



GLOBAL GROWTH
NEW NETWORKS: NEW WAYS



ADC AT A GLANCE

BUILDING NEW NETWORKS: NEW WAYS

Communication networks continue to transform at a rapid pace and ADC is positioned at the center of these network transformations with innovations in technologies that have an immediate revenue creation impact for carriers and make enterprise networks more secure, more efficient and less costly to maintain.

As these networks transform due to end-user demands and as operators work to provide new services such as IPTV (Internet Protocol TV), VoIP (Voice over Internet Protocol) and high-speed data, ADC is presented with unique opportunities to provide network infrastructure solutions for years to come.

Our goal for 2006 is to expand our global presence and grow ADC at a rate both above average market growth rates and faster than our primary competitors. We are confident in our ability to accomplish these goals as we continue to execute on our strategy to be a leader in network infrastructure products and services. We remain focused on several key network transformation initiatives that offer significant growth potential. These areas include:

CONNECTIVITY. Deep fiber initiatives like fiber-to-the-x (FTTX) deployments now underway in the United States and many parts of the world continue to expand. ADC was among the first network infrastructure providers to invest in, design, manufacture and launch FTTX solutions

required to make these networks a reality. Today, ADC is a member of the Fiber-to-the-Home Council in the Americas, Asia and Europe/Middle-East/Africa regions. Our expertise gained in the U.S. market will lend itself well as markets around the world launch their own FTTX deployments. Moreover, carriers will continue to rely on their existing copper networks as a revenue source while networks continue to transform. New Ethernet, video and xDSL services drive consumer demand for improved bandwidth performance, giving ADC opportunities for

increased demand of products in our copper portfolio. The cutting edge of copper networks includes the advancement of touchless networks, which will be served by ADC's automated cross-connect products. Lastly, ADC's market leading broadcast equipment products continue to serve customers' audio and video needs worldwide.

WIRELESS. Mobile operators continue to acquire more and

more subscribers as the demand for mobile service grows worldwide. ADC's Digivance® initiative grew significantly in 2005, gaining traction with major carriers in North America. In 2006, the Digivance offering will expand to include a new version designed for 3G network architectures in Europe. The Digivance Indoor Coverage product line will also expand to include a wide-band, multi-band solution for neutral host operators and wireless carriers who require maximum flexibility to meet the demands of today's market. In addition, ADC is bringing to market both Wi-Fi and WiMAX product offerings as wireless operators and enterprise customers search for better techniques to deliver wireless functionality to private businesses and the public.

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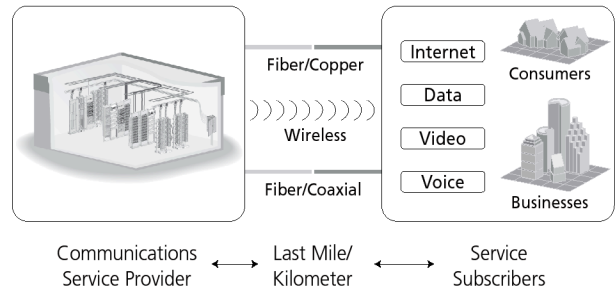
ENTERPRISE. 2005 was an exciting year of change and steady growth for ADC's enterprise product offerings. The new TrueNet® Structured Cabling Solution is now available to large enterprises in nearly every market in the world. With a focus on emerging technologies like CopperTen™ (10-Gigabit Ethernet), Power over Ethernet and network convergence, ADC is positioned in the enterprise market as a complete solutions provider for multi-national organizations all over the world.

PROFESSIONAL SERVICES. Operators in the U.S. and Europe continue to find great value in ADC's Plan-Deploy-Maintain suite of network lifecycle services. In 2006, ADC's services portfolio will expand to include Outside Plant program and project management, cabinet configuration and placement, network optimization and maintenance services, to name a few additions. These new services are not only in demand from existing customers, but will help increase ADC's overall value to them, while embedding our experts into their networks for the long term.

In order to provide transforming networks with the equipment and services needed to operate efficiently and deliver high-speed services, suppliers in the industry must know and understand their customers' needs and requirements. For decades, ADC has continued to grow its global customer base and maintain long-term customer relationships because our sales executives and product management teams know the vast intricacies of our customers' networks. We have become a recognized leader in global infrastructure products and services with a reputation as an innovator in designing and manufacturing equipment for networks of all types. ADC's vast experience enables us to work diligently to invest in and design solutions geared to have an immediate positive effect on the delivery of new products and services that meet our customers' needs.

