

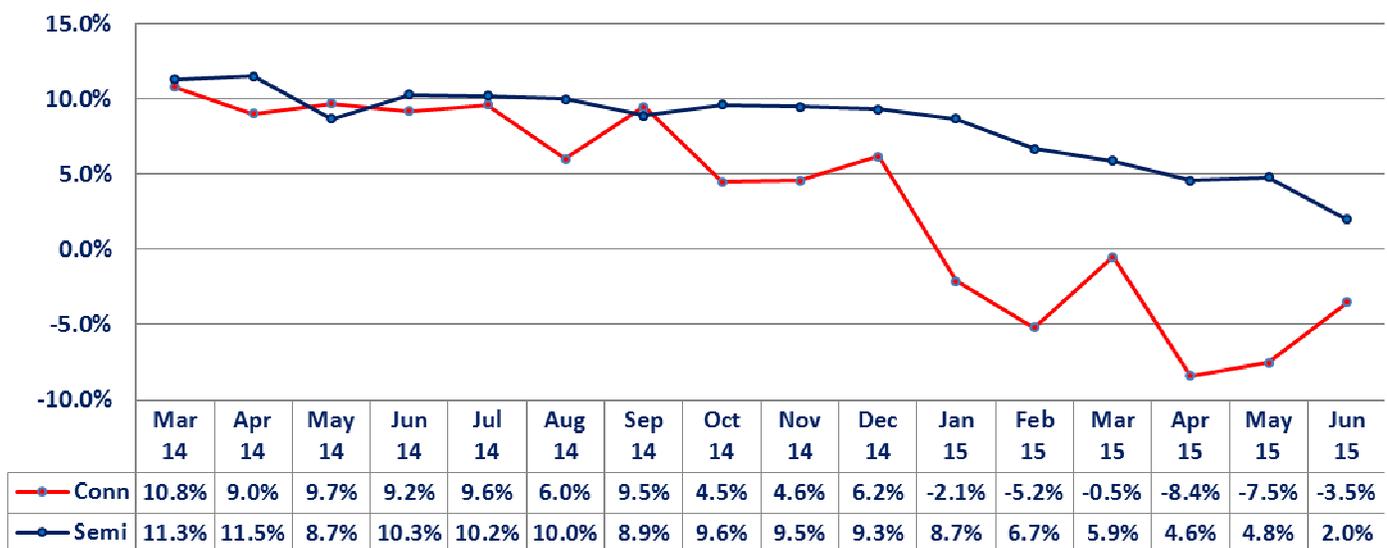
Semis Growth Slows to +2.0% YOY in June

The Semiconductor Industry Association (SIA) reported June sales of \$28.0 billion, up +2.0% from June 2014 and down -0.4% sequentially from May. The SIA reported YOY sales growth of +5.6% in the Americas, +7.8% in China and +5.2% in Asia Pacific/ROW. YOY, sales declined -11.5% in Europe and -3.6% in Japan (both effected by currency exchange). SIA reported that mid-year sales are ahead of last year's pace by +4%.

The connector industry sales, measured in U.S. dollars, were down -3.5% year-over-year in June and down -1.7% sequentially. YOY sales were up +2.1% in China, and +2.3% in Asia Pacific. YOY sales declined -3.3% in North America, -8.3% in Europe, -5.9% in Japan and -14.6% in ROW.

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

Monthly Sales Performance
Year-Over-Year



- June was the 26th consecutive month for growth in semiconductors, while connectors have now declined for six consecutive months. There is a significant disjoint between the two components.
- Further, while Semis continue to grow, you will note the line chart above shows a steady downturn in monthly sales growth.

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	12.1%	-1.0%
Europe	-6.4%	-12.8%
Japan	-10.4%	-9.5%
China	NA	2.1%
Asia Pacific*	8.0%	3.8%
World	4.7%	-4.6%

* Including China, Source SIA & Bishop

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

- Semis are growing +12.1% in North America while connector growth is down.
- Connectors have declined -12.8% in Europe while Semis are down only -6.4%. This is caused by the decline in the Euro to the U.S. dollar. Performance of both components seems to be converging in Europe.
- Sales performance in Japan is the same for both components (-10.4% Semis; -9.5% Connectors). Performance of both components has converged in Japan.
- In Asia Pacific, Semis are up +8.0% and Connectors are up +3.8%. The difference is because Semis have a larger percentage of sales into the consumer electronics market which is Asia centric.

It is fairly easy to conclude that demand has declined for both semiconductors and connectors. In the first half of 2015, semis are reporting low single digit growth and connectors are reporting negative sales growth.