

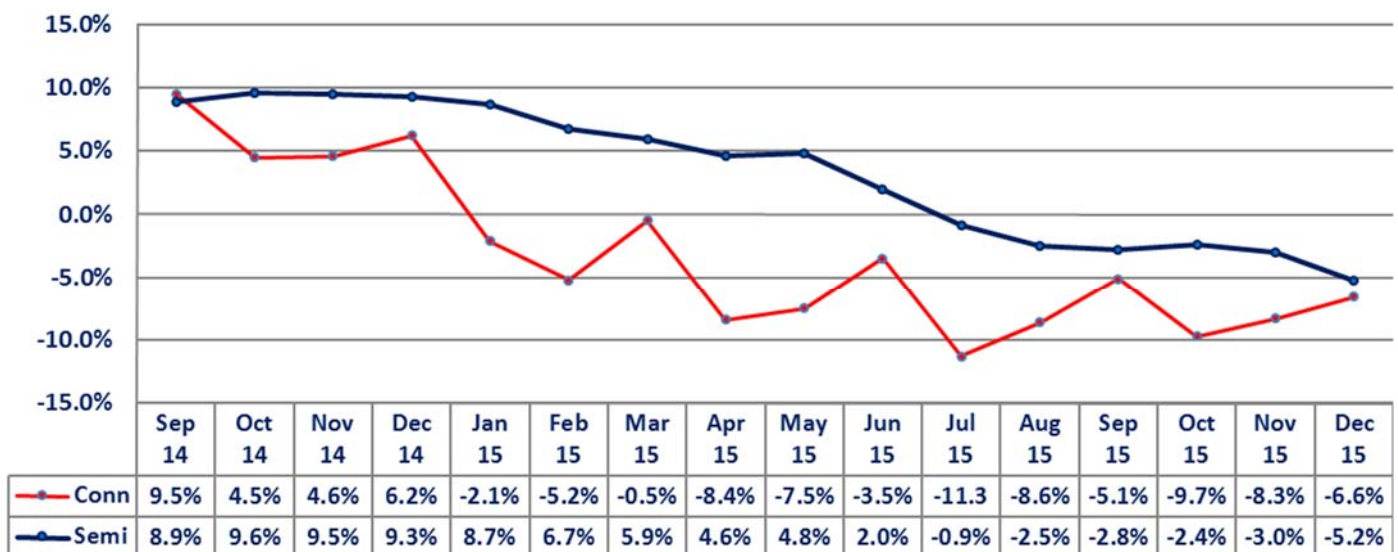
## December Semi Sales Decline -5.2% YOY

The Semiconductor Industry Association (SIA) reported December sales of \$27.6 billion, down -5.2% from December 2014 and down -4.4% sequentially from November. For the year, SIA reported YOY sales were flat to 2014 at \$335.2 billion. Regionally for 2015, the SIA reported that China grew 7.7% YOY and the other regions had declines in sales: -0.8% in the Americas, -8.5% in Europe, -10.7% in Japan, and Asia Pacific and Other -0.2%.

The connector industry sales, measured in U.S. dollars, were down -6.6% year-over-year in December and down 8.7% sequentially. For the year, connector sales decline -6.1% in 2015. Regionally for 2015, sales declined -3.1% in North America, -11.4% in Europe, -15.1% in Japan, -1.5% in China, and -19.9% in ROW. Asia Pacific grew +0.1%.

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

Monthly Sales Performance  
Year-Over-Year



- December was the sixth consecutive month of YOY decline for semiconductors sales. Connectors have now declined for 12 consecutive months.
- YOY sales performance of both components is starting to converge.

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

**Sales Performance  
December Year-To-Date**

	<b>Semiconductors</b>	<b>Connectors</b>
<b>North America</b>	<b>2.7%</b>	<b>-3.1%</b>
<b>Europe</b>	<b>-7.9%</b>	<b>-11.4%</b>
<b>Japan</b>	<b>-10.7%</b>	<b>-15.1%</b>
<b>China</b>	<b>NA</b>	<b>-1.5%</b>
<b>Asia Pacific*</b>	<b>4.4%</b>	<b>0.1%</b>
<b>World</b>	<b>1.1%</b>	<b>-6.1%</b>

\* Including China, Source SIA & Bishop

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

- In North America, there is an almost 6-point delta between the two components.
- The delta in Europe is closer with the components separated by 3.5 points.
- Japan's delta is over 4 points.
- In Asia Pacific, the delta is over 4 points.

The trend for sales performance is down for both components. Semis grew over their 2014 number, but just a small amount. With the downward trend we see on the graph on the previous page, we may very well see Connectors outperforming Semis in 2016 as Connectors will have easier comparisons than Semis.

The SIA is projecting modest growth in 2016. Their current sales trend, however, suggests otherwise.