

We Continue in A Stable Price Environment

Price Analysis

The Price Index for December is 2.971, and will be 3.224 six months from now. Remember, an index above 3.000 means industry personnel believe prices will increase.

Industry personnel were asked, "In your opinion, what happened to connector prices in the past six months, and what will happen during the next six months?" The results of the December survey are shown in the following table:

| Price Change | Last 6 Months | Next 6 Months |
|-------------------|---------------|---------------|
| Increase a lot | 0.0% | 1.5% |
| Increase a little | 24.3% | 37.3% |
| Stay the same | 54.3% | 44.8% |
| Decline a little | 15.7% | 14.9% |
| Decline a lot | 5.7% | 1.5% |
| Total | 100.0% | 100.0% |
| Dec | 2.971 | 3.224 |
| Nov | 3.000 | 3.259 |
| Oct | 3.095 | 3.171 |
| Sep | 3.247 | 3.272 |
| Aug | 3.086 | 3.085 |
| Jul 2013 | 2.971 | 3.043 |

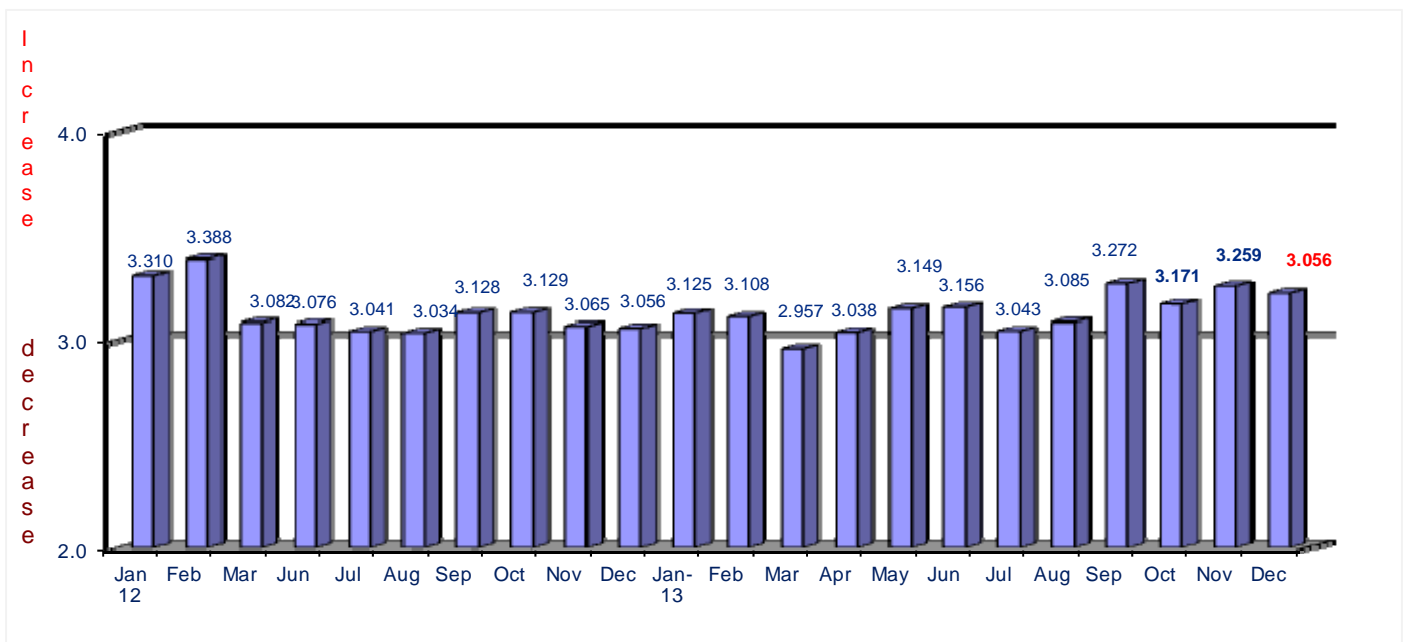
A price index above 3.000 means industry personnel believe prices have, or will increase. Methodology: Increase A Lot = 5; Increase A Little = 4; Stay the Same = 3; Decline A Little = 2; Decline A Lot = 1

The following table displays the distribution of responses on the question of prices.

| Prices | Last 6 Months | Next 6 Months |
|----------------------|---------------|---------------|
| Decline 1-2% | 7.1% | 7.2% |
| Decline 3-4% | 11.4% | 13.0% |
| Decline 5-6% | 4.3% | 0.0% |
| Decline 7-8% | 1.4% | 1.4% |
| Decline 9-10 | 0.0% | 0.0% |
| Decline >10% | 0.0% | 0.0% |
| Stay The Same | 50.1% | 43.6% |
| Increase 1-2% | 11.4% | 15.9% |
| Increase 3-4% | 11.4% | 14.6% |
| Increase 5-6% | 2.9% | 2.9% |
| Increase 7-8% | 0.0% | 0.0% |
| Increase 9-10% | 0.0% | 1.4% |
| Increase >10% | 0.0% | 0.0% |
| Total | 100.0% | 100.0% |

The following graph provides a history of the price index since January, 2012. We have now been in a firm price environment since 2010.

Connector Price Index Prices 6 Months from Now



Lead Times

Industry personnel were asked, "In your opinion, is lead time increasing, staying the same, or decreasing now and in 6 months from now?"

The following table provides the survey results, including distribution of responses:

| Lead Time | Now | In 6 Months |
|---------------|---------------|---------------|
| Increase | 17.5% | 13.0% |
| Stay the Same | 73.0% | 79.8% |
| Decrease | 9.5% | 7.2% |
| Total | 100.0% | 100.0% |
| 1 Week | 4.3% | 4.3% |
| 2 Weeks | 15.9% | 15.9% |
| 3 Weeks | 11.7% | 10.1% |
| 4 Weeks | 18.9% | 20.4% |
| 5 Weeks | 10.1% | 8.7% |
| 6 Weeks | 26.2% | 24.7% |
| 7 Weeks | 1.4% | 2.9% |
| 8 Weeks | 4.3% | 5.8% |
| 9 Weeks | 0.0% | 0.0% |
| 10-12 Weeks | 2.9% | 2.9% |
| 13-16 Weeks | 4.3% | 4.3% |
| >16 Weeks | 0.0% | 0.0% |
| Total | 100.0% | 100.0% |

| | | |
|------------------------|-----|-----|
| Average in Weeks - Dec | 4.9 | 5.0 |
| Average in Weeks - Nov | 5.4 | 5.8 |
| Average in Weeks - Oct | 5.5 | 5.4 |
| Average in Weeks - Sep | 5.5 | 5.5 |
| Average in Weeks - Aug | 6.1 | 5.9 |
| Average in Weeks - Jul | 5.3 | 5.4 |
| Average in Weeks - Jun | 5.7 | 5.9 |

Lead times are 4.9 weeks now and forecast to be at 5.0 in six months.