



Message from Bob Switz President and Chief Executive Officer

Back on Track, Moving Forward

The other day I was waiting for a connecting flight. Music played over the airport's speakers. The song "Don't Worry, Be Happy" by Bobby McFerrin rang throughout the boarding area. While radio music doesn't usually cause me to pause and reflect, especially a silly 1980's pop song, this song did. Don't Worry, Be Happy. Simple, succinct and ... meaningful?

In today's competitive business environment all we do is worry. We worry about our customers' spend rates and ask when will they return to normal? We worry about expanding our share in the marketplace and the ever-increasing competition for new business. We worry about not only meeting our customers' expectations but also exceeding them. So at the end of the day are we happy? Are our customers happy? Our shareholders? Our employees? This song somehow morphed into these questions for me. And so, I looked back at this fiscal year and found myself thinking about how we're doing. What should we, as ADC employees and a company, be happy for?

I think we have much to be happy for. We are back on track and moving forward. I think that is clear from our business results. We are meeting our financial expectations and delivering results for our customers, employees and shareholders.





Back on Track, Moving Forward

First, we demonstrated our ability to overcome many obstacles to achieve our fiscal year objectives. As a company we proved resilient in overcoming major setbacks, such as the telecommunications carriers' lack of spend and the industry's continued pricing pressures. We took risks by entering the ACX market although we exited from this endeavor due to lack of profitability. We worked as a team to drive results while retaining focus on our customers.

We saw the value of business execution excellence in strengthening our company. Admittedly, this is a somewhat intangible item to grasp. Nonetheless, it can be seen in action across our company. It can be seen within our Fiber-to-the-X (FTTX) market presence. Three-and-a-half years ago we had zero percent of this market.

Today, as a result of internal development and the integration of FONS into ADC, it's now a \$200 million-plus business, placing us in a solid second position to Corning, the FTTX market leader. It can also be seen in our Active Infrastructure - Wireless business. It significantly improved the introduction of new products and also improved quality (compared to last year) and we're seeing the fruits of that labor within our financial numbers.

And these are only two examples of many. I'm happy to see that business execution excellence is being accomplished daily all across the company. I know that employees come into work every day setting the highest possible standards and then executing on those objectives. It's because of this type of execution that customers continually express their appreciation of our excellent customer service.

Customers have consistently been, and continue to be, at the heart of how we do business at ADC. They are embedded within our Vision, Mission and The ADC Way. Employees worldwide support customers day in and day out. And I am gratified we put such solid emphasis on customer service.

I urge every employee to continue thinking about how you can best serve our customers, be it externally or internally. Solid customer relationships drive our business. They help us better forecast our sales, and they help us maintain our solid footing in various telecom markets. Thank you to every employee who supports our customers. It's because of your efforts they continue to do business with ADC!

"I know that employees come into work every day setting the highest possible standards and then executing on those objectives. It's because of this type of execution that customers continually express their appreciation of our excellent customer service. "

Bob Switz, President and CEO

I am also happy to say that customers continue offering ADC feedback that allows us, as a company and as employees, to grow both financially and professionally. We are identifying gaps, solving issues and streamlining processes. I thank all of you who are working to streamline our customers' experience through Competitive Transformation (CT; formerly Competitive Cost Transformation).

IN THIS EDITION

Business News

- 1** Back on Track with Bob Switz
- 4** Customer Experience
- 8** Beijing Telecom Project

A Day in the Life of...

- 5** ...Laura Baca
- 5** ...Robert Li
- 6** ...Cristina Lujan
- 7** ...Dennis McBride
- 7** ...Hana Nemcova

ADC Cares

- 9** U.K. Floods
- 10** Cochran Climbs Mt. Kilimanjaro
- 11** ADC Cares Committes

Did You Know?

- 12** Customer Segments

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ADC employees at the Shakopee, Minnesota facility.



