

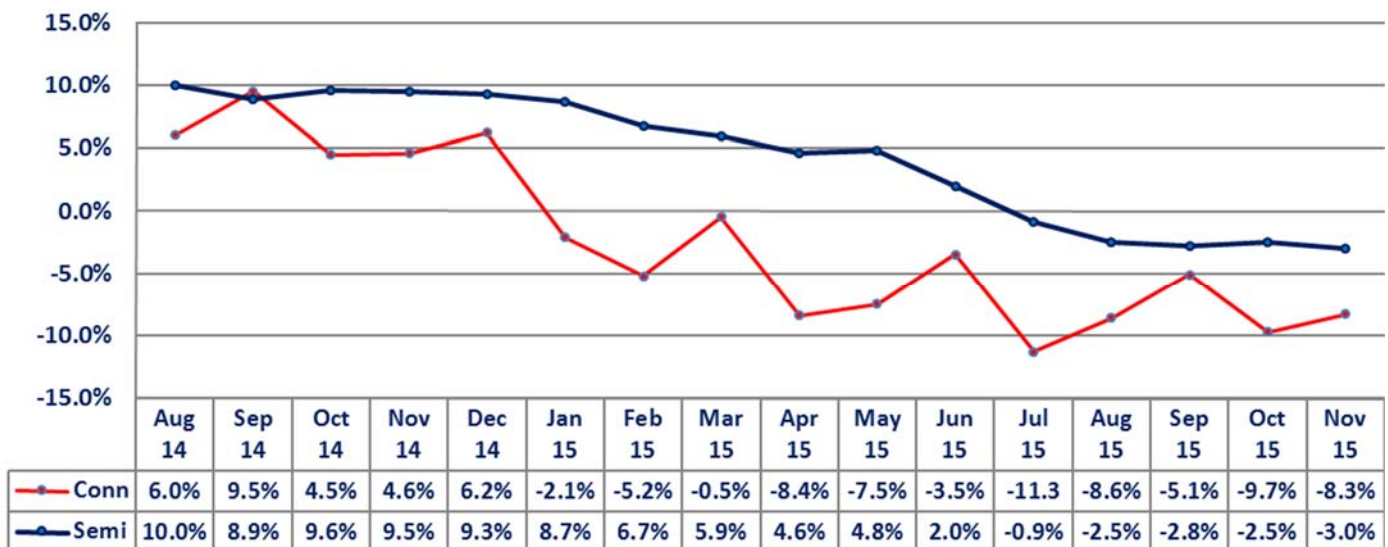
November Semi Sales Decline -3.0% YOY

The Semiconductor Industry Association (SIA) reported November sales of \$28.9 billion, down -3.0% from November 2014 and down -0.3% sequentially from October. The SIA reported YOY sales growth of +5.3% in China. YOY, sales declined -7.1% in the Americas, -8.0% in Europe, -8.6% in Japan, and Asia Pacific and Other -4.1%.

The connector industry sales, measured in U.S. dollars, were down -8.3% year-over-year in November and up +12.8% sequentially. YOY sales declined -4.5% in North America, -9.1% in Europe, -32.2% in Japan, -3.3% in China, -5.3% in Asia Pacific and -18.1% in ROW.

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

Monthly Sales Performance
Year-Over-Year



- November was the fifth consecutive YOY decline for semiconductors sales. Connectors have now declined for 11 consecutive months.

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

**Sales Performance
November Year-To-Date**

	Semiconductors	Connectors
North America	4.6%	-2.7%
Europe	-7.9%	-11.5%
Japan	-10.9%	-14.0%
China	NA	-1.3%
Asia Pacific*	4.9%	0.8%
World	1.7%	-6.1%

* Including China, Source SIA & Bishop

The above table highlights some significant differences in regional sales performance of the two components.

- Semis are growing +4.6% in North America while connectors continue to decline.
- Connectors have declined -11.5% in Europe while Semis are down -7.9%. Performance of both components is converging in Europe.
- Sales performance for both components in Japan is starting to diverge as connector performance worsened in November (-10.9% Semis; -14.0% Connectors).
- In Asia Pacific, Semis are up +4.9% and Connectors are up +0.8%. Sales are slowing for both components.

Demand has declined for both semiconductors and connectors. Semis YTD sales performance seems to be leveling off. As we transition into 2016, the currency impact will lessen as the YOY comparisons become easier. Growth or declines that we see early in 2016 will have more to do with economic and market factors than they will with currency exchange rates.

The SIA is expecting 2015 sales to “narrowly surpass” 2014 sales. They are projecting modest growth in 2016.