Section 3: Electronics Supply Chain Performance Overview

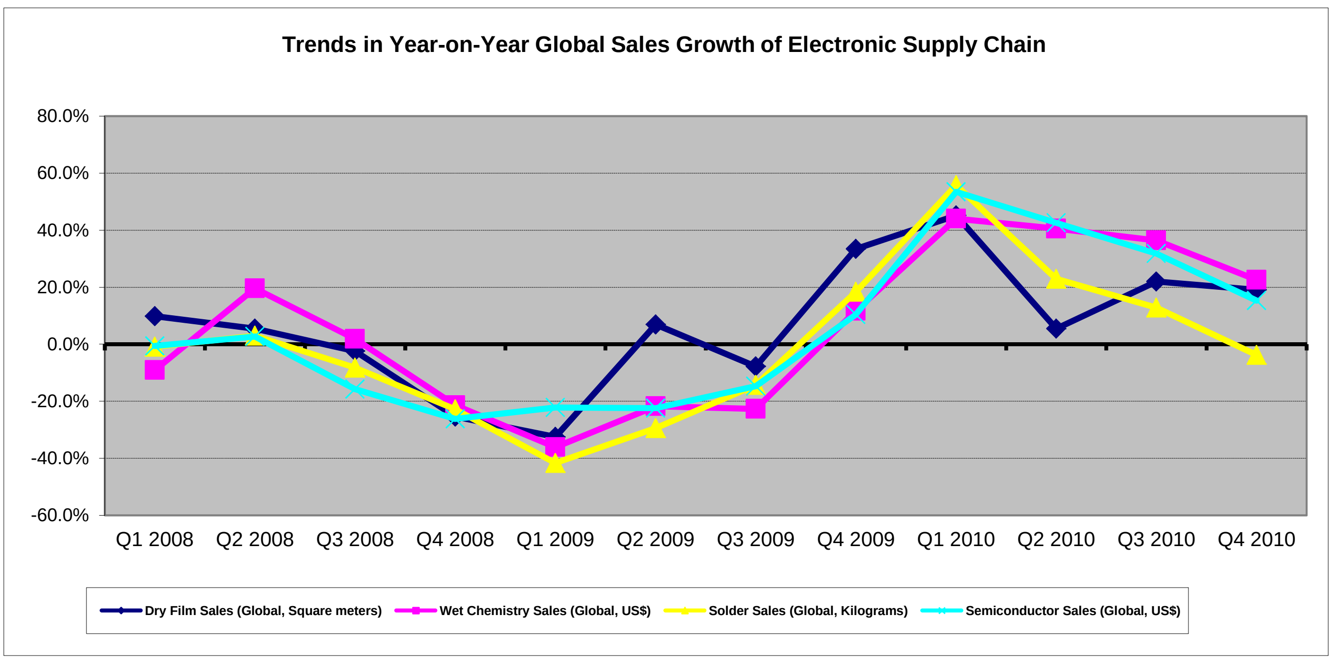
Growth in the Global Supply Chain Continues to Stabilize

Year-on-year shipment growth across the global electronics supply chain showed signs of stable growth in the fourth quarter of 2010 when compared to the fourth quarter of 2009. Year-on-year growth is still in double digits in most supply chain industries. Compared to the third quarter of 2010, quarterly growth rates for all of the global sales supply chain were slightly down except for laminate sales which grew at a double-digit rate.

Global Sales in the Electronics Supply Chain for Fourth Quarter 2010

	Percentage of Change			
	Oct-10 vs. Oct-09	**Nov-10 vs. Nov-09**	**Dec-10 vs. Dec-09**	**Q4-10 vs. Q4-09**
Assembly Equipment Sales (Global, US$)				**74.4%**
Wet Chemistry Sales (Global, US$)	**	**	**	**22.8%**
Dry Film Sales (Global, square meters)	**	**	**	**19.1%**
Solder Sales (Global, kilograms)	**	**	**	**-3.8%**
Laminate Sales (Global, square meters) (Preliminary results)	**	**	**	**34.4%**
EMS Sales (Global, US$)	**	**	**	**22.9%**
Semiconductor Shipments (Global, US$)	19.8%	14.2%	12.2%	**15.3%**

** Monthly data is not available; process consumables, dry film, solder, laminate and global EMS surveys are conducted quarterly.



Source: IPC Statistical Programs; SIA for semiconductor sales.

North American Supply Chain Sales Register Mostly Positive Year-on-Year Growth

The fourth quarter of 2010 offers steady signs of slower but positive growth in the North American supply chain. With the exception of solder and wet chemistry sales, all of the industries registered strong positive year-on-year growth.

North American Orders and Sales in the Electronics Supply Chain for Fourth Quarter 2010

