

# ASE Inc. Q4 2012 Earnings Release

Presented by

Joseph Tung  
CFO

Jan. 30, 2013



# Safe Harbor Notice



This presentation contains "forward-looking statements" within the meaning of Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended, including statements regarding our future results of operations and business prospects. Although these forward-looking statements, which may include statements regarding our future results of operations, financial condition or business prospects, are based on our own information and information from other sources we believe to be reliable, you should not place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. The words "anticipate", "believe", "estimate", "expect", "intend", "plan" and similar expressions, as they relate to us, are intended to identify these forward-looking statements in this presentation. Our actual results of operations, financial condition or business prospects may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including risks associated with cyclicity and market conditions in the semiconductor industry; demand for the outsourced semiconductor packaging and testing services we offer and for such outsourced services generally; the highly competitive semiconductor industry; our ability to introduce new packaging, interconnect materials and testing technologies in order to remain competitive; our ability to successfully integrate pending and future mergers and acquisitions; international business activities; our business strategy; general economic and political conditions, including the recent global financial crisis; possible disruptions in commercial activities caused by natural or human-induced disasters; our future expansion plans and capital expenditures; the strained relationship between the Republic of China and the People's Republic of China; fluctuations in foreign currency exchange rates; and other factors. For a discussion of these risks and other factors, please see the documents we file from time to time with the Securities and Exchange Commission, including our 2011 Annual Report on Form 20-F filed on April 20, 2012.



# Consolidated Income Statement

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million except EPS)	Q4 / 2012	%	Q3 / 2012	%	Change
<b>Net Revenues:</b>					
IC Packaging	27,697	49.5%	27,165	55.4%	2%
Testing	6,036	10.8%	5,911	12.1%	2%
Direct Material	650	1.2%	799	1.6%	-19%
EMS	20,141	36.0%	15,116	30.9%	33%
Others	1,484	2.6%	0	0.0%	
<b>Total Net Revenues</b>	<b>56,008</b>	<b>100.0%</b>	<b>48,991</b>	<b>100.0%</b>	<b>14%</b>
<b>Gross Profit</b>	<b>10,974</b>	<b>19.6%</b>	<b>9,604</b>	<b>19.6%</b>	<b>14%</b>
<b>Operating Income(Loss)</b>	<b>5,943</b>	<b>10.6%</b>	<b>4,798</b>	<b>9.8%</b>	<b>24%</b>
<b>Pretax Income(Loss)</b>	<b>5,810</b>	<b>10.4%</b>	<b>4,458</b>	<b>9.1%</b>	<b>30%</b>
<b>Income Tax Benefit(Expense)</b>	<b>(1,269)</b>	<b>-2.3%</b>	<b>(865)</b>	<b>-1.8%</b>	
<b>Minority Interest</b>	<b>(154)</b>	<b>-0.3%</b>	<b>(147)</b>	<b>-0.3%</b>	
<b>Net Income(Loss)</b>	<b>4,387</b>	<b>7.8%</b>	<b>3,446</b>	<b>7.0%</b>	<b>27%</b>
<b>EPS<sup>1</sup></b>	<b>0.58</b>		<b>0.45</b>		
<b>EBITDA</b>	<b>12,431</b>	<b>22.2%</b>	<b>10,854</b>	<b>22.2%</b>	<b>15%</b>

<sup>1</sup> All EPS figures are based on fully diluted number of shares



# Consolidated Income Statement

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million except EPS)	Q4 / 2012	%	Q4 / 2011	%	Change
<b>Net Revenues:</b>					
IC Packaging	27,697	49.5%	25,623	55.2%	8%
Testing	6,036	10.8%	5,603	12.1%	8%
Direct Material	650	1.2%	668	1.4%	-3%
EMS	20,141	36.0%	14,447	31.1%	39%
Others	1,484	2.6%	49	0.0%	
<b>Total Net Revenues</b>	<b>56,008</b>	<b>100.0%</b>	<b>46,390</b>	<b>100.0%</b>	<b>21%</b>
<b>Gross Profit</b>	<b>10,974</b>	<b>19.6%</b>	<b>8,475</b>	<b>18.3%</b>	<b>29%</b>
<b>Operating Income(Loss)</b>	<b>5,943</b>	<b>10.6%</b>	<b>3,501</b>	<b>7.5%</b>	<b>70%</b>
<b>Pretax Income(Loss)</b>	<b>5,810</b>	<b>10.4%</b>	<b>2,952</b>	<b>6.4%</b>	<b>97%</b>
<b>Income Tax Benefit(Expense)</b>	<b>(1,269)</b>	<b>-2.3%</b>	<b>(340)</b>	<b>-0.7%</b>	
<b>Minority Interest</b>	<b>(154)</b>	<b>-0.3%</b>	<b>27</b>	<b>0.1%</b>	
<b>Net Income(Loss)</b>	<b>4,387</b>	<b>7.8%</b>	<b>2,639</b>	<b>5.7%</b>	<b>66%</b>
<b>EPS<sup>1</sup></b>	<b>0.58</b>		<b>0.35</b>		
<b>EBITDA</b>	<b>12,431</b>	<b>22.2%</b>	<b>9,782</b>	<b>21.1%</b>	<b>27%</b>

<sup>1</sup> All EPS figures are based on fully diluted number of shares



# Consolidated Income Statement

Fiscal Year-over-Year Comparison

(unaudited)



