

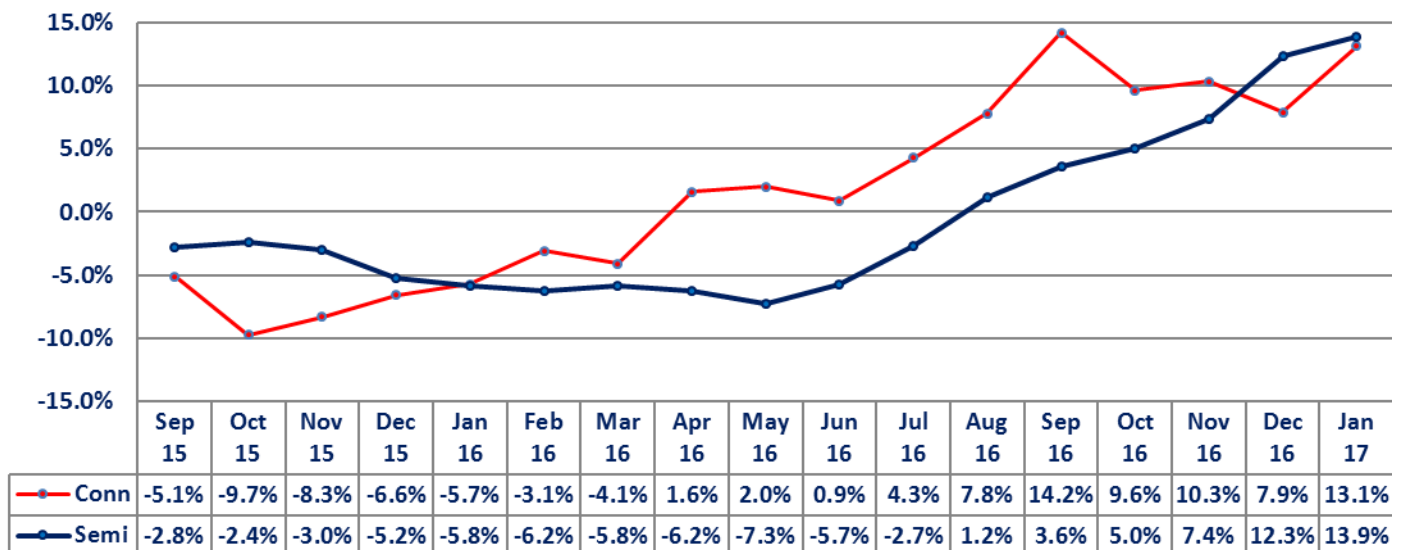
Double Digit Growth Returns January Semi Sales Up +13.9%

The Semiconductor Industry Association (SIA) reported January sales of \$30.6 billion, up +13.9% from January 2016 and down -1.2% sequentially. Regionally for January, the SIA reported that China grew +20.5% YOY, Japan grew +12.3%, Asia Pacific/Other grew +11.0%, the Americas grew +13.3% and Europe grew +4.8%.

The connector industry sales, measured in U.S. dollars, increased +13.1% to prior year in January and contracted -0.8% sequentially. Regionally for January, YOY sales increased +7.6% in North America, +9.8% in Europe, +21.6% in China, +27.8% in Japan, +15.7% in ROW and Asia Pacific grew +6.7%.

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

Monthly Sales Performance
Year-Over-Year



- For just the second time since January 2016, semiconductors outperformed connectors in sales growth.
- Both connectors and semiconductors achieved double digit growth in January, 2017.
- All regions are growing.

The following table displays year-to-date performance, measured in U.S. dollars, by geographic region for both components.

**Sales Performance
January Year-To-Date**

	Semiconductors	Connectors
North America	13.3%	7.6%
Europe	4.8%	9.8%
Japan	12.3%	27.8%
China	20.5%	21.6%
Asia Pacific/Other	11.0%	6.7%
World	13.9%	13.1%

Source SIA & Bishop

China's growth is back to over 20%. This is important because China is where semi's and connectors have realized meaningful sales increases over the past 10-15 years. Components need a healthy China for sustainable growth.

Connectors started achieving growth in April, 2016. Semis didn't starting growing until August, 2016. In this business cycle, connectors are leading semis in achieving sales growth. This is unusual because historically semis lead during turnarounds in business cycles.

However, stronger semiconductor sales still portend good news for connectors.

All in all, 2017 is off to a great start.