	Percentage of Change			
	Oct-10 vs. Oct-09	**Nov-10 vs. Nov-09**	**Dec-10 vs. Dec-09**	**Q4-10 vs. Q4-09**
Rigid PCB Orders (North America, US$)	-2.7%	4.3%	-0.8%	**0.1%**
Rigid PCB Sales (North America, US$)	13.6%	9.7%	10.6%	**11.3%**
Flexible Circuits Orders (North America, US$)	25.2%	14.2%	65.3%	**34.0%**
Flexible Circuits Sales (North America, US$)	14.7%	38.8%	50.9%	**34.1%**
EMS Orders (North America, US$)	35.7%	31.5%	5.3%	**21.7%**
EMS Sales (North America, US$)	26.1%	27.5%	29.6%	**27.8%**
Wet Chemistry Sales (North America, US$)	**	**	**	**-1.0%**
Dry Film Sales (North America, m^2)	**	**	**	**19.7%**
Solder Sales (North America, kg)	**	**	**	**-23.5%**
Assembly Equipment Sales (North America, US$)	**	**	**	**65.2%**
Semiconductor Sales (North America, US$)	30.7%	21.2%	19.2%	**23.6%**
US Electronic Equipment, Appliances, & Components Orders (US$)	16.5%	22.3%	27.8%	**22.2%**
US Electronic Equipment, Appliances, & Components Sales (US$)	16.0%	15.0%	16.2%	**15.7%**
US Electronics & Computer Products Orders (US$)	5.7%	11.3%	12.7%	**9.9%**
US Electronic & Computer Products Sales (US$)	10.7%	12.1%	7.5%	**10.1%**

Notes:

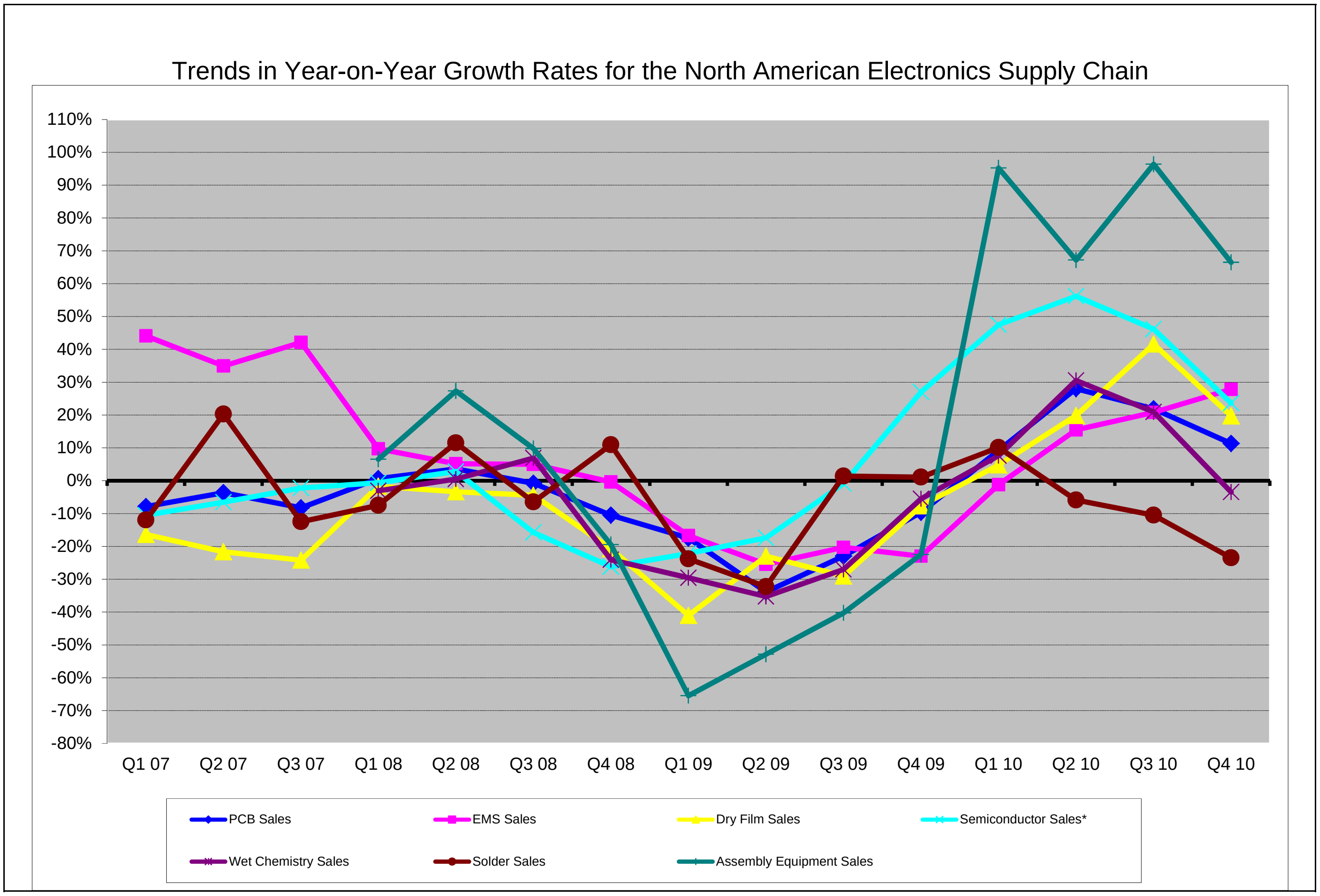
For items included in US Electronic Equipment, Appliances & Components and US Electronics & Computer Product, please visit http://www.census.gov/indicator/www/m3/hist/naicshist.htm

Sources: IPC Statistical Programs; SIA for semiconductor sales; U.S. Census Bureau for end-product sales and orders.

** Monthly data are not available; wet chemistry, dry film, solder and assembly equipment surveys are conducted quarterly.

Growth is Moderating in the North American Electronics Industry

The graph below illustrates how all segments of the electronics supply chain reflect the current economic picture. In the fourth quarter of 2010, solder sales continued to decline with a negative year-on-year growth rate. The rest of the supply chain had positive year-on-year growth rates with the exception of wet chemistry sales. Overall, these results show a slowing growth trajectory.



Sources: IPC statistical programs and SIA (semiconductor data)