(NT\$ Million except EPS)	FY / 2012	%	FY / 2011	%	Change
<b>Net Revenues:</b>					
IC Packaging	104,563	53.9%	102,882	55.5%	2%
Testing	22,657	11.7%	21,932	11.8%	3%
Direct Material	2,735	1.4%	2,678	1.4%	2%
EMS	62,483	32.2%	57,645	31.1%	8%
Others	1,534	0.8%	210	0.0%	
<b>Total Net Revenues</b>	<b>193,972</b>	<b>100.0%</b>	<b>185,347</b>	<b>100.0%</b>	<b>5%</b>
<b>Gross Profit</b>	<b>36,624</b>	<b>18.9%</b>	<b>35,009</b>	<b>18.9%</b>	<b>5%</b>
<b>Operating Income(Loss)</b>	<b>17,761</b>	<b>9.2%</b>	<b>16,821</b>	<b>9.1%</b>	<b>6%</b>
<b>Pretax Income(Loss)</b>	<b>16,591</b>	<b>8.6%</b>	<b>16,997</b>	<b>9.2%</b>	<b>-2%</b>
<b>Income Tax Benefit(Expense)</b>	<b>(3,042)</b>	<b>-1.6%</b>	<b>(3,018)</b>	<b>-1.6%</b>	
<b>Minority Interest</b>	<b>(458)</b>	<b>-0.2%</b>	<b>(253)</b>	<b>-0.1%</b>	
<b>Net Income(Loss)</b>	<b>13,091</b>	<b>6.7%</b>	<b>13,726</b>	<b>7.4%</b>	<b>-5%</b>
<b>EPS<sup>1</sup></b>	<b>1.71</b>		<b>1.78</b>		
<b>EBITDA</b>	<b>42,018</b>	<b>21.7%</b>	<b>41,925</b>	<b>22.6%</b>	<b>0%</b>

<sup>1</sup> All EPS figures are based on fully diluted number of shares



# IC ATM Income Statement

## Quarterly Sequential Comparison

(unaudited)



(NT\$ Million except EPS)	Q4 / 2012	%	Q3 / 2012	%	Change
<b>Net Revenues:</b>					
IC Packaging	27,709	80.6%	27,181	80.2%	2%
Testing	6,036	17.5%	5,911	17.4%	2%
Direct Material	650	1.9%	799	2.4%	-19%
<b>Total Net Revenues</b>	<b>34,395</b>	<b>100.0%</b>	<b>33,891</b>	<b>100.0%</b>	<b>1%</b>
<b>Gross Profit</b>	<b>7,994</b>	<b>23.2%</b>	<b>7,726</b>	<b>22.8%</b>	<b>3%</b>
<b>Operating Income(Loss)</b>	<b>4,226</b>	<b>12.3%</b>	<b>4,016</b>	<b>11.8%</b>	<b>5%</b>
<b>Pretax Income(Loss)</b>	<b>4,987</b>	<b>14.5%</b>	<b>4,199</b>	<b>12.4%</b>	<b>19%</b>
<b>Income Tax Benefit(Expense)</b>	<b>(556)</b>	<b>-1.6%</b>	<b>(704)</b>	<b>-2.1%</b>	
<b>Minority Interest</b>	<b>(44)</b>	<b>-0.1%</b>	<b>(49)</b>	<b>-0.1%</b>	
<b>Net Income(Loss)</b>	<b>4,387</b>	<b>12.8%</b>	<b>3,446</b>	<b>10.2%</b>	<b>27%</b>
<b>EPS<sup>1</sup></b>	<b>0.58</b>		<b>0.45</b>		
<b>EBITDA</b>	<b>10,143</b>	<b>29.5%</b>	<b>9,581</b>	<b>28.3%</b>	<b>6%</b>

<sup>1</sup> All EPS figures are based on fully diluted number of shares



# IC ATM Income Statement

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million except EPS)	Q4 / 2012	%	Q4 / 2011	%	Change
<b>Net Revenues:</b>					
IC Packaging	27,709	80.6%	25,637	80.3%	8%
Testing	6,036	17.5%	5,603	17.6%	8%
Direct Material	650	1.9%	668	2.1%	-3%
<b>Total Net Revenues</b>	<b>34,395</b>	<b>100.0%</b>	<b>31,908</b>	<b>100.0%</b>	<b>8%</b>
<b>Gross Profit</b>	<b>7,994</b>	<b>23.2%</b>	<b>6,790</b>	<b>21.3%</b>	<b>18%</b>
<b>Operating Income(Loss)</b>	<b>4,226</b>	<b>12.3%</b>	<b>3,156</b>	<b>9.9%</b>	<b>34%</b>
<b>Pretax Income(Loss)</b>	<b>4,987</b>	<b>14.5%</b>	<b>2,937</b>	<b>9.2%</b>	<b>70%</b>
<b>Income Tax Benefit(Expense)</b>	<b>(556)</b>	<b>-1.6%</b>	<b>(329)</b>	<b>-1.0%</b>	
<b>Minority Interest</b>	<b>(44)</b>	<b>-0.1%</b>	<b>31</b>	<b>0.1%</b>	
<b>Net Income(Loss)</b>	<b>4,387</b>	<b>12.8%</b>	<b>2,639</b>	<b>8.3%</b>	<b>66%</b>
<b>EPS<sup>1</sup></b>	<b>0.58</b>		<b>0.35</b>		
<b>EBITDA</b>	<b>10,143</b>	<b>29.5%</b>	<b>8,861</b>	<b>27.8%</b>	<b>14%</b>

<sup>1</sup> All EPS figures are based on fully diluted number of shares



# IC ATM Income Statement

## Fiscal Year-over-Year Comparison

(unaudited)



