	17,176	17,185
	<u>\$ 79,007</u>	<u>\$ 41,659</u>	<u>\$ 40,633</u>
Deferred provision:			
United States	\$ 4,263	\$ 11,008	\$ 1,129
Foreign	860	904	556
	<u>5,123</u>	<u>11,912</u>	<u>1,685</u>
Total provision for income taxes	<u>\$ 84,130</u>	<u>\$ 53,571</u>	<u>\$ 42,318</u>

At December 31, 2004, the Company had \$7,863 of foreign tax loss carryforwards, of which \$2,010 expire at various dates through 2009 and the balance can be carried forward indefinitely. A valuation allowance of \$3,213 and \$2,063 at December 31, 2004 and 2003, respectively, has been recorded which relates to the foreign net operating loss carryforwards and foreign tax credits. The net change in the valuation allowance for deferred tax assets was an increase of \$1,150 and \$751 in 2004 and 2003, respectively. In 2004 the net change in the valuation allowance was related to foreign net operating loss and credit carryforwards. In 2003 the net change in the valuation allowance was related to foreign net operating loss carryforwards.

Differences between the U.S. statutory federal tax rate and the Company's effective income tax rate are analyzed below:

	<i>Year Ended December 31,</i>		
	<i>2004</i>	<i>2003</i>	<i>2002</i>
U.S. statutory federal tax rate	35.0%	35.0%	35.0%
State and local taxes	1.5	1.6	2.3
Foreign earnings and dividends taxed at different rates	(3.5)	(1.7)	(5.2)
Valuation allowance	.5	.5	.2
Other	.5	(1.4)	2.2
Effective tax rate	<u>34.0%</u>	<u>34.0%</u>	<u>34.5%</u>

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The Company's deferred tax assets and liabilities, excluding a valuation allowance, were comprised of the following:

	<i>December 31,</i>	
	<u>2004</u>	<u>2003</u>
Deferred tax assets relating to:		
Accrued liabilities and reserves	\$ 3,428	\$ 5,657
Operating loss and tax credit carryforwards	3,213	3,339
Pensions	20,366	20,564
Employee benefits	2,487	2,605
	<u>\$29,494</u>	<u>\$32,165</u>
Deferred tax liabilities relating to:		
Depreciation	<u>\$ 8,282</u>	<u>\$ 8,001</u>

The deferred tax asset relating to pension in the table above includes \$39,410 and \$36,483 at December 31, 2004 and 2003, respectively, relating to the Company's additional minimum pension liability (Note 5).

On October 22, 2004, the American Jobs Creation Act of 2004 (the "Act") was signed into law. The Act creates a temporary incentive for U.S. corporations to repatriate income earned abroad by providing an 85% dividends received deduction for certain dividends. The Company may elect to apply this provision to qualifying earnings repatriations in 2005. The Company has started an evaluation of the effects of the repatriation provision; however, the Company does not expect to be able to complete this evaluation until after Congress or the Treasury Department provide additional clarifying language on key elements of the provision. The Company expects to complete its evaluation of the effects of the repatriation provision within a reasonable period of time following the publication of the additional clarifying language. The range of possible amounts that the Company is considering for repatriation under the provision is between zero and \$75 million. The related potential range of income tax is between zero and \$6.2 million. The Act also provides a deduction for income from qualified domestic production activities, which will be phased in from 2005 through 2010. In return, the Act also provides for a two-year phase-out of the existing extra-territorial income exclusion ("ETI") for foreign sales that was viewed to be inconsistent with trade protocols by the European Union. FSP 109-1 "Application of FASB Statement No. 109 to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004" was provided by the FASB to offer guidance on accounting and disclosure requirements for the Act. The Company does not believe the Act will have a material impact on its effective tax rate.

The Company is subject to periodic audits of its various tax returns by government agencies; management does not believe that amounts, if any, which may be required to be paid by reason of such audits will have a material effect on the Company's financial position or results of operations. The Company has recorded accruals for certain tax contingencies related to various state and local matters as December 31, 2004.

Note 4—Shareholders' Equity

In May 1997, the Company adopted the 1997 Option Plan, and in May 2000, adopted the 2000 Option Plan ("Plans"). The Plans authorize the granting of stock options by a committee of the Board of Directors. At December 31, 2004, the maximum number of shares of common stock available for the granting of stock options under the Plans was 1,558,370. Options granted under the Plans vest ratably over a period of five years and are exercisable over a period of ten years from the date of grant. In addition, shares issued in conjunction with the exercise of stock options are generally subject to Management Stockholder Agreements which, among other things, place restrictions on the sale or transfer of such shares. In 2004, the Company adopted the 2004 Stock Option Plan for Directors of Amphenol Corporation (the "Directors Plan"). The Directors Plan is administered by the Board of Directors. At December 31, 2004, the maximum number of shares of common stock available for the granting of stock options under the Directors Plan was 230,000. Options granted under the Directors Plan vest ratably over a period of three years and are exercisable over a period of ten years from the date of grant. In addition, shares issued in conjunction with the exercise of stock options are generally subject to Stockholder Agreements which, among other things, place restrictions on the sale or transfer of such shares.