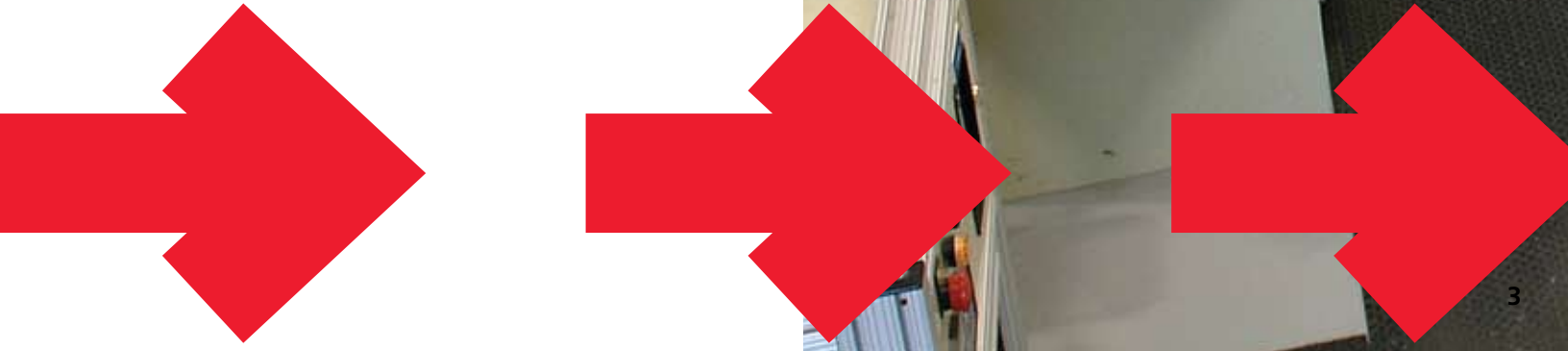
Over the last year we have made steady progress in this area from both execution and financial perspectives. I know employees across ADC are committed to transforming our company and realize that this is not the program of the day but a new way of doing business. We're opening our minds to change, and I am pleased that so many of you have moved from accepting this as an initiative to enthusiastically embracing it as how we will do business.

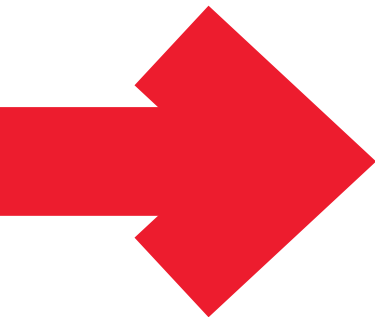
Many of ADC's major customers are positively responding to our reshaped product portfolio and are transitioning to core and leading products. We need to continue to standardize and optimize customers' networks. Through this process we can help them reduce their inventory, drive down their prices, increase their revenue (as well as our own) and deliver a better network to meet their end-users' highly complex, technical demands.

Needless to say, the business environment continues to rapidly evolve. Current industry forecasts predict spending rates to be flat, plus or minus one percent. Our product portfolio is in transition. The higher growth products (wireless, fiber and structured cabling) are being offset by declining products (legacy copper and wireline). In this environment, ADC must transform more quickly and effectively than our competition to be successful in growing in a non-growth business environment. Our commitment to Competitive Transformation has never felt more urgent or critical. I am pleased with our progress to date, but there is no room to relax. It is essential that we continue to achieve and exceed our transformation targets as we move forward.

On a happier note, though, we have the right strategy to win in the market! We are focusing in market areas that are growing faster than the industry averages, which will improve our financial performance over time. So, continue to ask questions of leaders regarding how you can personally contribute and keep your mind open. Change is constant. It's happening all around us. Flexible thinking is key to winning in our industry!

Looking forward, I am confident and happy with our business prospects for the coming year. I am proud of our drive to improve our business, and I am ever more optimistic that we can rise to the challenges our industry continues to present. It's an exciting time to be at ADC! We're back on track and moving forward.





Enhancing the Customer Experience



Through Competitive Transformation (CT), ADC aims to become a market leader in service, competitive cost base and quality for our customers. In fiscal year 2008 (FY08), we will continue to improve and transform the way we do business so we can deliver immediate impact and exceptional long-term competitive advantages, including an enhanced customer experience.

“Through CT we are streamlining inquiry, order management, and fulfillment processes to serve our customers better, faster and more efficiently,” said Pat O’Brien, President, Global Connectivity Solutions (GCS), during a presentation highlighting successful CT projects that positively impact our customers.

One of those projects was lead by Matt Lampi, Americas Customer Service Senior Account Specialist in Eden Prairie, Minnesota. His project, in coordination with the GCS Engineering team, reduced the number of Material Change Requests (MCRs) from Verizon on our Next Generation High-Density Fiber Distribution Frame (NG3) pre-terminated panels.

“When a customer, such as Verizon, requests a part requiring an MCR, it will affect how quickly we can promise a delivery,” said Matt.