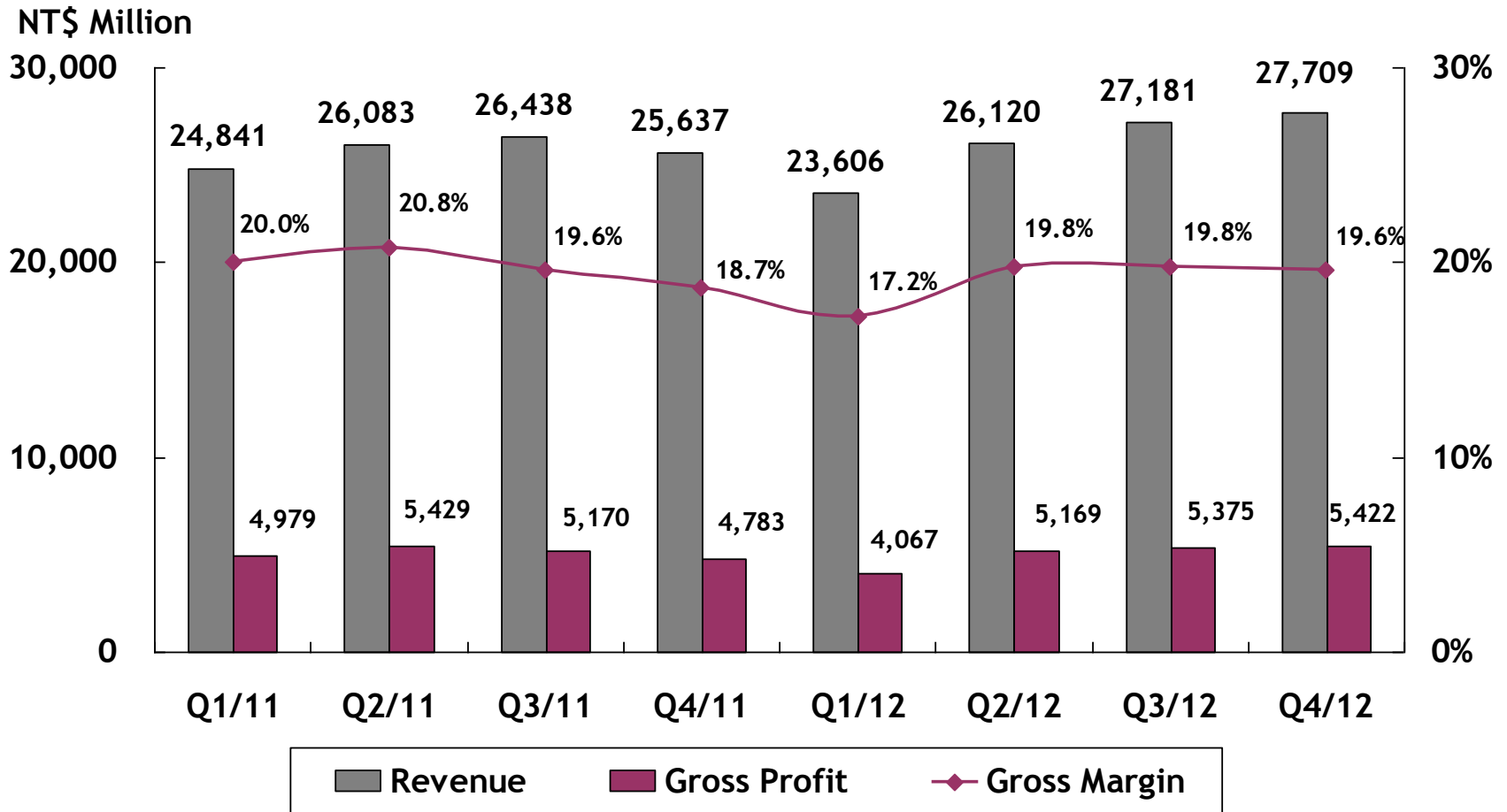
(NT\$ Million except EPS)	FY / 2012	%	FY / 2011	%	Change
<b>Net Revenues:</b>					
IC Packaging	104,616	80.5%	102,999	80.7%	2%
Testing	22,657	17.4%	21,946	17.2%	3%
Direct Material	2,735	2.1%	2,678	2.1%	2%
<b>Total Net Revenues</b>	<b>130,008</b>	<b>100.0%</b>	<b>127,623</b>	<b>100.0%</b>	<b>2%</b>
<b>Gross Profit</b>	<b>28,664</b>	<b>22.0%</b>	<b>28,738</b>	<b>22.5%</b>	<b>0%</b>
<b>Operating Income(Loss)</b>	<b>14,363</b>	<b>11.0%</b>	<b>15,328</b>	<b>12.0%</b>	<b>-6%</b>
<b>Pretax Income(Loss)</b>	<b>15,148</b>	<b>11.7%</b>	<b>16,297</b>	<b>12.8%</b>	<b>-7%</b>
<b>Income Tax Benefit(Expense)</b>	<b>(1,926)</b>	<b>-1.5%</b>	<b>(2,330)</b>	<b>-1.8%</b>	
<b>Minority Interest</b>	<b>(131)</b>	<b>-0.1%</b>	<b>(241)</b>	<b>-0.2%</b>	
<b>Net Income(Loss)</b>	<b>13,091</b>	<b>10.1%</b>	<b>13,726</b>	<b>10.8%</b>	<b>-5%</b>
<b>EPS<sup>1</sup></b>	<b>1.71</b>		<b>1.78</b>		
<b>EBITDA</b>	<b>36,657</b>	<b>28.2%</b>	<b>38,377</b>	<b>30.1%</b>	<b>-4%</b>