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Stock option activity for 2002, 2003 and 2004 was as follows:

	<i>Options</i>	<i>Average Price</i>
Options outstanding at December 31, 2001	8,439,394	\$13.41
Options granted	1,413,000	21.90
Options exercised	(530,808)	7.09
Options cancelled	(90,496)	18.27
Options outstanding at December 31, 2002	9,249,090	15.04
Options granted	1,231,800	20.09
Options exercised	(2,532,600)	8.11
Options cancelled	(84,540)	21.41
Options outstanding at December 31, 2003	7,863,750	17.99
Options granted	1,062,600	30.30
Options exercised	(1,652,042)	11.50
Options cancelled	(262,100)	22.53
Options outstanding at December 31, 2004	7,012,208	\$21.22

The following table summarizes information about stock options outstanding at December 31, 2004:

<u><i>Exercise Price</i></u>	<u><i>Options Outstanding</i></u>			<u><i>Options Exercisable</i></u>	
	<u><i>Shares</i></u>	<u><i>Average Price</i></u>	<u><i>Remaining Term</i></u>	<u><i>Shares</i></u>	<u><i>Average Price</i></u>
\$6.50	498,700	\$6.50	2.38	498,700	\$6.50
7.50-15.00	494,380	9.41	4.26	494,380	9.41
12.50-15.00	210,200	14.50	3.30	210,200	14.50
15.50-20.10	1,113,425	20.07	8.27	205,025	20.07
20.11-25.00	3,644,903	22.97	6.24	2,166,743	23.40
27.50-35.00	1,050,600	30.24	9.23	21,600	29.05
	7,012,208	\$21.22	6.51	3,596,648	\$18.39

At December 31, 2003, Kohlberg Kravis Roberts & Co. L.P. ("KKR") owned 27.2% of the Company's Class A Common Stock. During the third quarter of 2004, partnerships affiliated with KKR sold all their Class A Common Stock and, as such owned none of the Company's Class A Common Stock as of December 31, 2004. In 2004, 2003 and 2002, the Company paid KKR fees of \$.5 million, \$.9 million, and \$1.0 million, respectively for management and consulting services.

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Balances of related after-tax components comprising accumulated other comprehensive loss included in shareholders' equity at December 31, 2002, 2003 and 2004, are as follows:

	Foreign Currency Translation Adjustment	Revaluation of Interest Rate Derivatives	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2001	\$ (33,342)	\$ (8,837)	\$ (15,802)	\$ (57,981)
Translation adjustments	10,377			10,377
Revaluation of interest rate derivatives, net of tax of \$5,794		8,837		8,837
Minimum pension liability adjustment, net of tax of \$25,844			(42,452)	(42,452)
Balance at December 31, 2002	(22,965)		(58,254)	(81,219)
Translation adjustments	17,047			17,047
Expiration of interest rate derivatives, net of tax of \$439		(669)		(669)
Minimum pension liability adjustment, net of tax of \$230			(103)	(103)
Balance at December 31, 2003	(5,918)	(669)	(58,357)	(64,944)
Translation adjustments	11,904			11,904
Revaluation of interest rate derivatives, net of tax of \$1,388		2,116		2,116
Minimum pension liability adjustment, net of tax of \$2,927			(4,154)	(4,154)
Balance at December 31, 2004	<u>\$ 5,986</u>	<u>\$ 1,447</u>	<u>\$ (62,511)</u>	<u>\$ (55,078)</u>

Since its initial public offering in 1991, the Company has not paid any dividends, however on January 19, 2005 the Company announced that it will commence payment of a quarterly dividend on its common stock of \$.03 per share. The Company expects the first dividend payment to be made on or about April 6, 2005 to shareholders of record as of March 15, 2005. The Company intends to retain the remainder of its earnings to provide funds for the operation and expansion of the Company's business, repurchase shares of its common stock and to repay outstanding indebtedness.

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Note 5—Benefit Plans and Other Postretirement Benefits

The Company and its domestic subsidiaries have a defined benefit pension plan covering substantially all U.S. employees. Plan benefits are generally based on years of service and compensation and are generally noncontributory. Certain foreign subsidiaries have defined benefit plans covering their employees. Certain U.S. employees not covered by the defined benefit plan are covered by defined contribution plans. The following is a summary of the Company's defined benefit plans funded status as of the most recent actuarial valuations; for each year presented below accumulated benefits exceed assets:

	<i>December 31,</i>	
	<i>2004</i>	<i>2003</i>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$299,060	\$268,001
Service cost	7,069	5,910
Interest cost	17,649	16,894
Plan participants' contributions	453	342
Plan amendments	5,247	-
Actuarial loss	18,915	18,046
Foreign exchange translation	3,686	6,461
Benefits paid	(17,034)	(16,594)
Benefit obligation at end of year	335,045	299,060
Change in plan assets:		
Fair value of plan assets at beginning of year	188,209	156,079
Actual return on plan assets	20,215	32,535
Employer contribution	22,328	11,619
Plan participants' contributions	453	342
Foreign exchange translation	2,239	3,111
Benefits paid	(15,566)	(15,477)
Fair value of plan assets at end of year	217,878	188,209
Excess of liabilities over assets	(117,167)	(110,851)
Unrecognized net actuarial loss	124,713	111,070
Unrecognized prior service cost	11,290	7,104
Unrecognized transition obligation net	(1,079)	(1,059)
Additional minimum pension liability	(117,252)	(103,823)
Accrued benefit cost	\$(99,495)	\$ (97,559)