An MCR is an internal request to load a new configuration of materials for a product into SAP, our company’s business management tool. Verizon has strict limitations for the maximum amount of slack for a fiber cable termination in its central office environments. Because central offices vary in size and shape, and our catalog number for NG3 pre-terminated assemblies includes the cable length characteristic, ADC is often required to add a new catalog number to our business system.

For example, one central office may need an NG3 panel pre-terminated with a fiber cable that has a minimum length of 100 feet. However, to meet the slack storage limitations set by Verizon, the cable can be no longer than 110 feet. If an appropriate length assembly is not already released on SAP, a new material number must be created.

Matt recommended updating the previous configure-to-order (CTO) guidelines for NG3 pre-terminated panels to allow the CTO system to create new configurations upon request, which had been accomplished by GCS Engineering. These changes eliminated the one- to two-week administrative time spent to release a new configuration. It will also reduce Verizon-requested MCRs by 25 to 35 percent overall.

“Shorter lead times make for a more satisfied customer,” said Matt. “And if the customer is happy, their business is likely to stay with ADC for the long run.”

Matt is currently working with other product managers to implement a similar improvement for other product lines, such as LSX, in FY08.

A Day in the Life of ...



... Laura Baca

Position/Title: Materials Manager

Years employed at ADC: Nine

Work location: Juarez, Mexico

What group or functional area do you support? All products manufactured at the Juarez facility.

In two or three sentences, how would you describe your job? My job is within the manufacturing area. In my specific role, I assure ADC has the raw materials we need for all manufacturing areas in Juarez and Delicias for sound manufacturing capabilities. The raw materials we handle are for product lines including DSX, fiber cabinets and panels, fiber and copper patch cords, sheet metal, and many others. While this role is important, it is just one component that supports our company's product manufacturing.

What do you enjoy most about your job? About working at ADC? I enjoy working at ADC because of the different challenges I encounter every day in my position. This is a company that cares for its employees and has open communication at all employee levels, which helps us all understand what's happening across the company. I really appreciate that.

How do you begin your day? I talk with my fellow co-workers and check in with my internal customers — Production and the Distribution Center — to review the service we are providing to them. This includes the timely distribution of raw material to the production floor and the timely distribution of products from our shipping areas through the distribution centers.

What does a typical morning look like for you? The morning is as busy and exciting as any other time of day for me. I first review the previous day's reports from customs, shipping and receiving. I then meet with my employees to evaluate results from the second and third shifts (e.g., the number of trailers unloaded, shipments received and pending production orders due to the lack of materials). I also get updates on progress of loading of pallets, etc. My morning also involves various meetings via phone or in person. In general, I enjoy the day-to-day challenges in trying to help our Competitive Transformation (CT) and lean manufacturing initiatives.

What does a typical afternoon look like for you? I spend the afternoon reviewing unfinished business. Some items include the pending number of trailers to unload and production orders to package. I also evaluate the urgency of shipments based on customers' demands. I then determine the number of trailers necessary to carry these shipments and monitor delivery time from our Mexico facilities to U.S. distribution centers.

How do you end your day? Free time after work is reserved for my family and friends. I just finished my master's degree in business administration (MBA), which consumed a good part of my time off work. Also out of work, I help in the community and lead volunteer activities for ADC Cares Juarez, the ADC Foundation's local giving committee.

What advice do you have for someone who is interested in working within your field/role? It's important to enjoy what you do and come to work with an enthusiastic attitude. If you enjoy what you do, you'll return home happy because of your accomplishments.

Education: An undergraduate degree in industrial electrical engineering and a master's of business administration (MBA).

Experience: 20 years experience in the Maquiladora industry, which is comprised of factories that are commonly operated by foreign-based companies like ADC.



... Robert Li

Position/title: Planning Supervisor

Years employed at ADC: Approximately one year

Work location: Shanghai, China

What group or functional area do you support? Global Connectivity Solutions

In two to three sentences, how would you describe your job? I'm the Planning Supervisor for the Materials department. My team's main task is to set reasonable schedules for production and material planning based on the market's demand, including the release of job and purchase orders, as well as customer order fulfillment.

We use “build-to-stock” and “delivery-to-promise” performance and inventory turns to assess our work. Since Shanghai is a newer operational facility for ADC, more and more new products and parts are being produced here. We work with teams to check on the supply and demand of products and projects being transferred to our facility.