<sup>1</sup> All EPS figures are based on fully diluted number of shares



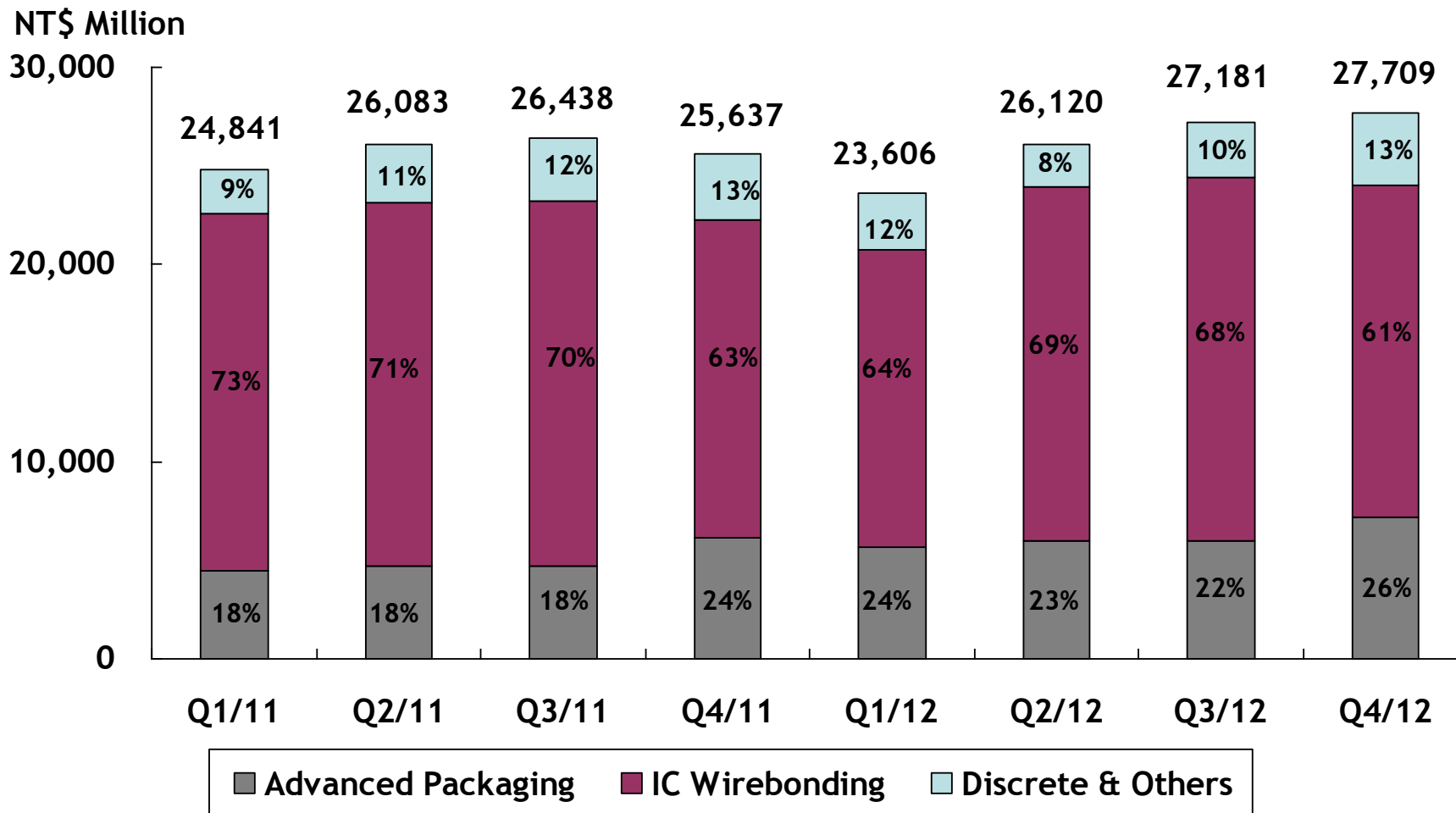


# Packaging Operations

