

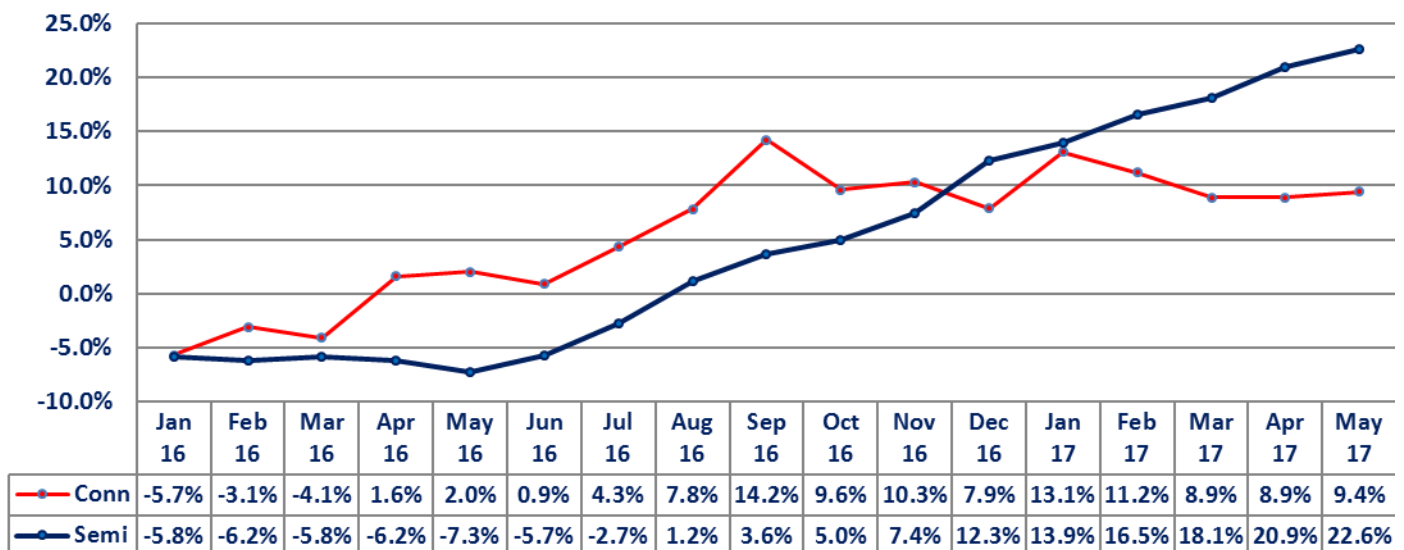
Semi Sales Up +22.6% in May

The Semiconductor Industry Association (SIA) reported May sales of \$31.9 billion, up +22.6% from May 2016 and up +1.9% sequentially. Regionally for May, the SIA reported that the Americas grew +30.5% YOY, China grew +26.3%, Japan grew +15.8%, Asia Pacific/Other grew +17.7% and Europe grew +18.3%.

The connector industry sales, measured in U.S. dollars, increased +9.4% to prior year in May and grew +10.3% sequentially. Regionally for May, YOY sales increased +5.2% in North America, +10.8% in Europe, +16.4% in China, +13.9% in Japan, +16.8% in ROW and contracted -1.7% in Asia Pacific.

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

**Monthly Sales Performance
Year-Over-Year**



- Semis have outperformed Connectors for the last six months due to easier comparisons as their downturn started later than Connectors.
- 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 sequentially. The first half will probably result in double-digit sales growth for semis and close to that for connectors.

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	22.2%	5.4%
Europe	10.6%	7.4%
Japan	12.1%	17.9%
China	25.7%	19.9%
Asia Pacific/Other	13.4%	3.8%
World	18.4%	10.2%

Source SIA & Bishop

Both components sales performance are tracking closely on a regional basis and in total world sales. China is growing much faster than the other regions for both components which is important to industry health given their high volume of electronics manufacturing. North America is also very strong for semis.

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 quarter and second half demand.

Semiconductors is projecting +11.5% growth for the full-year 2017. Connectors is projecting +7.1% growth for 2017. These product's performance is now back in alignment.