What does a typical morning look like for you? Typically I start my work at 9 a.m. every morning and begin my day by checking e-mail. Since there is a substantial time difference between China and the United States/Mexico, I usually review e-mails from my U.S. and Mexican colleagues first and try to give them feedback as soon as possible. In reviewing pending issues related to the Materials team, I always check with my team members to come to consensus on a solution. I also check the demand status for products in the morning, including forecasts (FCST) and customer orders (CO). I then put that information into SAP.

Noon is our lunch time. In Shanghai we have lunch in the dining room. We enjoy this time to rest and chat with our colleagues and share interesting things happening around us. After lunch we walk around the facility’s perimeter if the weather is good. Surely, in this rapidly expanding business, we have less and less opportunities to exercise, so this offers a good chance to do so and be healthy.

What does a typical afternoon look like for you? I set the weekly communications meeting every Monday afternoon with the Manufacturing and Quality teams to review our performance and plan for the future. On a typical afternoon, the first thing I do after lunch is Materials Requirements Planning (MRP). MRP refreshes the material planner workbench to get the latest supply information, such as purchase requisitions and planned orders. This is done following my input of demand information into the system during the morning. After analyzing each requisition or order, I release a job or purchase order to production or a vendor. I also spend my time completing the report form and analyzing system data to reflect the planning status, such as weekly schedule planning and long-term production planning. If time is available, I read some books to enhance my professional knowledge to solve issues within my position.

How do you end your day? I leave work by 5 p.m. In the evening I meet my friends and enjoy my leisure time. However, I often have conference calls with teams in the United States and Mexico to discuss the transfer of products or projects and resolve any issues.

... Cristina Lujan

Position/Title: Assistant to the Finance Director

Years employed at ADC: Eight

Work: Location: Juarez, Mexico

What group or functional area do you support? Finance

In two or three sentences, how would you describe your job?

As the Assistant to Finance Director Ricardo Villarreal, I help him in all departmental requirements, such as signing authorization forms and making various reservations. I also assist our Manufacturing Vice President Mario Dena when requested.



What do you enjoy most about your job? About working at ADC? It’s very interesting to work with so many people each day and to be personally satisfied by doing a good job for our large company. I am also very proud to work with so many enthusiastic and intelligent people, and for such an excellent leadership team.

How do you begin your day? Every morning, I normally arrive to work at 7 a.m. As I enter the plant my co-workers smile and greet me. My morning routine starts with a delicious cup of fresh coffee. I then review my e-mails, prepare my daily schedule, and get ready to receive my supervisor and his directions for the day.

What does a typical morning look like for you? During the day I answer many incoming telephone calls, and I attend to visitors’ as well as my co-workers’ needs. Some tasks I accomplish include: formatting, printing and distributing reports; publishing birthday notices; performing English-to-Spanish translations; updating the employee attendance log; controlling grants administered by ADC Cares Juarez; and processing mail and invoices.

What does a typical afternoon look like for you? I go to the cafeteria around 1:45 p.m. for lunch with my co-workers. We have a very good meal and then return to our regular work schedules.

How do you end your day? Before heading home at 6 p.m., I review my schedule to ensure that everything has been completed. I live close to our facility, so it doesn’t take long to get home. Once I’m settled, I spend most of my evening with my husband, George. We normally have a light dinner together and do some home duties. I also relax in the evening by riding my bike, watching TV or reading a book. There is always something to do! But I love spending time with my family, which includes my two grown-up children, Ivan and George, travel as much as possible and do volunteer activities in our community.

What advice do you have for someone who is interested in working within your field/role? You must have a desire to help people, achieve goals, retain a good attitude and be a team player by assisting other departments. It’s also important to have strong self-confidence and be able to work under minimal supervision. Lastly, flexibility with your time and availability to support the workload is essential to doing this job well. Experience: In this city, the main work industry is the maquiladoras. I have been working in the maquilas for many years within Human Resources and Accounting, primarily as a bilingual executive secretary.

... Dennis McBride

Position/title: Quality Technician II

Years employed at ADC: Approximately one year

Work location: Lexington, South Carolina

What group or functional area do you support? Global Connectivity Solutions (GCS)

In two to three sentences, how would you describe your job? Our South Carolina facility is a manufacturing plant that specializes in the assembly of distribution cables for Verizon Advanced Termination Systems (VATS). My role here is to assist our team in providing a good product with the highest quality possible for sale to our customers. For example, I ensure our quality system is in compliance with industry and ADC-specific standards, such as TL-9000 and our manufacturing and assembly processes.