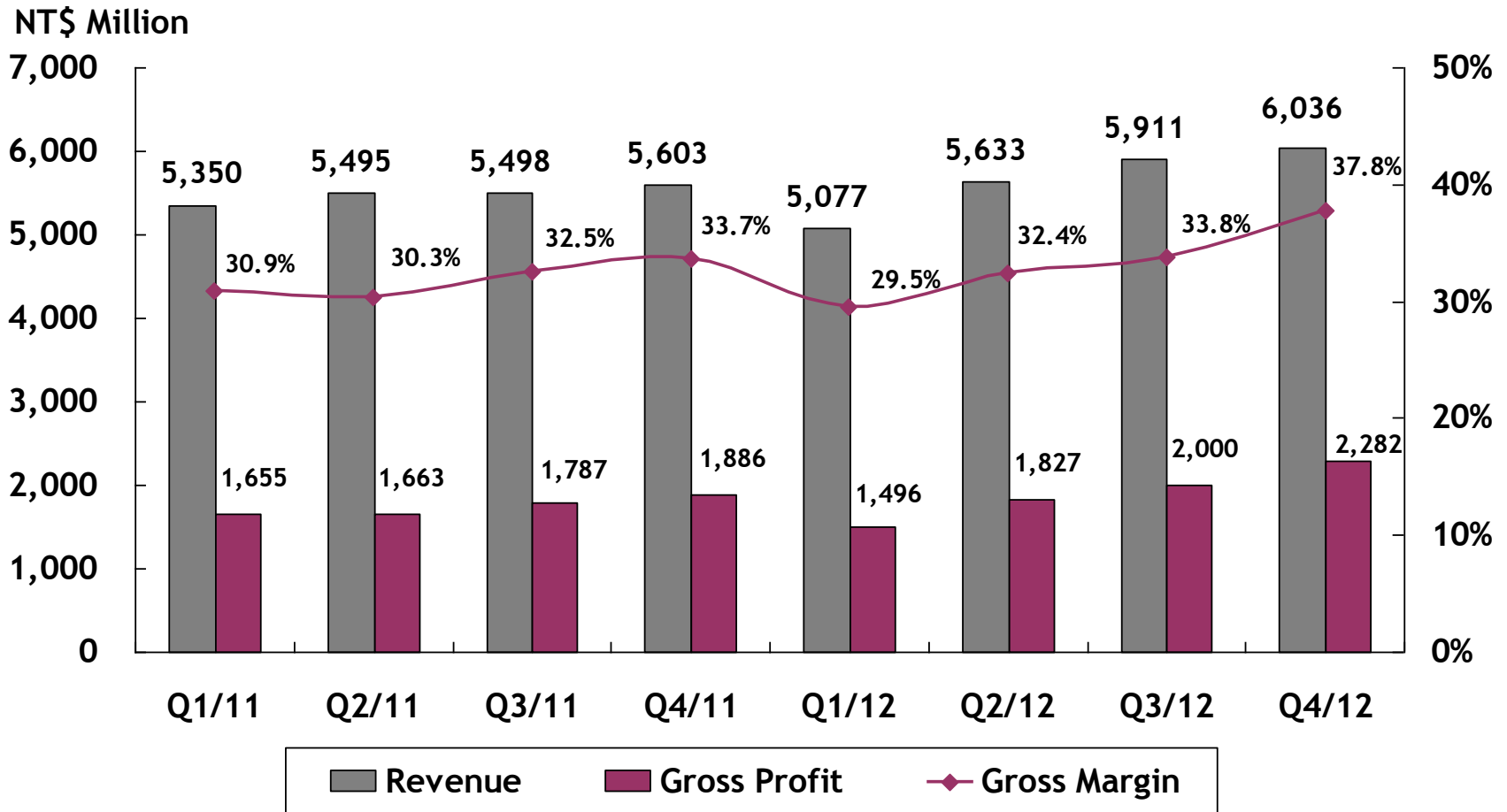


# Packaging Operations

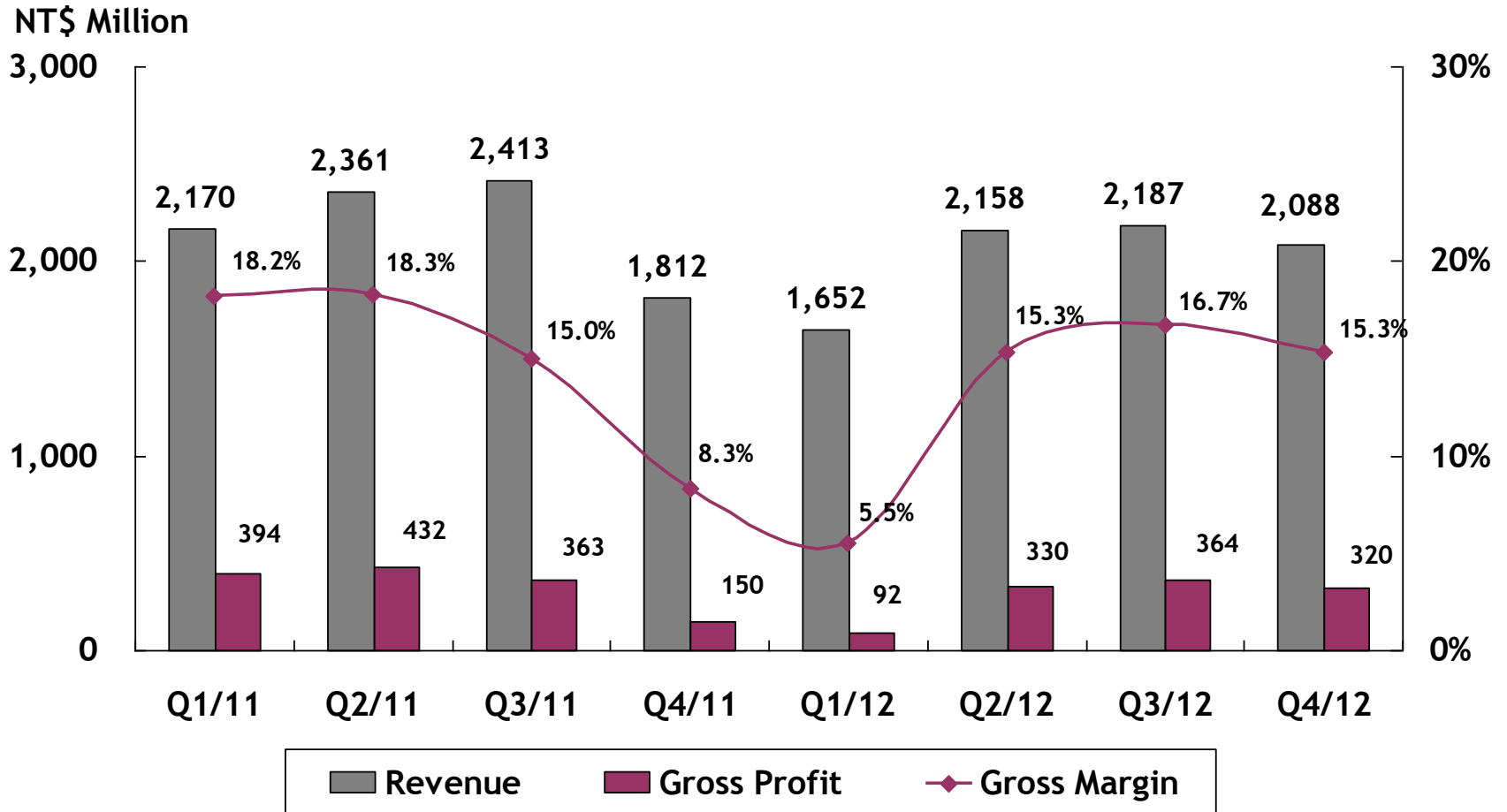
## Package Revenue Breakdown