	<i>Year Ended December 31,</i>		
	<i>2004</i>	<i>2003</i>	<i>2002</i>
Components of net pension expense:			
Service cost	\$ 7,069	\$5,910	\$5,116
Interest cost	17,649	16,894	16,313
Expected return on plan assets	(20,152)	(19,702)	(22,281)
Net amortization of actuarial losses	5,537	3,418	1,575
Net pension expense	\$10,103	\$6,520	\$ 723

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<i>Weighted-average assumptions used to determine benefit obligations at December 31,</i>				
	<i>Pension Benefits</i>		<i>Other Benefits</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
Discount rate	5.75%	6.15%	5.75%	6.15%
Rate of compensation increase	3.00%	3.00%	n/a	n/a

<i>Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31,</i>				
	<i>Pension Benefits</i>		<i>Other Benefits</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
Discount rate	6.15%	6.50%	6.15%	6.50%
Expected long-term return on assets	9.50%	9.50%	n/a	n/a
Rate of compensation increase	3.00%	3.00%	n/a	n/a

The pension expense for pension plans is calculated based upon a number of actuarial assumptions established on January 1 of the applicable year, detailed in the table above, including a weighted-average discount rate, rate of increase in future compensation levels and an expected long-term rate of return on Plan assets. The discount rate used by the Company for valuing pension liabilities is based on a review of high quality corporate bond yields with maturities approximating the remaining life of the projected benefit obligations. The discount rate on this basis has decreased from 6.15% at December 31, 2003 to 5.75% at December 31, 2004. This will have the effect of increasing pension expense in 2005 by approximately \$1.9 million. Although future changes to the discount rate are unknown, had the discount rate increased or decreased 50 basis points, the pension liability would have decreased \$13.2 million or increased \$14.5 million, respectively. In developing our expected long-term rate of return assumption on plan assets which consist mainly of U.S. equity and debt securities, we evaluated input from our actuaries and investment consultants as well as long-term inflation assumptions. Projected returns by such consultants are based on broad equity and bond indices. We also considered our historical 15 year compound return of 10.1%, which has been in excess of these broad equity and bond benchmark indices. Our expected long-term rate of return on Plan assets is based on an asset allocation assumption of 60% with equity managers, with an expected long-term rate of 11%, 25% with fixed income managers, with an expected long-term rate of return of 6.75% and 15% with high yield bond managers, with an expected rate of return of 8.5%. At December 31, 2004, our asset allocation was 65% with equity managers and 35% with fixed income managers, including high yield managers. We believe that our long-term asset allocation on average will approximate 60% with equity managers and 40% with fixed income managers. We regularly review our actual asset allocation and periodically rebalance our investments to our targeted allocation when considered appropriate. Based on this methodology the Company's expected long-term rate of return assumption is 9.5% in 2004 and 2003. The Company has also adopted an unfunded Supplemental Employee Retirement Plan ("SERP"), which provides for the payment of the portion of annual pension which cannot be paid from the retirement plan as a result of regulatory limitations on average compensation for purposes of the benefit computation. The largest non-U.S. pension plan, in accordance with local custom, is unfunded and had an accumulated benefit obligation of approximately \$41,903 and \$34,434 at December 31, 2004 and 2003, respectively. Such obligation is included in the Consolidated Balance Sheets and the tables above.

In accordance with the provisions of FAS No. 87, the Company has recognized a minimum pension liability at December 31, 2004 of \$117,252 (\$103,823 at December 31, 2003) for circumstances in which a pension plan's accumulated benefit obligation exceeded the fair value of the plan's assets and accrued pension liability. Such liability was partially offset by an intangible asset equal to the unrecognized prior service cost, with the net change of \$3,837 (\$103 at December 31, 2003), recorded as a reduction in shareholders' equity, net of related deferred tax benefits.

The Company made a \$20,000 voluntary cash contribution to the U.S. Pension Plan in 2004 and paid benefit payments of \$13,978. The Company estimates that based on current actuarial calculations it will make a cash contribution to the U.S. Pension Plan in 2005 of \$10,000. Cash contributions in subsequent years will depend on a number of factors including performance of plan assets.

