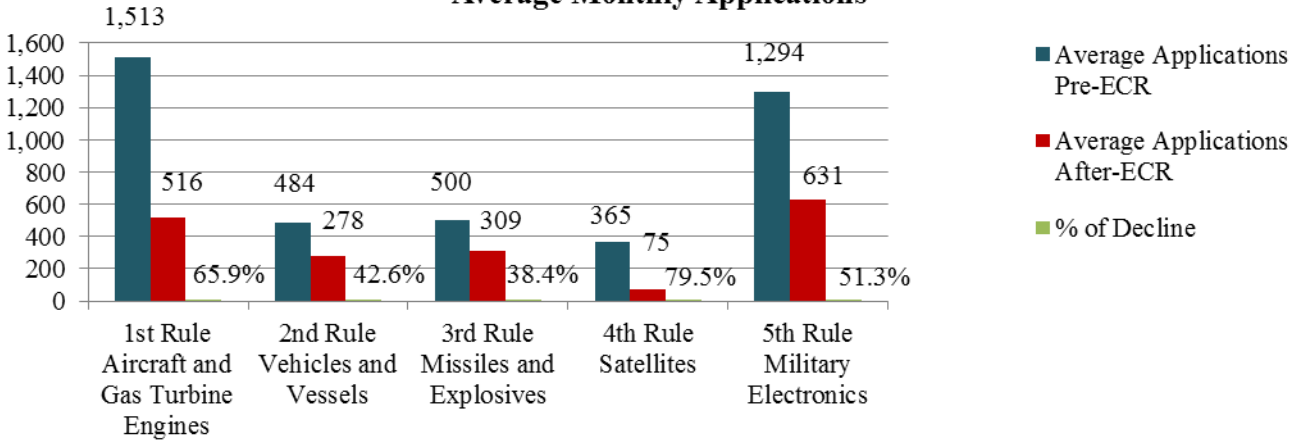


Statistics of Export Control Reform Licensing

October 15, 2013 to June 30, 2015

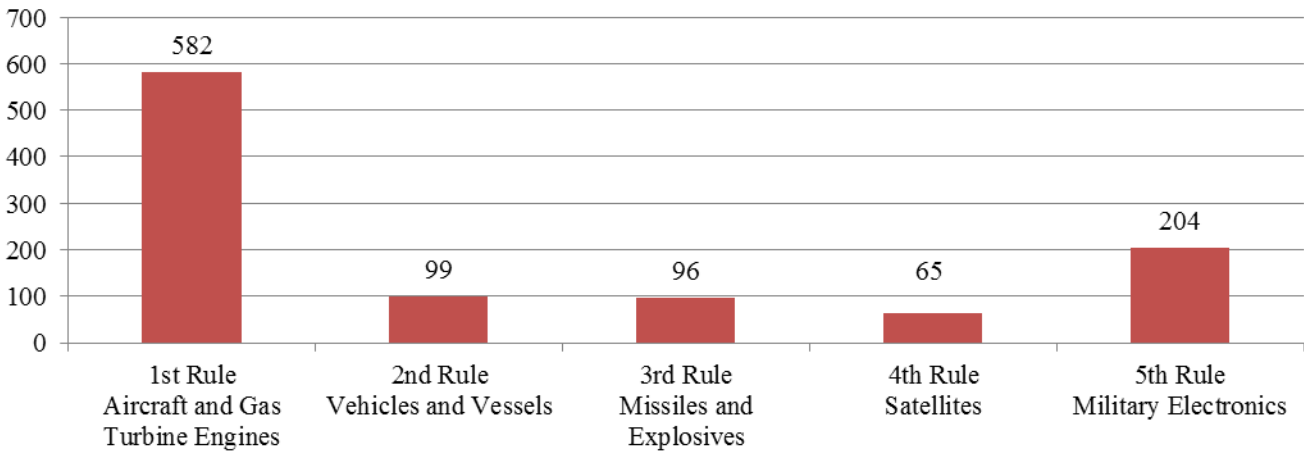
The average number of application to the Directorate of Defense Trade Controls (DDTC) of the U.S. Department of State for items in the 13 categories of the United State Munitions List (USML) that have moved from the USML to the Commerce Control List (CCL) showed an overall average of 56.5% decline from 4,156 to 1,809 per month since the First ECR transition rules became effective on October 15, 2013. The biggest drop in license applications was those impacted by the Fourth ECR Transition Rule for satellites with a 79.5% decline. DDTC estimates a 45% decline will be shown when the items in all USML categories have moved to the CCL.