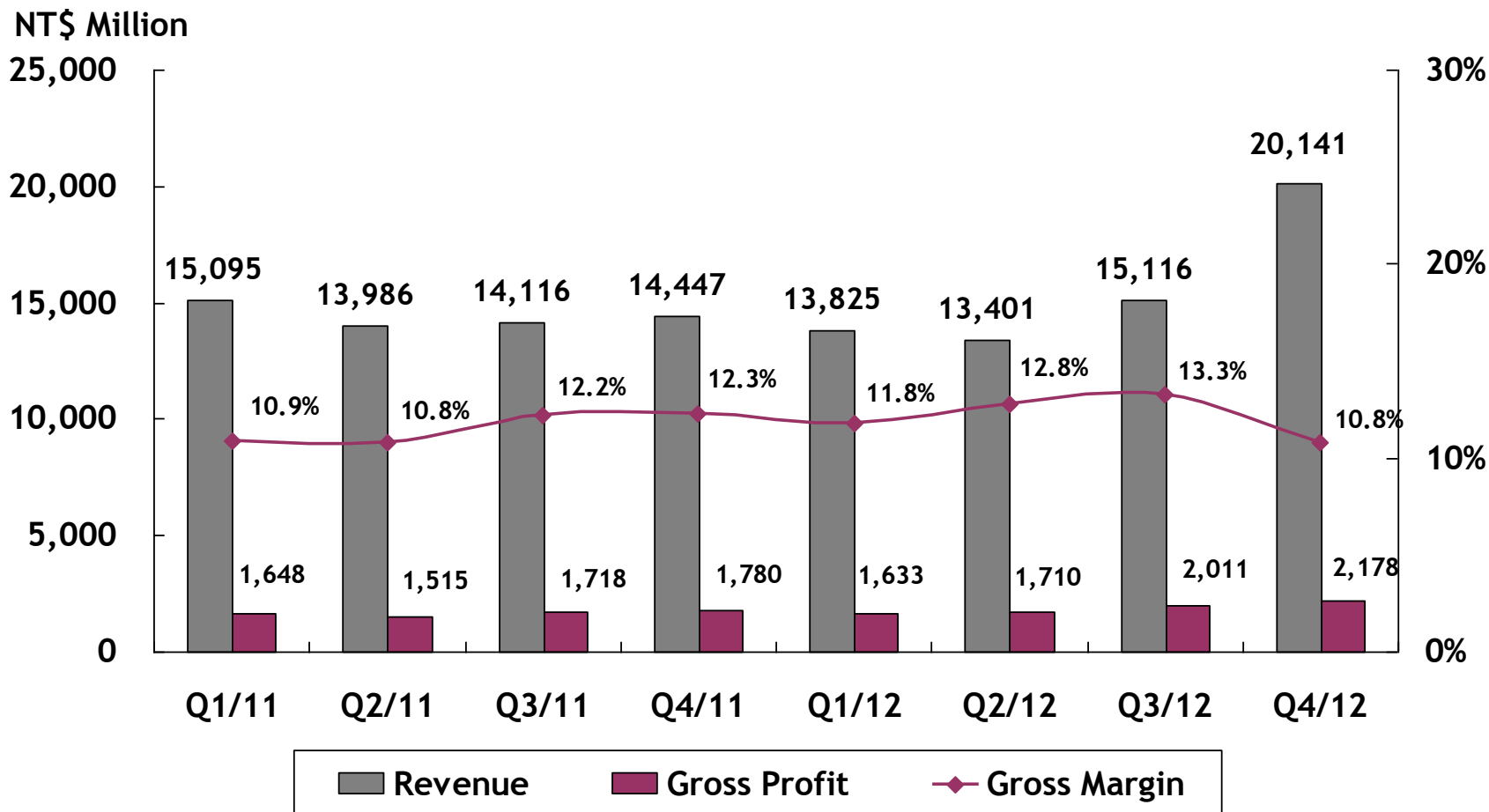
# Testing Operations



# Material Operations

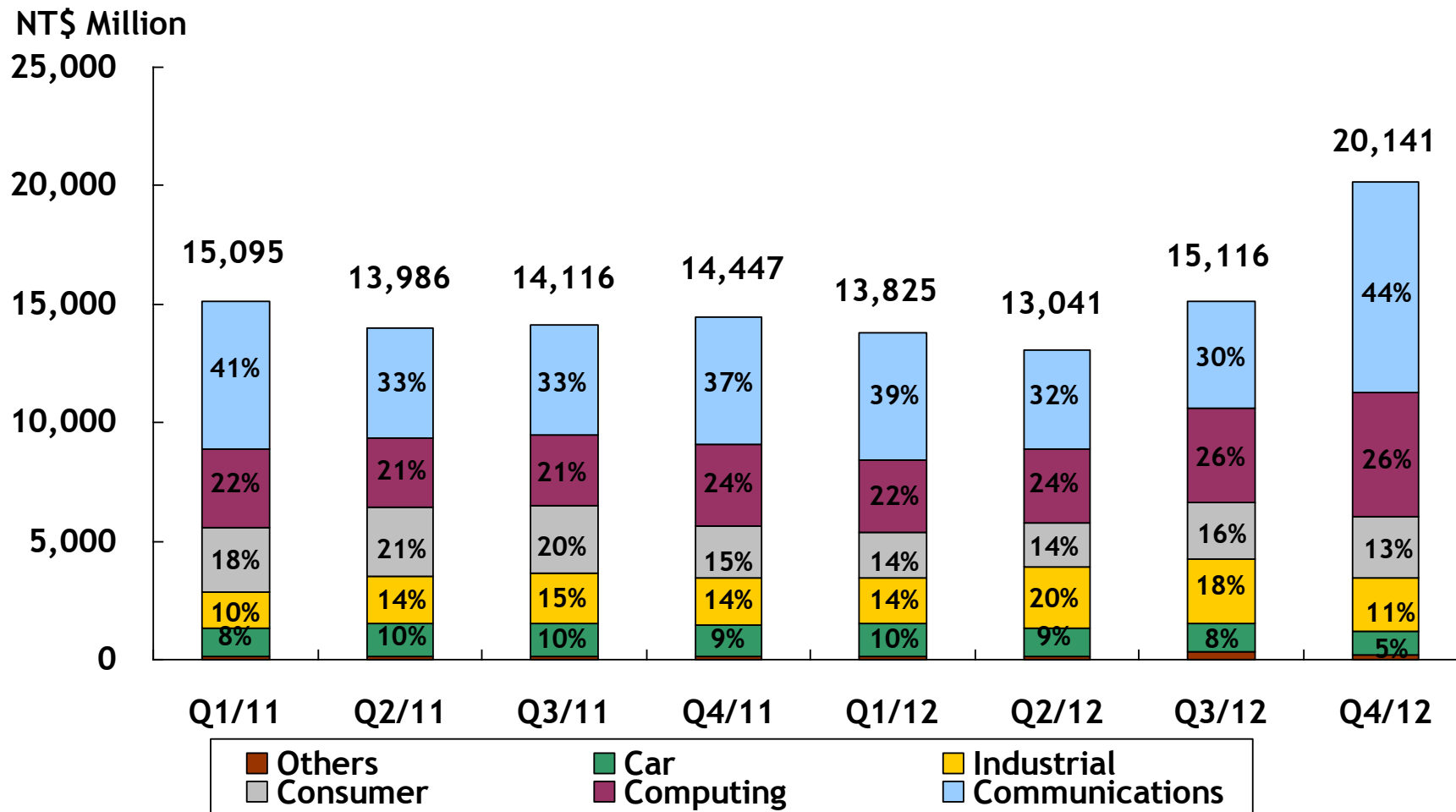