What do you enjoy most about your job? About working at ADC? I enjoy seeing a solid quality system put into place and having it work effectively. Since starting with ADC, I have really appreciated our great team environment and the care that ADC has for every employee.

How do you begin your day? My work day normally begins at 7:30 a.m. Upon entering the plant and placing my belongings in my work station, I head to the plant floor and greet all of the machine operators. While greeting the team I inquire about any unknown issues that may have arisen, such as issues with a product or testing that may have resulted in additional production downtime. From there I go on to check my e-mails and voice mails to prioritize tasks for the day. I try to lay out the day's priorities before I come into the office but those commonly change.

What does a typical morning look like for you? On occasion I attend meetings, but most of my time is spent addressing different equipment and product issues. When I hear of a product issue, I spend my time working with all of the involved parties, including the machine operator, Product Management, and Engineering, to resolve the issue.

One specific example of this occurred when an operator was performing the final test on a distribution fiber optic cable. Using an Optical Time Domain Reflectometer (OTDR), which measures the length of a fiber strand by using a laser light, the operator found that a fiber was measuring at a shorter length than expected. Immediately this was brought to my attention and the rest of Lexington's management team. After troubleshooting the issue, we found the fiber was broken at one point within the cable. The breakage point was not in an area of the cable where the operators had handled it, so we contacted the supplier. By conducting further investigations, in partnership with their quality team, the issue was resolved.

What does a typical afternoon look like for you? My afternoon is similar to my morning. A typical issue, such as a product failing tests at one of our test stations, could take anywhere from 10 minutes to eight hours to resolve. Once resolved, that cable is worked back into the process flow, and the test station is immediately reloaded with another product to test.

How do you end your day? As the day comes to an end, between 4 to 5 p.m., I wrap up important time-sensitive tasks and again lay out my next day's priorities.

What advice do you have for someone who is interested in working within your field/role? For anyone who may be interested in the quality field, I would definitely say that a well-balanced combination of education, experience and patience are the key factors needed for a successful career. Before coming to ADC, I obtained four years of extensive training in the communications field while serving in the U.S. Marine Corps. From there I began to deal more heavily with the making and testing of fiber optic cables during my employment with Pirelli Cables and Systems. Since entering into the quality field at Pirelli's research and development center, I have remained in this field since 2000, working with several companies including one in the automotive industry. This combination of training and experience has benefited me in my current role.



... Hana Nemcova

Position/title: Buyer

Years employed at ADC: One-and-a-half years

Work location: Brno, Czech Republic

What group or functional area do you support? I work within the Global Connectivity Solutions (GCS) business unit. Functionally, I am in close contact with Planning and Production, but I also cooperate with Warehouse staff, Logistics and Finance.

In two to three sentences, how would you describe your job? I purchase various commodities, such as metal sheets, wires, connectors, adapters, plastic parts and others from third-party vendors all over the world. Some vendors I work with include Carclo and Bel Stewart. Generally my task, and the task of our Purchasing department, is to obtain all parts for production in time to meet the needs of our customers. Partially, our job is similar to MRP Controllers or Planners who are responsible for purchasing materials from other internal ADC facilities.

What do you enjoy most about your job? About working at ADC? I most enjoy the versatility of my work; I get to meet many people from different countries; and I work with a good team here in Brno. Our team consists of Hana Dvorackova, Ales Konecny and our manager, Radomir Schottl.

How do you begin your day? I arrive at the office at 7:30 a.m. and begin my day reading e-mail, checking my calendar to see if I have any conference calls or meetings for the day, and then set my schedule and priorities based on those tasks. However, my priorities are likely to change throughout the day as other issues arise.

What does a typical morning look like for you? I monitor fluctuating ADC demand for items we purchase and place purchase orders for those items to support our manufacturing requirements. Through that process, I work with our vendor to order the necessary quantity of goods requested and coordinate the delivery of them to our facility. In addition to this I purchase equipment and machines for new projects. I also run and analyze necessary reports. The reports usually assess open and overdue purchase orders with suppliers, quality notifications, purchasing requisitions and new requirements for change of delivery dates.