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The Company maintains self-insurance programs for that portion of its health care and workers compensation costs not covered by insurance. The Company also provides certain health care and life insurance benefits to certain eligible retirees through postretirement benefit programs. The Company's share of the cost of such plans for most participants is fixed, and any increase in the cost of such plans will be the responsibility of the retirees. The Company funds the benefit costs for such plans on a pay-as-you-go basis. Since the Company's obligation for postretirement medical plans is fixed and since the accumulated postretirement benefit obligation ("APBO") and the net postretirement benefit expense are not material in relation to the Company's financial condition or results of operations, we believe any change in medical costs from that estimated will not have a significant impact on the Company. The discount rate used in determining the APBO at December 31, 2004 and 2003 was 5.75% and 6.15%, respectively. Summary information on the Company's postretirement medical plans is as follows:

	<i>December 31,</i>	
	<i>2004</i>	<i>2003</i>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$12,752	\$13,422
Service cost	84	73
Interest cost	776	799
Paid benefits and expenses	(2,060)	(1,733)
Actuarial loss	1,552	191
Benefit obligation at end of year	<u>\$13,104</u>	<u>\$12,752</u>
Funded status	\$(13,104)	\$(12,752)
Unrecognized net actuarial loss	10,052	9,426
Unrecognized transition obligation	497	559
Accrued benefit cost	<u>\$ (2,555)</u>	<u>\$ (2,767)</u>

	<i>Year ended December 31,</i>		
	<i>2004</i>	<i>2003</i>	<i>2002</i>
Components of net postretirement benefit cost:			
Service cost	\$ 84	\$ 73	\$ 71
Interest cost	776	799	912
Amortization of transition obligation	62	62	62
Net amortization of actuarial losses	900	857	934
Net postretirement benefit cost	<u>\$1,822</u>	<u>\$1,791</u>	<u>\$1,979</u>

Note 6—Leases

At December 31, 2004, the Company was committed under operating leases which expire at various dates through 2010. Total rent expense under operating leases for the years 2004, 2003, and 2002 were \$17,664, \$18,650 and \$16,007, respectively.

Minimum lease payments under non-cancelable operating leases are as follows:

2005	\$16,546
2006	10,748
2007	6,934
2008	5,205
2009	3,922
Beyond 2009	<u>5,353</u>
Total minimum obligation	<u>\$48,708</u>

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Note 7—Reportable Business Segments and International Operations

The Company has two reportable business segments: interconnect products and assemblies and cable products. The interconnect products and assemblies segment produces connectors and connector assemblies primarily for the communications, aerospace, industrial and automotive markets. The cable products segment produces coaxial and flat ribbon cable and related products primarily for communication markets, including cable television. The accounting policies of the segments are the same as those for the Company as a whole and are described in Note 1 herein. The Company evaluates the performance of business units on, among other things, profit or loss from operations before interest expense, headquarters' expense allocations, income taxes and nonrecurring gains and losses. The Company's operating segments are an aggregation of business units that have similar production processes and products.

	<i>Interconnect products and assemblies</i>			<i>Cable products</i>			<i>Total</i>		
	<i>2004</i>	<i>2003</i>	<i>2002</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
Net sales									
—external	\$1,333,838	\$1,071,968	\$892,309	\$196,608	\$167,536	\$169,693	\$1,530,446	\$1,239,504	\$1,062,002
—intersegment	2,311	1,891	1,840	14,369	11,569	8,864	16,680	13,460	10,704
Depreciation and amortization	32,427	30,470	28,369	5,969	6,103	6,005	38,396	36,573	34,374
Segment operating income	271,327	196,377	150,881	24,631	20,420	28,820	295,958	216,797	179,701
Segment assets	605,645	512,923	436,682	74,634	78,076	80,898	680,279	590,999	517,580
Additions to property, plant and equipment	43,152	28,992	16,645	1,700	1,065	2,171	44,852	30,057	18,816

Reconciliation of segment operating income to consolidated income before taxes:

	<i>2004</i>	<i>2003</i>	<i>2002</i>
Segment operating income	\$295,958	\$216,797	\$179,701
Interest expense	(22,540)	(29,505)	(45,930)
Headquarters' expense and other net expenses	(25,977)	(19,364)	(11,109)
Expense for early extinguishment of debt	-	(10,367)	-
Consolidated income before taxes	<u>\$247,441</u>	<u>\$157,561</u>	<u>\$122,662</u>

Reconciliation of segment assets to consolidated total assets:

	<i>2004</i>	<i>2003</i>	<i>2002</i>
Segment assets	\$ 680,279	\$ 590,999	\$ 517,580
Goodwill	545,411	516,335	486,841
Other assets	81,021	74,050	74,487
Consolidated total assets	<u>\$1,306,711</u>	<u>\$1,181,384</u>	<u>\$1,078,908</u>

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Geographic information:

	<i>Net sales</i>			<i>Land and depreciable assets</i>		
	<i>2004</i>	<i>2003</i>	<i>2002</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
United States	\$ 674,302	\$ 555,918	\$ 501,073	\$ 69,949	\$ 72,169	\$ 66,871
International	856,144	683,586	560,929	127,804	106,097	93,819
Total	<u>\$1,530,446</u>	<u>\$1,239,504</u>	<u>\$1,062,002</u>	<u>\$197,753</u>	<u>\$178,266</u>	<u>\$160,690</u>

Revenues by geographic area are based on customer location to which product is shipped.

