



# ASE Inc.

## Q2 2011

# Earnings Release

Presented by

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CFO/VP  
Aug. 4, 2011



# Safe Harbor Notice



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# IC ATM Consolidated Income Statement

Sequential Comparison



(NT\$ Million except EPS)	Q2 / 2011	%	Q1 / 2011	%	Change
<b>Net Revenues:</b>					
IC Packaging	26,004	80.6%	24,841	80.4%	5%
Testing	5,495	17.0%	5,350	17.3%	3%
Direct Material	677	2.1%	688	2.2%	-2%
EMS	79	0.2%	0	0.0%	
<b>Total Net Revenues</b>	<b>32,255</b>	<b>100.0%</b>	<b>30,879</b>	<b>100.0%</b>	<b>4%</b>
<b>Gross Profit</b>	<b>7,533</b>	<b>23.4%</b>	<b>7,095</b>	<b>23.0%</b>	<b>6%</b>
<b>Operating Income(Loss)</b>	<b>4,334</b>	<b>13.4%</b>	<b>3,970</b>	<b>12.9%</b>	<b>9%</b>
<b>Pretax Income(Loss)</b>	<b>4,580</b>	<b>14.2%</b>	<b>4,774</b>	<b>15.5%</b>	<b>-4%</b>
<b>Income Tax Benefit(Expense)</b>	<b>(832)</b>	<b>-2.6%</b>	<b>(645)</b>	<b>-2.1%</b>	
<b>Minority Interest</b>	<b>(104)</b>	<b>-0.3%</b>	<b>(155)</b>	<b>-0.5%</b>	
<b>Net Income(Loss)</b>	<b>3,644</b>	<b>11.3%</b>	<b>3,974</b>	<b>12.9%</b>	<b>-8%</b>
<b>EPS<sup>1</sup></b>	<b>0.60</b>		<b>0.65</b>		
<b>EBITDA</b>	<b>10,037</b>	<b>31.1%</b>	<b>10,042</b>	<b>32.5%</b>	<b>0%</b>

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



# IC ATM Consolidated Income Statement



YoY Comparison

(NT\$ Million except EPS)	Q2 / 2011	%	Q2 / 2010	%	Change
<b>Net Revenues:</b>					
IC Packaging	26,004	80.6%	25,707	81.1%	1%
Testing	5,495	17.0%	5,288	16.7%	4%
Direct Material	677	2.1%	702	2.2%	-4%
EMS	79	0.2%	0	0.0%	
<b>Total Net Revenues</b>	<b>32,255</b>	<b>100.0%</b>	<b>31,697</b>	<b>100.0%</b>	<b>2%</b>
<b>Gross Profit</b>	<b>7,533</b>	<b>23.4%</b>	<b>8,303</b>	<b>26.2%</b>	<b>-9%</b>
<b>Operating Income(Loss)</b>	<b>4,334</b>	<b>13.4%</b>	<b>5,367</b>	<b>16.9%</b>	<b>-19%</b>
<b>Pretax Income(Loss)</b>	<b>4,580</b>	<b>14.2%</b>	<b>5,176</b>	<b>16.3%</b>	<b>-12%</b>
<b>Income Tax Benefit(Expense)</b>	<b>(832)</b>	<b>-2.6%</b>	<b>(525)</b>	<b>-1.7%</b>	
<b>Minority Interest</b>	<b>(104)</b>	<b>-0.3%</b>	<b>(38)</b>	<b>-0.1%</b>	
<b>Net Income(Loss)</b>	<b>3,644</b>	<b>11.3%</b>	<b>4,613</b>	<b>14.6%</b>	<b>-21%</b>
<b>EPS<sup>1</sup></b>	<b>0.60</b>		<b>0.76</b>		
<b>EBITDA</b>	<b>10,037</b>	<b>31.1%</b>	<b>9,527</b>	<b>30.1%</b>	<b>5%</b>