What does a typical afternoon look like for you? During the afternoon I have calls with suppliers regarding deliveries and

safety stocks, which are the agreed-upon levels of stock kept at the supplier and available for ADC's disposal at any time. If we are short on any of our critical parts, it could endanger our production. I often involve my manager in dealing with supplier management to fix situations in which a shortage may arise and then determine how to prevent it from being repeated. I also attend meetings and conference calls concerning new projects with ADC employees. Recently, our team has begun working on SAP to input purchasing data like lead times and commodity groups. In the end, my daily job tasks revolve around continually trying to improve our vendor's performance, getting the best pricing for ADC and reducing our production lead times.

How do you end your day? I usually leave office between 5 to 6 p.m. However, I may work later depending on the volume of my work.

What advice do you have for someone who is interested in working within your field/role? If someone is interested in this position, he or she should be responsible and flexible; an ability to work under pressure; and good communication skills. Education in business, or a technical discipline, and experience within a manufacturing production environment should help him or her as well.

ADC Completes Beijing Telecom Project

ADC China completed a \$342,105 (USD) (2.6 million (RMB)) installation of our NGF, DSX-1, DSX-3, EDF and FGS products into Beijing Telecom's 141-square feet (43,969-square meter) Dong Si Complex Building Central Office this June. The central office, located in the Dong Cheng District of Beijing and one of Beijing Telecom's core nodes for its transmission network, will satisfy the needs of a fast-growing market and provide strong communication support for the Beijing 2008 Olympic Games.

"By using ADC's signal distribution integrated solution, Beijing Telecom's transmission, switching, changing and upgrading within its central office can be done in one distribution area," said James Shi, Engineering Manager at our ADC China Sales office in Beijing.

The optical distribution and digital distribution areas are commonly the most difficult part in telecommunications engineering and maintenance. If a company doesn't properly plan and select the right equipment, future construction and maintenance can be difficult.

"Our products will increase the system's reliability, decrease the network's breaking time, reduce operational costs to Beijing Telecom, and allow the system to adjust and expand to the business development needs of the company," added James.

Terence Yu, Manager, Account Executive in Beijing, said, "I'm proud that our company's quality products and solutions met Beijing Telecom's network requirement. Beijing Telecom is an important customer for us in the ever-expanding Chinese market, and I am pleased that we have such dedicated employees to support their needs."

Beijing Telecom provides integrated telecommunications services to customers in the commercial, enterprise and government sectors. The company is a branch of the China Telecom Corp., a provider of wireline telecommunications services in 20 Chinese provinces, autonomous regions and municipalities.



Employees Work on as Flooding Disrupts Lives

In late July, disaster struck the borough of Cheltenham in Gloucestershire, United Kingdom when catastrophic floods — the worst to hit western England in 60 years — engulfed the area following a month with two-and-a-half times the normal rainfall. Following five inches of rain in less than 24 hours, 150,000 residents were left without drinking water or sanitation and 40,000 without electricity.

As flooding raged on and thousands of residents were left homeless, ADC employees at our Cheltenham facility gallantly continued to support our customers as the building remained without water required for sanitation. In total, more than 40 employees were affected by the flood, with an ADC Sales Director losing his home after more than four feet of water flowed through it.

“The effects of the flooding were monumental, affecting every aspect of our day-to-day lives,” said Mike Hawtin, Managing Director of ADC U.K. “We would have been forced to close our ADC facility, as many other businesses did, but thanks to the creative efforts of our employees, our facility remained open to ensure that customer orders continued to be fulfilled.”

Four employees on ADC U.K.’s Disaster Recovery Team devised an ingenious system to feed facility washrooms through a water tank on the roof. Through the use of sump pumps, the team, which included James Bloor, John Nightingale, Mark Nightingale and Dave Walker, retrieved water from an underground storm tank outside of the facility. The water was then pumped into a 25-gallon (94.6-liter) container in the building where it traveled throughout the interior to the rooftop tank and made its way to a small water pump that fed into the



James Bloor, John Nightingale, Mark Nightingale and Dave Walker stand around the filling tank used during the Cheltenham floods in late July.

washroom. Thanks to their work the facility retained running water and remained sanitary for key staff to continue necessary on-site operations.

“Normally, you wouldn’t think of sanitation as a luxury,” Mike said. “But in dire situations such as this, you truly realize the value of everyday things we take for granted.”