Note 8—Other Expenses, net

Other income (expense) is comprised as follows:

	<i>Year Ended December 31,</i>		
	<i>2004</i>	<i>2003</i>	<i>2002</i>
Foreign currency transaction losses	\$ (643)	\$(1,330)	\$(2,729)
Program fees on sale of accounts receivable	(2,254)	(1,468)	(1,826)
Minority interests	(3,029)	(2,363)	(1,770)
Agency and commitment fees	(980)	(837)	(554)
License fee settlement	-	-	1,476
Fees and expenses associated with secondary stock offering	(185)	(950)	-
Other	428	(39)	48
	<u>\$(6,663)</u>	<u>\$(6,987)</u>	<u>\$(5,355)</u>

Note 9—Commitments and Contingencies

In the course of pursuing its normal business activities, the Company is involved in various legal proceedings and claims. Management does not expect that amounts, if any, which may be required to be paid by reason of such proceedings or claims will have a material effect on the Company's consolidated financial position or results of operations.

Certain operations of the Company are subject to federal, state and local environmental laws and regulations that govern the discharge of pollutants into the air and water, as well as the handling and disposal of solid and hazardous wastes. The Company believes that its operations are currently in substantial compliance with all applicable environmental laws and regulations and that the costs of continuing compliance will not have a material effect on the Company's financial position or results of operations.

The Company is currently involved in the environmental cleanup of several sites for conditions that existed at the time Amphenol was acquired from Allied Signal Corporation in 1987 (Allied Signal merged with Honeywell International Inc. ("Honeywell") in December 1999). Amphenol and Honeywell were named jointly and severally liable as potentially responsible parties in relation to such sites. Amphenol and Honeywell have jointly consented to perform certain investigations and remedial and monitoring activities at two sites and they have been jointly ordered to perform work at another site. The costs incurred relating to these three sites are reimbursed by Honeywell based on an agreement (the "Honeywell Agreement") entered into in connection with the acquisition in 1987. For sites covered by the Honeywell Agreement, to the extent that conditions or circumstances occurred or existed at the time of or prior to the acquisition, Honeywell is obligated to reimburse Amphenol 100% of such costs. Honeywell representatives continue to work closely with the Company in addressing the most significant environmental liabilities covered by the Honeywell Agreement. Management does not believe that the costs associated with resolution of these or any other environmental matters will have a material adverse effect on the Company's financial position or results of operations. The environmental cleanup matters identified by the Company, including those referred to above, are covered under the Honeywell Agreement.

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Note 10—Selected Quarterly Financial Data (Unaudited)

	<i>Three Months Ended</i>			
	<i>March 31</i>	<i>June 30</i>	<i>September 30</i>	<i>December 31</i>
2004				
Net sales	\$355,261	\$387,119	\$384,103	\$403,963
Gross profit, including depreciation	112,727	123,573	124,079	131,878
Operating income	61,283	69,054	70,303	76,004
Net income	35,658	40,367	41,646	45,640
Net income per share—Basic	.41	.46	.47	.52
Net income per share—Diluted	.40	.45	.47	.51
Stock price—High	34.70	34.49	34.37	37.52
—Low	28.13	29.75	27.90	32.23
2003				
Net sales	\$277,774	\$304,893	\$314,798	\$342,039
Gross profit, including depreciation	86,442	92,256	97,117	106,474
Operating income	45,171	49,259	52,372	57,618
Net income	23,313	19,479 ⁽¹⁾	28,212	32,986
Net income per share—Basic	.28	.23 ⁽¹⁾	.33	.38
Net income per share—Diluted	.27	.22 ⁽¹⁾	.32	.37
Stock price—High	21.98	24.70	28.84	32.07
—Low	18.50	19.38	23.05	26.03
2002				
Net sales	\$255,976	\$270,865	\$268,115	\$267,046
Gross profit, including depreciation	76,972	83,967	83,109	83,343
Operating income	40,273	45,032	44,200	44,442
Net income	17,193	20,003	20,666	22,482
Net income per share—Basic	.21	.24	.25	.27
Net income per share—Diluted	.20	.23	.24	.26
Stock price—High	25.88	24.50	21.23	22.91
—Low	20.13	17.75	15.06	13.74

⁽¹⁾ Includes a one-time charge for expenses incurred in the early extinguishment of debt of \$10,367, less tax benefit of \$3,525, or \$0.08 per share after taxes.

Item 9. Changes in and Disagreements with Independent Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures within the 90 day period prior to the filing of this annual report, and based on their evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Management Report on Internal Control

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the Company conducted an evaluation of the effectiveness of the internal control over financial reporting based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework. Based on that evaluation, management concluded that internal control over financial reporting was effective as of December 31, 2004.

Deloitte and Touche LLP has audited the Company's evaluation of the internal control environment in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB). Those standards require that Deloitte and Touche LLP plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Deloitte and Touche LLP has issued an unqualified report stating the Company has maintained effective internal control over financial reporting as of December 31, 2004.

