

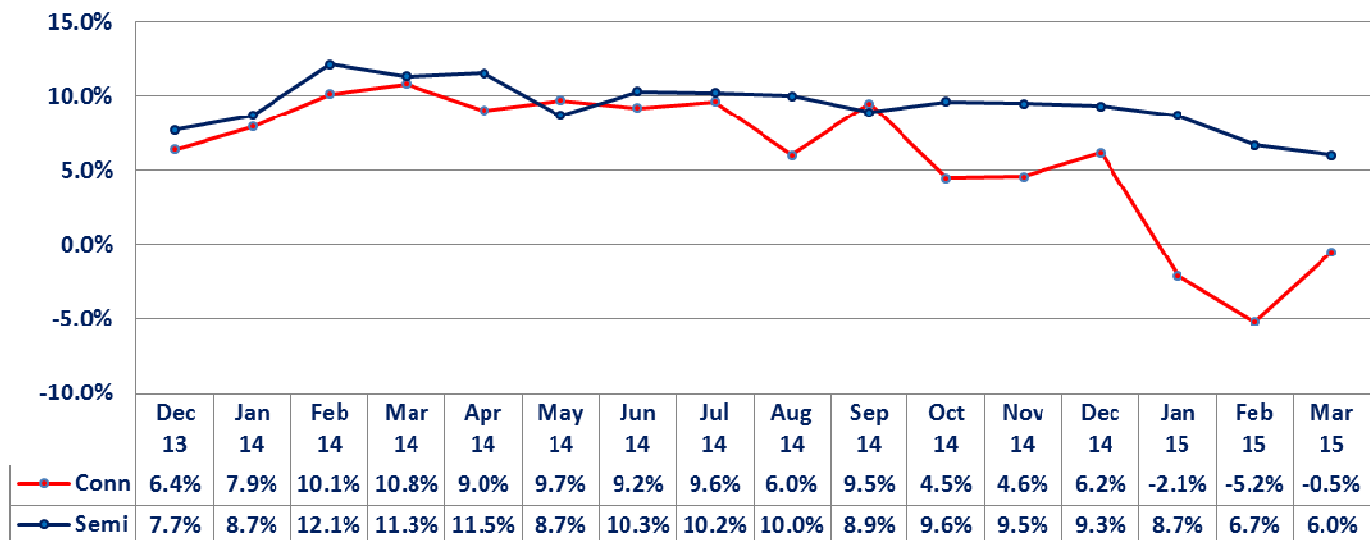
Semis Grow +7.1% in 1Q15 Connectors Contract -2.6% for the Quarter

The Semiconductor Industry Association (SIA) reported March sales of \$27.7 billion, up +6.0% from March 2014 and flat sequentially from February. 1Q15 sales are up +7.1% from 1Q14.

The connector industry March sales were down -0.5% year-over-year in March and up +0.2% sequentially. First quarter sales contracted -2.6% YOY.

The following graph compares semiconductor sales performance to the connector industry.

Monthly Sales Performance
Year-Over-Year



- March was the 24th consecutive month for growth in semiconductors.
- Semiconductor sales growth has been higher than connector sales growth in 10 out of the last 12 months. Semis YOY growth, however, has been falling-off slightly over the last three months.
- The gap in YOY performance of the two industries was 10.8 points in January, 11.9 points in February and 6.5 points in March in favor of Semiconductors. These are the largest gaps since February 2012 when the gap was 9.1 points.
- Given the Semiconductor is usually a leading indicator for connector performance, semis continued growth would indicate a turn-around for the connector industry in the near future (if the downward trend stops).

The following table displays year-to-date performance by geographic region for both components.

**Sales Performance
March Year-To-Date**

	Semiconductors	Connectors
North America	16.0%	1.8%
Europe	-2.3%	-12.6%
Japan	-8.8%	-7.9%
China	NA	5.5%
Asia Pacific*	8.8%	6.7%
World	7.1%	-2.6%

* Including China, Source SIA & Bishop

- Semiconductor sales growth is still in the high single-digits. This is a positive indicator that connector sales will rebound in 2Q15.
- North America's semiconductor sales growth exceeded the connector sales YTD growth by 14 points in March. Connector sales should, thus, pick up.
- Japan's semiconductor and connector sales are converging and both are contracting.
- There is a 10 point differential in performance of both components in Europe and both are contracting.
- Sales in Asia Pacific are strong for both components.

The strong first quarter sales for semiconductors are encouraging because semi demand normally leads connector demand by a couple of months. Thus, similar connector demand should follow this performance.

Connectors are forecast by Bishop to grow +5.1% in 2015. Gartner project's that semiconductor demand will be up +5.4% YOY in 2015.