With key operations continuing on site, many U.K. employees were still unable to report to work due to the effects of the flood. However, through our company’s technology — webmail and use of remote

access key fobs that connect to our network — they could continue supporting our business off site.

Mike said, “I’m proud our team was able to deliver to our customers. My team and I are also thankful for the support we received from employees across the globe. It’s good to know that our company is there for us in times of need.”

Following eight days the site was fully operational with the return of sanitation and fresh, running water from the local water treatment plant.

Cochran Climbs Mountain, Donates 137 Smiles

In June, *Insights* featured an article on Seth Cochran, Operations Finance Manager, Europe, Middle East and Africa. Seth trekked 19,340 feet (5,895 meters) up Kenya's Mt. Kilimanjaro in support of The Smile Train, a U.S.-based charity that provides free cleft palate surgeries to underprivileged children in developing nations. His late June trip raised more than \$34,250 (USD) (23,673 (EUR)) — donating 137 smiles and surpassing his goal.

"The beauty, scale and diversity of Kilimanjaro completely blew me away, but what really overwhelmed me was opening The Smile Train flag and realizing how many families this effort would positively impact," Seth said.

Following his hike to the top of Uhuru Peak, the highest summit on Mt. Kilimanjaro, Seth met with The Smile Train's Regional Director Anjuna Kalsi in Nakuru, Kenya. Anjuna arranged a visit to the Metropolitan Hospital, a Smile Train partner clinic in Nairobi. There Seth was introduced to a 23-year-old security guard who hoped to undergo cleft palate surgery.

"He didn't talk much, but the few comments he made, as well as his body language, revealed a young man excited at the possibility of change yet a bit nervous about how it would occur," Seth said.

The security guard, although older than typical Smile Train surgery recipients who tend to be young children, went through surgery in early July.

But what may have been the most enduring part of Seth's experience was the support he received from global ADC employees.

Following the launch of the initial article, "Defining Volunteerism: Seth Cochran



Seth reached Uhuru Peak on June 28 after a four-day hike up Mt. Kilimanjaro in support of The Smile Train.

Profile," employees rallied together in support of his cause. Dusan Burget, Manufacturing Engineer in Brno, Czech Republic, led a company-wide donation drive collecting approximately \$300 (207 (EUR)) from 81 people. John Harris, Manufacturing Director in Berkeley Vale, Australia, organized 29 donors at our Australian facility. And Peter-Michael Schroetter, Head of the Works Council in Berlin, Germany, set up donation boxes throughout the Berlin facility.

In total, 175 employees donated to The Smile Train, with the ADC Foundation

matching employee gifts dollar for dollar (USD).

"Thanks so much to all the generous ADC employees who supported this effort and especially to the ADC Foundation. Together, we made an enormous and sustainable impact on the lives of hundreds of people throughout the developing world. The compassion and commitment of our fantastic employees has profoundly impressed me!" Seth said.

Helping Those in Need THROUGH TECHNOLOGY

In 1935, a young engineer named Ralph Allison invented what became ADC's very first product in the basement of his south Minneapolis, Minnesota home, the audiometer. This product was an electronic device designed to test hearing. While our company no longer produces this device, Ralph's legacy lives on through ADC Foundation grants being made across the globe for nonprofit access to technology.

The ADC Cares Brno committee made three grants during FY07, one of which will purchase audio-aid sets for people who are visually impaired in Brno, Czech Republic.

One of ADC Cares Cheltenham's grants was awarded to National Star College in the United Kingdom, a residential college for young people with physical disabilities. The grant will purchase

"augmented or alternative" communications devices that allow wheelchair-bound people to communicate with others. This is the second grant the organization has received.

In Asia Pacific, the ADC Cares Berkeley Vale committee recently gifted a grant to an organization that helps pay for accommodations of families who have children with cancer or a prolonged illness being treated at hospitals in Sydney or Newcastle, Australia. The organization, Central Coast Kids in Need, will use the grant to purchase office technology.

"Providing nonprofits with technology access is paramount to the foundation's mission," said Bill Linder-Scholer, ADC Foundation Executive Director. "These grants showcase our continued commitment to that mission."

ADC Cares Berlin Makes First Grant

The ADC Cares Berlin committee, founded in April, has made its first official grant from the ADC Foundation. The committee has gifted \$16,675 (USD) (15,522 (EUR)) to the Street UniverCity, a new school for underprivileged youth in Berlin, Germany, toward purchasing technology equipment for a 650-square foot (216.6-square meter) multi-media production facility.