Item 9B. Other Information

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 10 with respect to the Directors of the Registrant is incorporated by reference from the Company's definitive proxy statement which is expected to be filed pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 10 with respect to the Executive Officers of the Registrant is incorporated by reference from the Company's definitive proxy statement which is expected to be filed pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

Information regarding the Company's code of business conduct and ethics is available on the Company's website, www.amphenol.com. In addition a copy may be requested by writing to the Company's World Headquarters at:

358 Hall Avenue
P.O. Box 5030
Wallingford, CT 06492

Item 11. Executive Compensation

Pursuant to Instruction G(3) to Form 10-K, the information required in Item 11 is incorporated by reference from the Company's definitive proxy statement which is expected to be filed pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Pursuant to Instruction G(3) to Form 10-K, the information required in Item 12 is incorporated by reference from the Company's definitive proxy statement which is expected to be filed pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

Item 13. Certain Relationships and Related Transactions

Pursuant to Instruction G(3) to Form 10-K, the information required in Item 13 is incorporated by reference from the Company's definitive proxy statement which is expected to be filed pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

Item 14. Principal Accounting Fees and Services

Pursuant to Instruction G(3) to Form 10-K, the information required in Item 14 is incorporated by reference from the Company's definitive proxy statement which is expected to be filed pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Consolidated Financial Statements	<u>Page</u>
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Consolidated Statements of Income— Years Ended December 31, 2004, December 31, 2003 and December 31, 2002	36
Consolidated Balance Sheets— December 31, 2004 and December 31, 2003	37
Consolidated Statements of Changes in Shareholders' Equity and Other Comprehensive Income— Years Ended December 31, 2004, December 31, 2003 and December 31, 2002	38
Consolidated Statements of Cash Flow— Years Ended December 31, 2004, December 31, 2003 and December 31, 2002	39
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(a)(2) Financial Statement Schedules for the Three Years Ended December 31, 2004

Schedule

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Schedules other than the above have been omitted because they are either not applicable or the required information has been disclosed in the consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and
Stockholders of Amphenol Corporation
Wallingford, Connecticut

We have audited the consolidated financial statements of Amphenol Corporation and subsidiaries (the “Company”) as of December 31, 2004 and 2003, and for each of the three years in the period ended December 31, 2004, management’s assessment of the effectiveness of the Company’s internal control over financial reporting as of December 31, 2004, and the effectiveness of the Company’s internal control over financial reporting as of December 31, 2004, and have issued our report thereon dated March 11, 2005; such consolidated financial statements and report are included elsewhere in the Form 10-K. Our audits also included the consolidated financial statement schedules of the Company listed in Item 15. These consolidated financial statement schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

Hartford, Connecticut
March 11, 2005

SCHEDULE II
AMPHENOL CORPORATION AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
For the years ended December 31, 2004, 2003 and 2002
(Dollars in thousands)

	Balance at beginning of period	Charged to cost and expenses	Acquisitions	Deductions	Balance at end of period
2004 Allowance for doubtful accounts	\$ 9,244	\$ 1,618	\$ 14	\$ (2,210)	\$ 8,666
2003 Allowance for doubtful accounts	\$ 8,812	\$ 1,837	\$ 521	\$ (1,926)	\$ 9,244
2002 Allowance for doubtful accounts	\$ 5,191	\$ 3,691	\$ 650	\$ (720)	\$ 8,812

AMPHENOL CORPORATION 2004 ANNUAL REPORT

Signatures

Pursuant to the requirements of Section 13 or 15d of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in the Town of Wallingford, State of Connecticut on the 11th day of March 2005.

AMPHENOL CORPORATION

Martin H. Loeffler
Chairman, Chief Executive
Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and as of the date indicated below.

Signature	Title	Date
/s/ Martin H. Loeffler	Chairman, Chief Executive Officer and President (Principal Executive Officer)	March 11, 2005
/s/ Diana G. Reardon	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 11, 2005
/s/ Edward G. Jepsen	Director	March 11, 2005
/s/ John R. Lord	Director	March 11, 2005
/s/ Andrew E. Lietz	Director	March 11, 2005
/s/ Stanley L. Clark	Director	March 11, 2005
/s/ Dean H. Secord	Director	March 11, 2005
/s/ Ronald P. Badie	Director	March 11, 2005

AMPHENOL CORPORATION 2004 ANNUAL REPORT

Additional Financial Data

(dollars in thousands, except per share data)

	<i>Year Ended December 31,</i>				
	<i>2004</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>
Net sales by business segment:					
Interconnect product and assemblies	\$1,333,838	\$1,071,968	\$ 892,309	\$ 906,799	\$ 1,009,162
Cable products	196,608	167,536	169,693	196,972	350,540
	<u>\$1,530,446</u>	<u>\$1,239,504</u>	<u>\$1,062,002</u>	<u>\$1,103,771</u>	<u>\$ 1,359,702</u>
Net sales by geographic area:					
United States	\$ 674,302	\$ 555,918	\$ 501,073	\$ 538,938	\$ 714,756
International	856,144	683,586	560,929	564,833	644,946
	<u>\$1,530,446</u>	<u>\$1,239,504</u>	<u>\$1,062,002</u>	<u>\$1,103,771</u>	<u>\$ 1,359,702</u>
Net income	163,311	103,990	80,344	83,710	107,904
Net income per common share - diluted	1.82	1.18	.93	.98	1.26
Backlog	292,568	262,133	223,923	229,002	365,002
Long-term debt	432,144	532,280	565,885	660,614	700,216
Days sales outstanding in accounts receivable	64	66	66	65	64
Inventory turnover	4.2X	3.9X	3.5X	3.5X	4.6X
Working capital turnover	6.1X	5.3X	6.9X	6.6X	8.0X
Fixed asset turnover	7.7X	7.3X	6.5X	6.8X	9.7X
Average employees	15,266	12,522	10,852	10,509	10,320
Year end shares outstanding	87,891,533	87,685,526	85,143,246	84,606,136	83,373,774

