

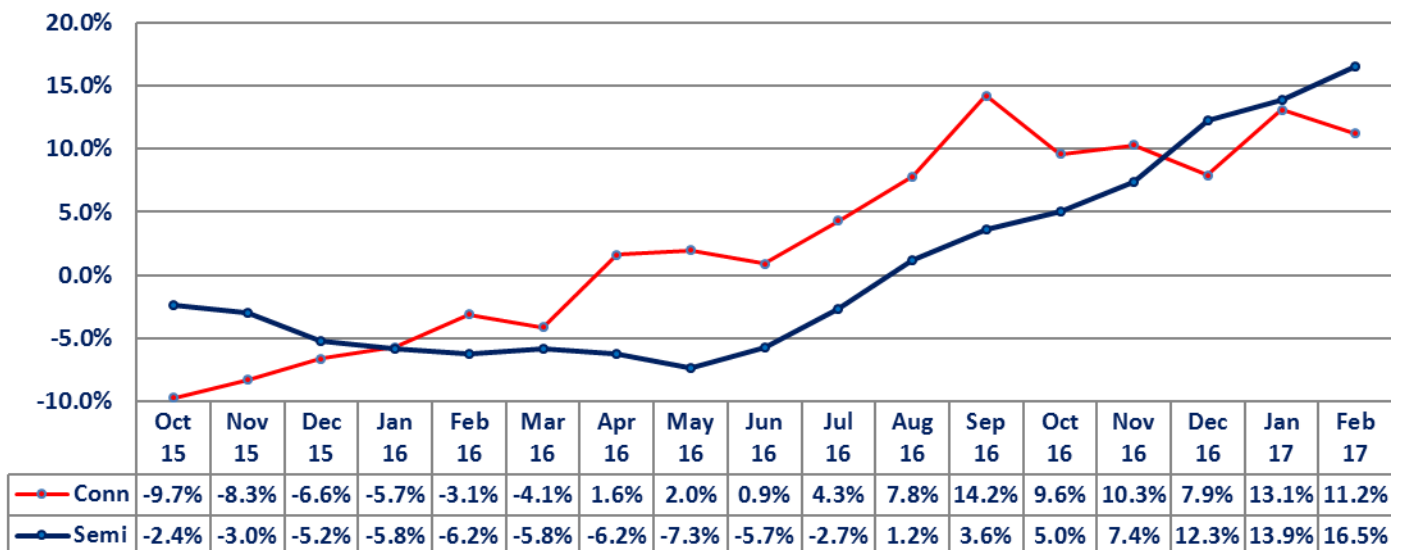
Semi Sales Up +16.5% in February Demand for Electronics is Surging

The Semiconductor Industry Association (SIA) reported February sales of \$30.4 billion, up +16.5% from February 2016 and down -0.8% sequentially. Regionally for February, the SIA reported that China grew +25.0% YOY, Japan grew +11.9%, Asia Pacific/Other grew +11.2%, the Americas grew +19.1% and Europe grew +5.9%.

The connector industry sales, measured in U.S. dollars, increased +11.2% to prior year in February and grew +9.8% sequentially. Regionally for February, YOY sales increased +6.0% in North America, +4.9% in Europe, +24.2% in China, +17.6% in Japan, +14.0% in ROW and Asia Pacific grew +10.0%.

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

Monthly Sales Performance
Year-Over-Year



- Semis have outperformed Connectors for the last three months. Both components are now achieving double digit growth.
- The first half of 2016 resulted in poor demand for semis and connectors. This makes for easy comparisons for the first half of 2017. However, we expect demand to be strong throughout 2017. The first half will probably result in doubles digit sales growth. The second half mid to high single-digits.

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

**Sales Performance
February Year-To-Date**

	Semiconductors	Connectors
North America	16.1%	6.7%
Europe	5.4%	7.1%
Japan	12.0%	22.2%
China	22.7%	22.9%
Asia Pacific/Other	11.1%	8.3%
World	15.2%	12.1%

Source SIA & Bishop

Both components sales performance are tracking closely on a regional basis and in total world sales. China is once again growing much faster than the other regions. This needs to continue because China is where electronics has achieved the most sales growth over the past decade.

High demand for semiconductors always leads to strong connector sales. As noted, we expect the sales results to moderate in the second half of the year for both components as the comparisons become more difficult. Still we expect solid second half demand.