"We're elated to help the school establish a state-of-the-art production facility," said Dr. Frank Brode, Director, Research and Development. "The new technology will provide students with sound recording capabilities beyond their wildest dreams."

The committee considered Street UniverCity because of its educational mission of assisting children from the most socially disadvantaged areas of Berlin to pursue successful professions.

The grant will help purchase video cameras, sound mixers, Apple iMac computers, CD players, and more for the arts and media department's renovated production facility. When completed, the facility will be capable of recording, editing and mixing music.

"It's rewarding to be a part of a unique educational program that helps youth in need get on the right track and earn the necessary professional and creative skills for a better future," said Claudia Duval, Manager, Communications in Europe, Middle East and Africa.

Street UniverCity is a nonprofit, nongovernmental organization. It offers educational pursuits in four areas—social studies, professional training, sports and martial arts, and arts and media—and began its first semester of classes this fall.



Did You Know?

ADC Customer Segments



ADC employees are given a tour by Rafael Saledo, Systems Engineer Associate, of our new product demonstration room in Santa Teresa, New Mexico. This is one of many global product demonstration rooms that educate customers and employees on our product portfolio.

ADC provides network infrastructure products and services to help public networks and enterprise customers to profitable delivery of high-speed Internet, video, data, and voice services to residential, business and mobile subscribers around the world. Communications service providers from the largest global carriers to start-up wireless operators rely on ADC products to deliver high-quality video, data, and voice services to end-users in the office, at home and on the go.

Our customers around the world include local and long distance telephone companies, cable television operators, OEMs (Original Equipment Manufacturers), Internet/data communications providers, wireless service providers, private network operators, and broadcast television operators. ADC is well positioned to assist all of these market segments in achieving their communication goals. Below is a brief description of some of these market segments.

Wireline and Wireless Carriers

The majority of ADC's revenue is derived from our support of the Wireline Carrier

Market through our copper and fiber network connectivity products. This group of service providers utilizes ADC's products and services to deliver communication services to their clients business and consumer clients. Examples of these customers include: AT&T, British Telecom, Deutsche Telekom, Hong Kong Telecom, Reliance Infocom, Qwest and Verizon. This market is comprised of multiple service provider classifications, including:

- ILEC Independent Local Exchange Carrier (Incumbent)
- CLEC Competitive Local Exchange Carrier (Tier 2)
- RBOC Regional Bell Operating Company
- IOC Independent Operating Company
- IXC Inter-Exchange Carrier
- CLEC Competitive Local Exchange Carrier
- MSO Multi-Service Operator or Cable Television Operator

Wireless Carriers also build telecommunication networks to provide services to

their business and consumer customers. However, unlike Wireline Carriers, their services are targeted for delivery by a wireless last-mile network. Examples of these customers include Cingular, Sprint Nextel and T-Mobile. While ADC also supports these customers with a broad portfolio of copper and fiber network infrastructure equipment and our Professional Services, most of ADC's revenue in this segment comes from wireless products in our Active Infrastructure group including Digivance digital distributed antenna systems (DAS) and ClearGain Tower-Mounted Amplifiers.

OEMs are equipment or electronics providers that utilize ADC product as either an integrated component of the equipment they sell, as complementary product in a bundled network infrastructure solution, or as necessary material to support their network integration or installation efforts. Examples of OEMs include Cisco, Nortel, Alcatel-Lucent, Ericsson, and Siemens-Nokia.

ADC also provides solutions for the Enterprise market segment. For ADC customers, Enterprise customers are defined as those that do not manage networks in order to provide and resell telecommunication services, but purchase equipment from suppliers like ADC to support their own internal communication networks or Data Centers. This diverse market segment includes companies such as Nike, Bank of England, Bloomberg, Air Berlin, Chase Manhattan, The Venetian Resort and Casino, Citi Bank, Ford, Glaxo Smith Kline, Morgan Stanley, Rolls Royce, branches of the U.S. Federal Government, and many others.

B&E (Broadcast and Entertainment) is an industry segment that utilizes ADC network connectivity and infrastructure products to provide radio and video services to the consumer market. Customers in this market include broadcast networks (Fox, ESPN, and Disney) as well as local affiliate stations, and mobile broadcast suppliers.

It is interesting to think that virtually all communications throughout the world at some stage pass through ADC equipment.