Directors

Martin H. Loeffler
Chairman of the Board,
Chief Executive Officer
and President

Ronald P. Badie

Stanley L. Clark

Edward G. Jepsen

Andrew E. Lietz

John R. Lord

Dean H. Secord

Officers

(Other than Directors)

Gary A. Anderson
Senior Vice President

Timothy F. Cohane
Executive Vice President

Jamie A. Fraser
Senior Vice President

Craig A. Lampo
Vice President, Treasurer and Controller

Jerome F. Monteith
Vice President Human Resources

Udo Naujoks
Vice President

R. Adam Norwitt
Vice President

Diana G. Reardon
Senior Vice President and
Chief Financial Officer

Mark C. J. Twaalfhoven
Senior Vice President

Luc Walter
Senior Vice President

Edward C. Wetmore
Vice President, Secretary
and General Counsel

OPERATING UNITS

***World Headquarters
Executive Offices***
358 Hall Avenue
Wallingford, CT 06492
Phone: (203) 265-8900

Advanced Circuit Technology
118 Northeastern Boulevard
Nashua, NH 03062
Phone: (603) 880-6000

***Amphenol Aerospace and
Industrial Operations***
40-60 Delaware Street
Sidney, NY 13838
Phone: (607) 563-5011

***Amphenol - Air LB
Corporate Office***
29, Vois d'Yvois
F-08110 Blagny, France
Phone: 33-3-2422-7849

Amphenol Antel Inc.
1300 Capital Drive
Rockford, IL 61109
Phone: (815) 399-0001

Amphenol AssembleTech
4850 Wright Road, Suite 190
Stafford, TX 77477
Phone: (281) 340-6500

Amphenol Australia Pty Limited
2 Fiveways Blvd., Keysborough
Victoria 3173,
Melbourne, Australia
Phone: 61-3-8796-8888

Amphenol Backplane Systems
18 Celina Avenue
Nashua, NH 03063
Phone: (603) 883-5100

Amphenol Canada Corporation
20 Melford Drive
Toronto, Ontario
Canada, M1B 2X6
Phone: (416) 291-4401

OPERATING UNITS

Amphenol Connex Corporation

11969 Challenger Court
Moorpark, CA 93021
Phone: (805) 378-6464

Amphenol ConneXus Sweden

P. O. Box 21006
S-100 31
Stockholm, Sweden
Phone: 46-8-5454-7070

Amphenol DaeShin Electronics

558 SoSa, SongNae
Bucheon City, Kyunggi-Do
Korea 420-130
Phone: 82-32-610-3800

Amphenol do Brasil LTDA

Rua Diogo Moreira 132
20 andar; Rooms 2001-2-3
CEP 05432-010, Sao Paulo,
Brazil
Phone: 55-11-3815-1003

Amphenol East Asia Limited

26/F, Railway Plaza
39 Chatham Road South
TST, Kowloon, Hong Kong
Phone: 852-2699-2663

Amphenol Espana

Edificio "Burgosol"
c/o Comunidad de Madrid, 35-bis
Oficina No. 55
28230 Las Rozas,
Madrid, Spain
Phone: 34-91-640-7302

Amphenol European

Sales Operations

Hoofdveste 19
3992 DH Houten
The Netherlands
Phone: 31-30-635-8000

Amphenol FILEC

21 rue de Dissee
79600 Airvault, France
Phone: 33-05-4970-8973

Amphenol GmbH

Industriestrasse B 16
A-2345 Brunn am Gebirge
Austria
Phone: 43-2236-379-519

***Amphenol Interconnect India
Private Limited***

105 Bhosari Industrial Area
Pune 411 026
India
Phone: 91-20-2712-0363

***Amphenol Interconnect
Products Corporation***

20 Valley Street
Endicott, NY 13760
Phone: (607) 754-4444

Amphenol Italia, S.P.A.

Via Barbaiana 5
20020 Lainate
Milano, Italy
Phone: 39-02-932-541

Amphenol Japan Infocom

Nara Bldg. #2-7F, 2-2-8 Shin-Yokohama
Kohoku-ku, Yokohama-City
Kanagawa 222-003 Japan
Phone: 81-45-473-9191

***Amphenol Japan Mil/Aero
& Industrial***

471-1, Deba, Ritto-city
Shiga 520-3041
Japan
Phone: 81-77-553-8501

Amphenol Limited

Thanet Way
Whitstable, Kent
United Kingdom CT5 3JF
Phone: 44-1227-773-200

Amphenol Korea Air Electronics

436-2 Changkok-Ri, Paltan-Myeon
Hwasung-City
Kyunggi-Do, Korea 455-913
Phone: 82-31-354-7707

Amphenol Mexico

Prolongacion Reforma 61 - 6 B2
Col. Paseo de las Lomas
C.P. 01330 Mexico
Phone: 52-55-5258-9984

***Amphenol Optimize Manufacturing
Company***

180 North Freeport Drive, W-10
Nogales, AZ 85621
Phone: (520) 397-7007

Amphenol PCD, Inc.

