

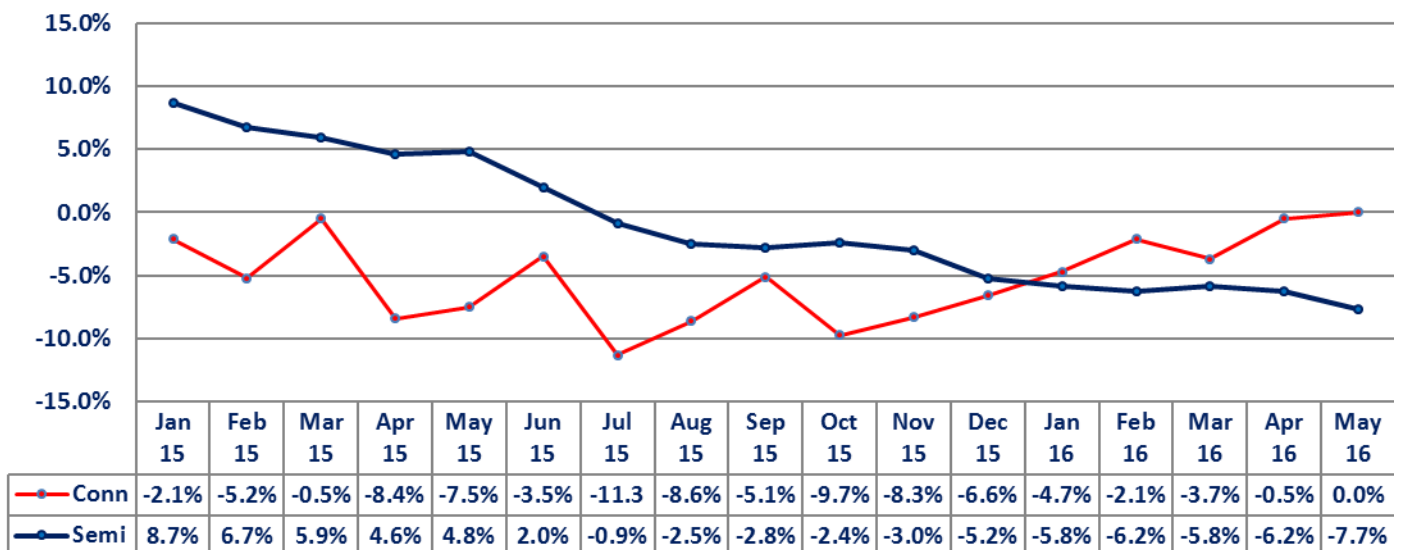
May Semi Sales Decline -7.7% YOY Connectors Beat Semis Five Months Running

The Semiconductor Industry Association (SIA) reported May sales of \$26.0 billion, down -7.7% from May 2015 and up +0.4% sequentially from April. Regionally for May, the SIA reported that Japan grew +0.4%. The other regions had declines in sales: -15.0% in the Americas, -8.8% in Europe, -0.5% in China and Asia Pacific/Other declined -11.5%.

The connector industry sales, measured in U.S. dollars, were flat (0.0%) to prior year and up +11.3% sequentially. Regionally for May, YOY sales declined -0.2% in North America, -22.3% in Japan and -8.8% in Asia Pacific. Europe grew +8.1% YOY, China grew +2.4% and ROW was up +1.0%.

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

Monthly Sales Performance
Year-Over-Year



- May was the 11th consecutive month of YOY decline for semiconductors sales. Connectors declined for 16 consecutive months, but were flat in May breaking that streak.
- Connectors outperformed semis for the fifth straight month.

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

**Sales Performance
May Year-To-Date**

	Semiconductors	Connectors
North America	-16.3%	-1.7%
Europe	-8.7%	3.6%
Japan	0.3%	-27.0%
China	NA	0.6%
Asia Pacific*	-3.2%	-9.4%
World	-6.5%	-2.7%

* Including China for SIA, Source SIA & Bishop

The differences in the regional YTD numbers still do not make sense, historically speaking.

The world YTD total of -6.5% for semis and -2.7% for connectors is more the normal delta between the two components.

Connectors are trending toward better performance in seven of the last eight months. Semis performance is trending down in 11 of the last 13 months. Perhaps we are entering a period where connectors will be a leading indicator for semiconductors.