

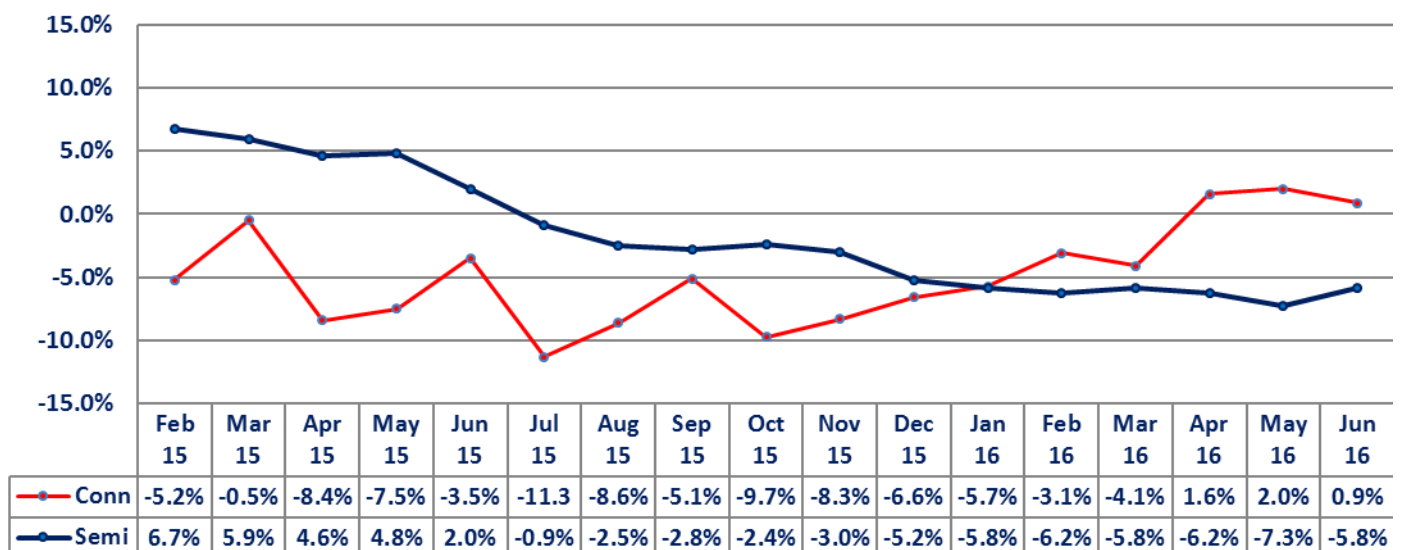
June Semi Sales Decline -5.8% YOY Connectors Beat Semis for Six Consecutive Months

The Semiconductor Industry Association (SIA) reported June sales of \$26.4 billion, down -5.8% from June 2015 and up +1.1% sequentially from May. Regionally for June, the SIA reported that China grew +1.7%. The other regions had declines in sales: -10.8% in the Americas, -5.5% in Europe, -1.3% in Japan and Asia Pacific/Other declined -11.0%. Worldwide sales declined -6.4% in 2Q16 YOY. For the first half of 2016, sales declined -6.2% worldwide.

The connector industry sales, measured in U.S. dollars, increased +0.9% to prior year in June and declined -2.5% sequentially. Regionally for June, YOY sales increased +2.4% in North America, +4.1% in Europe, +5.0% in China and +8.4% in ROW. Sales declined -17.5% in Japan and -8.1% in Asia Pacific. Worldwide sales grew +1.5% in 2Q16 YOY. For the first half of 2016, sales declined -1.4% worldwide.

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

Monthly Sales Performance
Year-Over-Year



- June was the 12th consecutive month of YOY decline for semiconductors sales. Connectors contracted for 15 consecutive months before growth returned in April 2016.
- Connectors outperformed semis for the sixth straight month.

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

**Sales Performance
June Year-To-Date**

	Semiconductors	Connectors
North America	-15.5%	-0.2%
Europe	-8.0%	4.1%
Japan	-0.8%	-25.2%
China	NA	2.2%
Asia Pacific*	-3.4%	-8.1%
World	-6.2%	-1.4%

* Including China for SIA, Source SIA & Bishop

The differences in the regional YTD numbers still do not make sense, historically speaking. Some of the differences may be explained by which market sectors are doing better (automotive and telecom/Datacom) and which regions these market sectors are strong in, but the end results are likely more complicated than that. The world YTD total of -6.2% for semis and -1.4% for connectors is more the normal delta between the two components.

Connectors are trending toward better performance since November 2015. Semis performance has basically trended down since January 2014 and has been in negative territory since July 2015. Perhaps we are entering a period where connectors will be a leading indicator for semiconductor performance.