DDTC License Trends by ECR Transition Rules
October 15, 2013 to July 7, 2015
Average Monthly Applications



Source: the Directorate of Defense Trade Controls of the U.S. Department of State, July 2015.

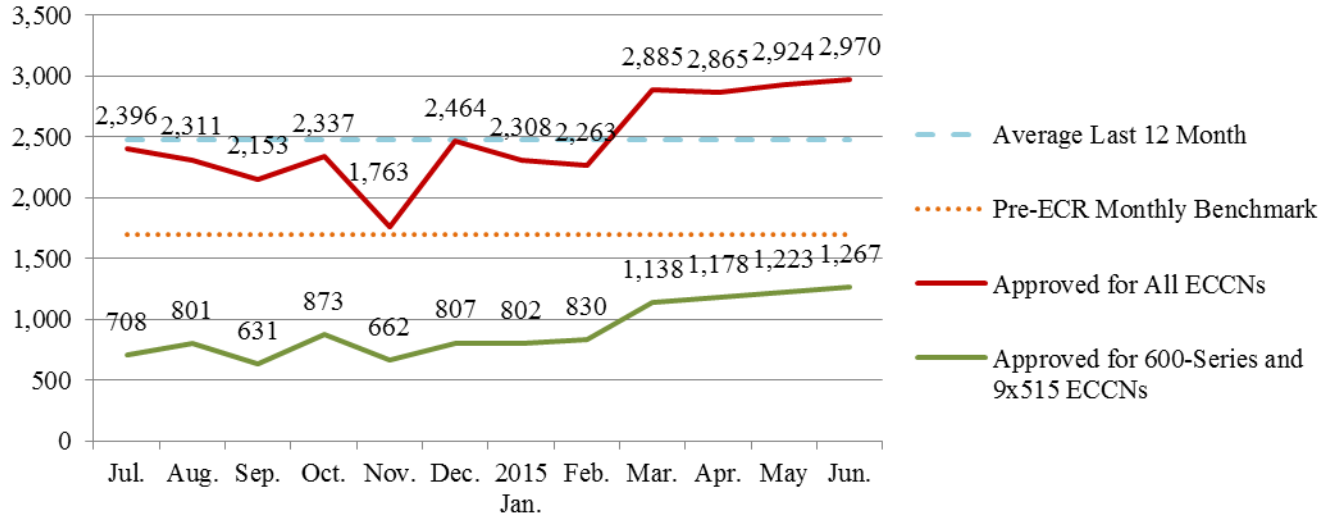
BIS Average Monthly Applications by ECR Transition Rules
October 15, 2013 to June 30, 2015



Source: Commerce U.S. Exports Exporter Support System, July 2015

The monthly average of 2,470 BIS approved licenses in the last 12 months indicates an increase of 45.3% from a monthly average of 1,700 approved licenses during the fiscal years 2012/2013, prior to the Export Control Reform.