# EMS Operations



# EMS Operations

## EMS Revenue Breakdown



# Selective Balance Sheet Information

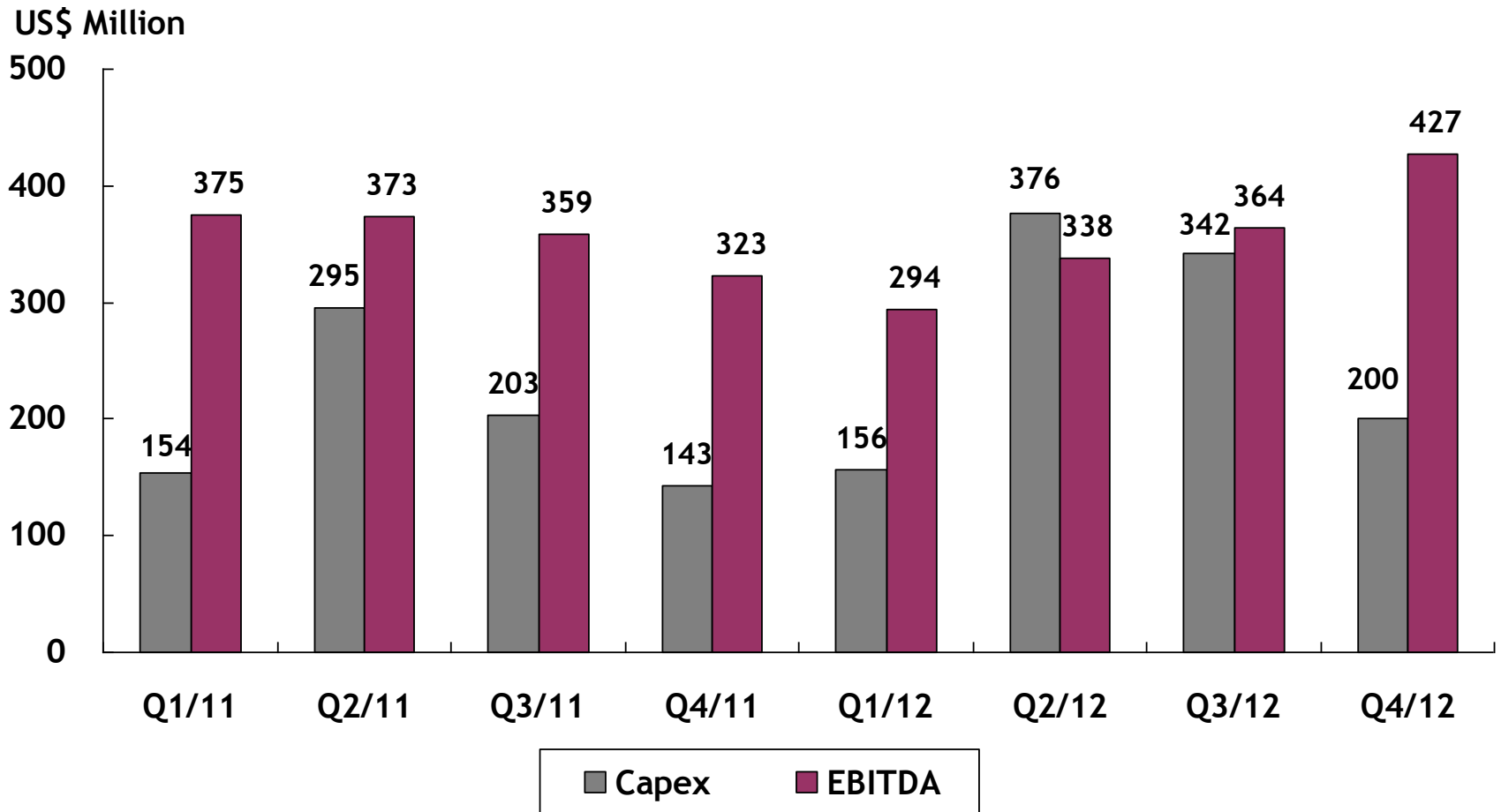
(unaudited)