2 Technology Drive
Peabody, MA 01960
Phone: (978) 532-8800

Amphenol PCM

P. O. Box 1448
1290 East Interstate 30
Rockwall, TX 75087
Phone: (972) 771-1233

Amphenol RF

4 Old Newtown Road
Danbury, CT 06810
Phone: (203) 743-9272

Amphenol RF Asia Corp.

No. 110, Sec. 1, Bao-An Road
Ren-Der Shiang, Tainan Hsien
Taiwan
Republic of China
Phone: 886-6-266 1011

Amphenol Scandinavia

Box 21001
Norra Stationsgatan 93
S-10031 Stockholm
Sweden
Phone: 46-8-594-10440

Amphenol Socapex S.A.S.

Mil/Aero Business Unit

948, Promenade de l'Arve, BP 29
74311 Thyez Cedex, France
Phone: 33-4-5089-2800

Telecom Business Unit

21 Chermin du Defois, BP 349
39105 Dole Cedex, France
Phone: 33-3-8482-9400

OPERATING UNITS

Amphenol-TAT Technologies

5975 Andover Street
Mount Royal, Quebec H4T 1HB
Canada
Phone: (514) 737-4477

Amphenol T&M Antennas, Inc.

825 Corporate Woods Parkway
Vernon Hills, IL 60061
Phone: (847) 478-5600

Amphenol TFC do Brasil Ltda.

Rod. Governador Dr.
Adhemar P. de Barros
Km, 121,5 (SP 340) CEP 13088-061
Campinas, Sao Paulo, SP Brasil
Phone: 55-19-3757-1166

Amphenol-TFC (Changzhou) Communications Equipment Co., Ltd.

100 Hehai Road, Changzhou New &
High-Tec & Industrial Deve Zone
Changzhou, Jiangsu 213022 PRC
Phone: 86-519-510-3918

Amphenol Taiwan Corporation

No. 116, Lane 956, Zhong Shan Road
Taoyuan City
Taiwan, Republic of China, 330
Phone: 886-3-379-5677

Amphenol Technical Products International

2110 Notre Dame Avenue
Winnipeg
MB, R3H OK1 Canada
Phone: (204) 697-2222

Amphenol-Tuchel Electronics GmbH

August-Haeusser-Strasse 10
74080 Heilbronn
Germany
Phone: 49-7131-929-0

Asia Pacific Sales Operations Singapore

300 Beach Road #34-06
The Concourse Bldg.
Singapore 199555
Phone: 65-6294-2128

Changzhou Amphenol Fuyang Equipment Co., Ltd.

Nan Xiashu Town, Wujin City
Jiangsu Province, China 213166
Phone: 86-519-648-2368

Fiber Optic Products

1925A Ohio Street
Lisle, IL 60532
Phone: (630) 960-1010

Fiber Systems International

1300 Central Expressway North
Suite 100
Allen, TX 75013
Phone: (214) 547-2400

Guangzhou Amphenol Electronics Communications Co., Ltd.

163 Ping Yun Road
Huang Pu Road W
Guangzhou 510656
Peoples Republic of China
Phone: 86-20-3869-8808

Konfektion E Elektronik GmbH

Im Klingenfeld 21
D-74594 Kressberg-Marktlustenaus
Germany
Phone: 49-7957-9886-0

Phoenix Korea Co., Ltd.

#843-12 Jaan-ri, Bibong-myun,
Hwasung-si, Kyounggi-do
Korea 445-843
Phone: 82-31-355-2222

Shanghai Amphenol Airwave Communication Electronic Co. Ltd.

No. 88 Lai Ting S. Road
Jiu Ting Economic Dev. Area
Song Jiang County, Shanghai
PR China 201615
Phone: 86-21-5763-0656

Sine Systems Corporation

25325 Joy Boulevard
Mt. Clemens, MI 48046
Phone: (586) 465-3131

Spectra Strip

720 Sherman Avenue
Hamden, CT 06514
Phone: (203) 281-3200

Times Fiber Canada Limited

580 O'Brien Road
Renfrew, Ontario
K7V 3Z2 Canada
Phone: (613) 432-8566

Times Fiber Communications, Inc.

358 Hall Avenue
Wallingford, CT 06492
Phone: (203) 265-8500

TFC South America S.A.

Tucuman 540- Suite 20 "J"
C1049AAL)
Buenos Aires, Argentina
Phone: 54-11-4325-3471

U-JIN Cable Industrial Co. Ltd.

167-4 Nae Pan-Ri, Dong-Meon
Yeon Ki-Kun, Chung Nam-Do
South Korea 339-861
Phone: 82-41-864-0858

S H A R E H O L D E R I N F O R M A T I O N

World Headquarters

358 Hall Avenue
Post Office Box 5030
Wallingford, CT 06492
(203) 265-8900
www.amphenol.com

Stock Listing

New York Stock Exchange
Symbol: APH

***Registrar and Transfer Agent for
Common Stock***

EquiServe Trust Company, N.A.
P.O. Box 219045
Kansas City, MO 64121-9045
Shareholder Inquiries 1-877-282-1168
www.equiserve.com

Annual Meeting

*See Proxy material for time
and location.*