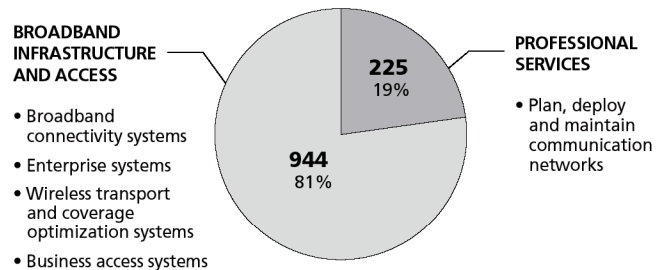
MARKETS

ADC's NETWORK INFRASTRUCTURE SOLUTIONS

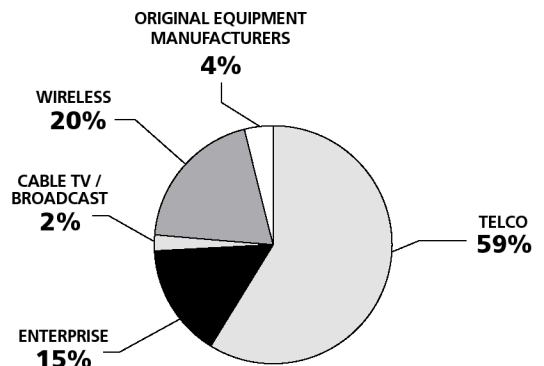


PRODUCT AND SERVICE GROUPS

2005 sales (dollars in millions)
Outside of the United States = 45%



CUSTOMERS

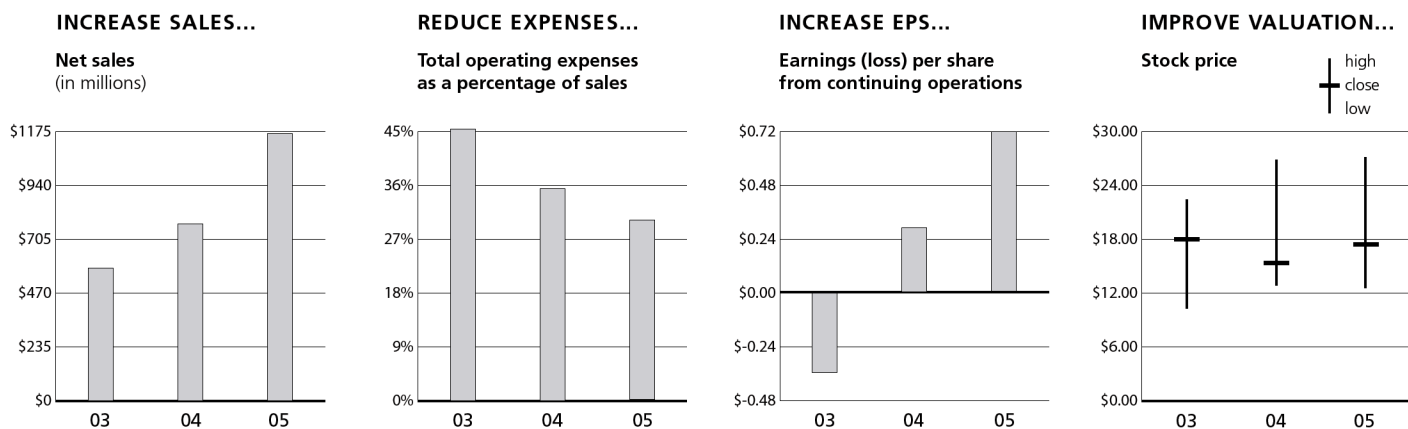


PRIMARY COMPETITORS

Broadband Infrastructure and Access:
3M, ADTRAN, Andrew, CommScope, Corning, Furukawa, Nexans, Powerwave, Schmitt, Telect, and Tyco

Professional Services:
Alcoa Fujikawa, Butler, Graniou, Lucent Technologies, NEC, SAG, and SPIE

FINANCIAL HIGHLIGHTS¹



Years ended October 31 (dollars in millions, except per share data)	2005	2004	2003	Growth 2005 vs. 2004	Growth 2004 vs. 2003
Selected results from continuing operations					
Net sales	\$ 1,169.2	773.4	579.8	51.2%	33.4%
Net sales outside the United States	\$ 530.2	305.9	143.3	73.3%	113.5%
Gross profit	\$ 420.9	302.3	208.0	39.2%	45.3%
Research and development expense	\$ 71.6	59.1	59.9	21.2%	(1.3)%
Selling and administration expense	\$ 243.9	200.6	158.9	21.6%	26.2%
Amortization of purchased intangibles	\$ 18.1	4.4	-		
Impairment charges	\$ 0.3	1.7	15.6	(82.4)%	(89.1)%
Restructuring charges	\$ 14.7	11.9	27.6	23.5%	(56.9)%
Total operating expenses	\$ 348.6	277.7	262.0	25.5%	6.0%
Operating income (loss)	\$ 72.3	24.6	(54.0)	193.9%	145.6%
Income (loss) before income taxes	\$ 92.7	35.6	(44.9)	160.4%	179.3%
Income (loss)	\$ 85.5	33.6	(39.8)	154.5%	184.4%
Income (loss) per diluted share	\$ 0.72	0.29	(0.35)	148.3%	182.9%
Return on average shareowners' investment	11.9%	5.2%	(5.9)%		
Total cash provided by operating activities	\$ 60.0	73.5	35.6	(18.4)%	106.5%
Depreciation and amortization	\$ 67.2	41.4	53.4	62.3%	(22.5)%
Property and equipment additions, net of (disposals)	\$ 13.5	(0.9)	67.6		
Selected results from discontinued operations					
Loss from discontinued operations, net of tax	\$ (1.3)	(67.2)	(36.9)		
Gain on sale of discontinued operations, net of tax	\$ 26.5	50.0	-		
Total cash used by operating activities	\$ (1.4)	(68.0)	(3.6)		
Selected balance sheet data					
Current assets	\$ 853.0	836.1	1,032.6	2.0%	(19.0)%
Total assets	\$ 1,535.0	1,428.1	1,296.9	7.5%	10.1%
Current liabilities	\$ 286.6	302.0	266.8	(5.1)%	13.2%
Long-term notes payable	\$ 400.0	400.0	400.0		
Shareowners' investment	\$ 773.9	659.3	627.7	17.4%	5.0%
Number of employees	8,185	7,502	5,700	9.1%	31.6%
Investment information					
Stock price - close	\$ 17.45	15.47	17.99	12.8%	(14.0)%
- high	\$ 27.14	26.95	22.47		
- low	\$ 12.88	12.25	10.57		
Shares outstanding at year-end (millions)	116.5	115.7	115.2		
Average shares outstanding - diluted (millions)	131.1	116.0	114.8		

¹ For more information, see the eleven-year financial summary on page 8. Share data and stock prices for all periods are stated giving effect to ADC's one-for-seven reverse stock split, which became effective on May 10, 2005.