(NT\$ Million)	Dec. 31, 2012	Sept. 30, 2012	Change
Cash and Cash Equivalent	20,266	21,864	-7.3%
Financial Assets - current	4,170	1,700	145.3%
Financial Assets - non current	2,366	2,304	2.7%
<b>Total Assets</b>	<b>246,504</b>	<b>241,972</b>	<b>1.9%</b>
ST Bank Debt - Revolving Credit	36,885	36,910	-0.1%
- Current Portion of LT Debt	3,214	2,961	8.5%
LT Bank Debt	44,592	44,560	0.1%
<b>Total Net Worth</b> (Including minority interest)	<b>112,459</b>	<b>108,669</b>	<b>3.5%</b>
Quarterly EBITDA	12,431	10,854	14.5%
Current Ratio	1.16	1.14	
Net Debt to Equity	0.54	0.56	



# Capital Expenditure & EBITDA





# Top 10 Customers

Q4 / 2012



## IC ATM

ATMEL  
AVAGO  
BROADCOM  
CAMBRIDGE  
MARVELL  
MEDIATEK  
MSTAR  
NXP  
QUALCOMM  
TOSHIBA

## EMS

AEE  
AUO  
CHIMEI  
HONEYWELL  
IEE  
LENOVO  
MOTOROLA  
SUPERMICRO  
TCL  
VALEO

Top 5

Top 10

37% of Total Sales

52% of Total Sales

Top 5

Top 10

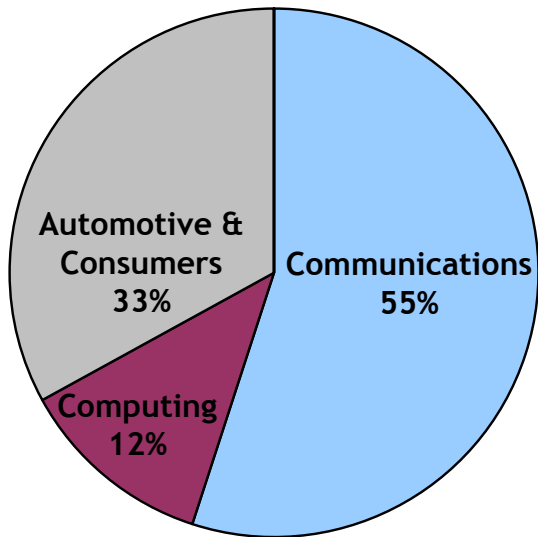
71% of Total Sales

84% of Total Sales

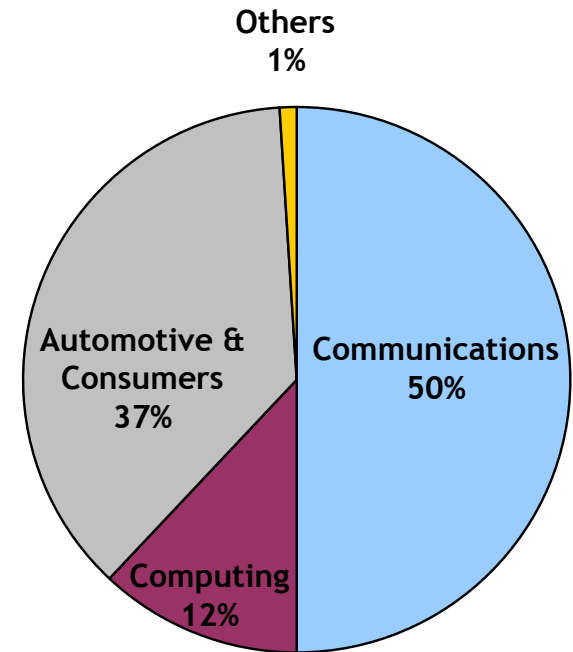


# IC ATM Market Segment Exposure

Q4 / 2012



Q3 / 2012



**For more information regarding ASE Group**

[www.aseglobal.com](http://www.aseglobal.com)

**For all inquiries, suggestions and comments**

[ir@aseglobal.com](mailto:ir@aseglobal.com)

