

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Property, Plant, and Equipment, Net

Net property, plant, and equipment consisted of the following:

	Fiscal Year End	
	2019	2018
	(in millions)	
Property, plant, and equipment, gross:		
Land and improvements	\$ 152	\$ 171
Buildings and improvements	1,393	1,379
Machinery and equipment	7,298	7,124
Construction in process	637	724
	9,480	9,398
Accumulated depreciation	(5,906)	(5,901)
Property, plant, and equipment, net	<u>\$ 3,574</u>	<u>\$ 3,497</u>

Depreciation expense was \$510 million, \$487 million, and \$442 million in fiscal 2019, 2018, and 2017, respectively.

8. Goodwill

The changes in the carrying amount of goodwill by segment were as follows:

	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
	(in millions)			
Balance at fiscal year end 2017 ⁽¹⁾	\$ 2,011	\$ 3,047	\$ 593	\$ 5,651
Acquisitions	—	80	—	80
Purchase price adjustments	—	(2)	—	(2)
Currency translation	(18)	(21)	(6)	(45)
Balance at fiscal year end 2018 ⁽¹⁾	1,993	3,104	587	5,684
Acquisitions	167	—	—	167
Purchase price adjustments	—	(12)	—	(12)
Currency translation	(36)	(53)	(10)	(99)
Balance at fiscal year end 2019 ⁽¹⁾	<u>\$ 2,124</u>	<u>\$ 3,039</u>	<u>\$ 577</u>	<u>\$ 5,740</u>

- (1) At fiscal year end 2019, 2018, and 2017, accumulated impairment losses for the Transportation Solutions, Industrial Solutions, and Communications Solutions segments were \$2,191 million, \$669 million, and \$489 million, respectively.

We recognized goodwill in fiscal 2019 and 2018 in connection with recent acquisitions. See Note 5 for additional information regarding acquisitions.

We completed our annual goodwill impairment test in the fourth quarter of fiscal 2019 and determined that no impairment existed.