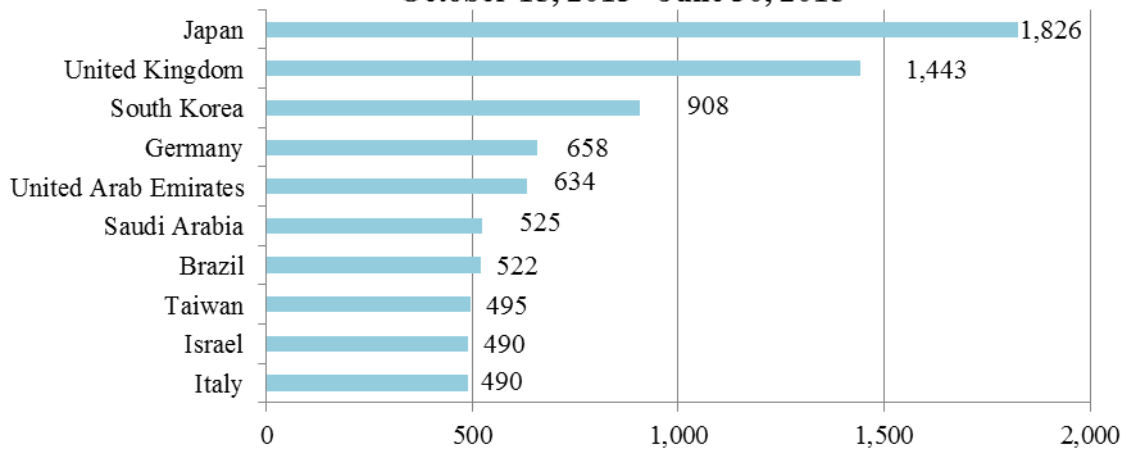
**Trends in BIS Approved License Application
July 1, 2014 to June 30, 2015**



Source: Commerce U.S. Exports Exporter Support System, July 2015

Of the total 14,832 BIS approved licenses for the 600-Series and 9x515 items from October 15, 2013 to June 30, 2015, 7,991 licenses (53.9% of the total) were issued to the top ten destinations. The top destination is Japan with 1,826 approved licenses (12.3%).

**Top Ten Destinations for Approved 600-Series and 9x515 Licenses
by Count
October 15, 2013 - June 30, 2015**



Source: Commerce U.S. Exports Exporter Support System, July 2015

The top ECCNs on the approved licenses for 600-Series and 9x515 items by value were 9A610 and 9A619. Both ECCNs are under the First Transition Rule for Military aircraft and gas turbine engines.

| Top Ten Approved 600-Series and 9x515 ECCNs October 15,2013 - June 30,2015 | | | |
|---|---|-------------------------|-------------------------|
| ECCN | Description | % of Total Count | % of Total Value |
| 9A610 | Military aircraft and related commodities | 55.6% | 52.8% |
| 9A619 | Military gas turbine engines and related commodities | 8.6% | 17.0% |
| 0A606 | Ground vehicles and related commodities | 6.6% | 10.7% |
| 9A515 | "Spacecraft" and related commodities | 3.3% | 7.6% |
| 9E619 | "Technology" "required" for the "development," "production," operation, installation, maintenance, repair, overhaul, or refurbishment of military gas turbine engines and related commodities controlled by 9A619, equipment controlled by 0B619, materials controlled by 9C619, or software controlled by 9D619. | 1.4% | 3.1% |
| 9E610 | Technology "required" for the "development," "production," operation, installation, maintenance, repair, overhaul, or refurbishing of military aircraft and related commodities controlled by 9A610, equipment controlled by 9B610, materials controlled by 9C610 or software controlled by 9D610. | 4.2% | 2.6% |
| 3A611 | Military electronics | 6.5% | 1.7% |
| 9B610 | Test, inspection, and production "equipment" and related commodities "specially designed" for the "development" or "production" of commodities enumerated in ECCN 9A610 or USML Category VIII | 1.7% | 0.8% |
| 1A613 | Armored and protective "equipment" and related commodities | 2.7% | 0.7% |
| 0A614 | Military training "equipment" | 0.9% | 0.6% |
| Top Ten/Total | | 91.6% | 97.7% |

Source: Commerce U.S. Exports Exporter Support System, July 2015