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



# IC ATM Consolidated Income Statement



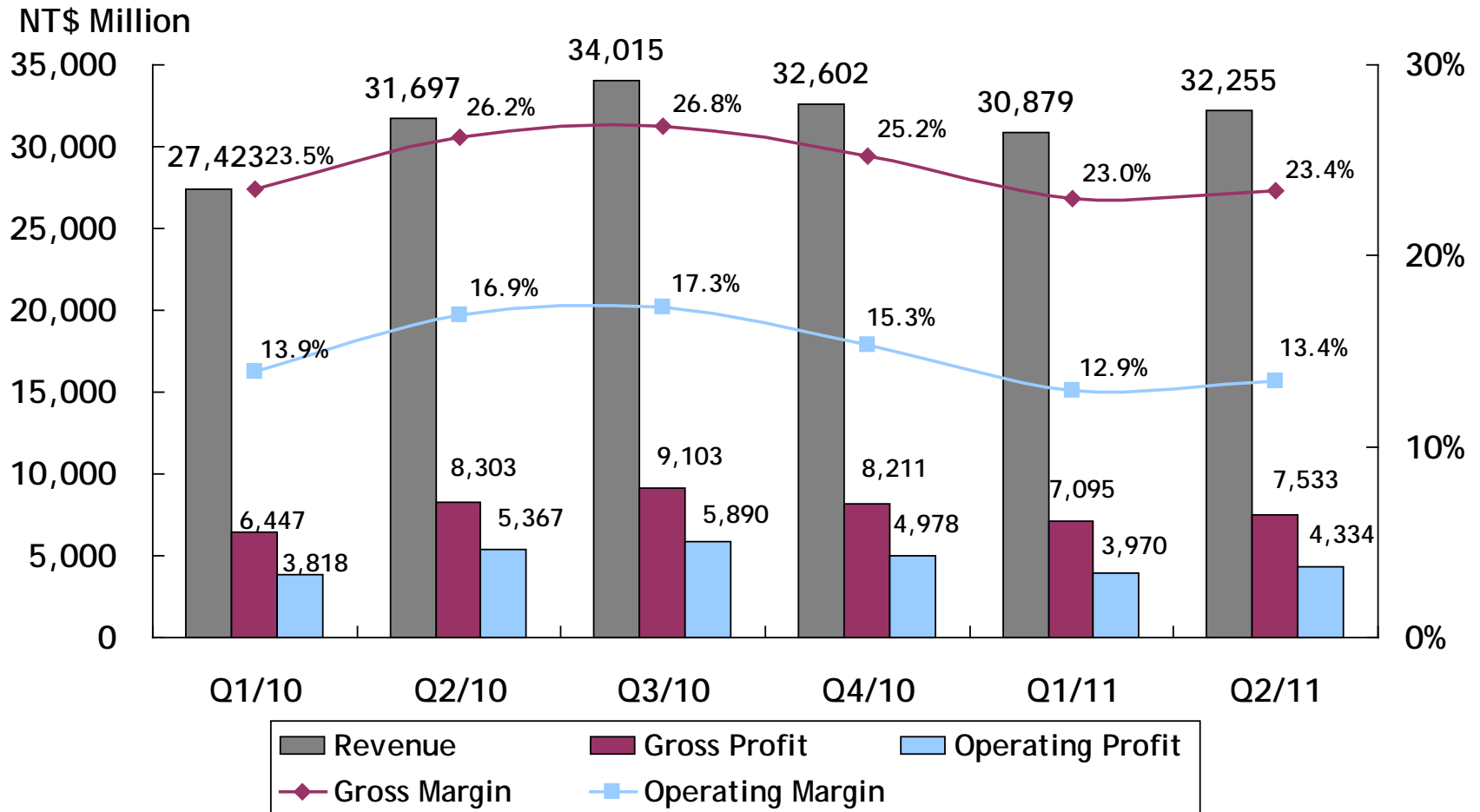
YoY Comparison

(NT\$ Million except EPS)	1H / 2011	%	1H / 2010	%	Change
<b>Net Revenues:</b>					
IC Packaging	50,845	80.5%	47,794	80.8%	6%
Testing	10,845	17.2%	9,951	16.8%	9%
Direct Material	1,365	2.2%	1,375	2.3%	-1%
EMS	79	0.1%	0	0.0%	
<b>Total Net Revenues</b>	<b>63,134</b>	<b>100.0%</b>	<b>59,120</b>	<b>100.0%</b>	<b>7%</b>
Gross Profit	14,628	23.2%	14,750	24.9%	-1%
Operating Income(Loss)	8,304	13.2%	9,186	15.5%	-10%
Pretax Income(Loss)	9,354	14.8%	9,108	15.4%	3%
Income Tax Benefit(Expense)	<b>(1,477)</b>	-2.3%	<b>(921)</b>	-1.6%	
Minority Interest	<b>(259)</b>	-0.4%	<b>(179)</b>	-0.3%	
<b>Net Income(Loss)</b>	<b>7,618</b>	<b>12.1%</b>	<b>8,008</b>	<b>13.5%</b>	<b>-5%</b>
EPS <sup>1</sup>	1.25		1.34		
<b>EBITDA</b>	<b>20,079</b>	<b>31.8%</b>	<b>17,758</b>	<b>30.0%</b>	<b>13%</b>

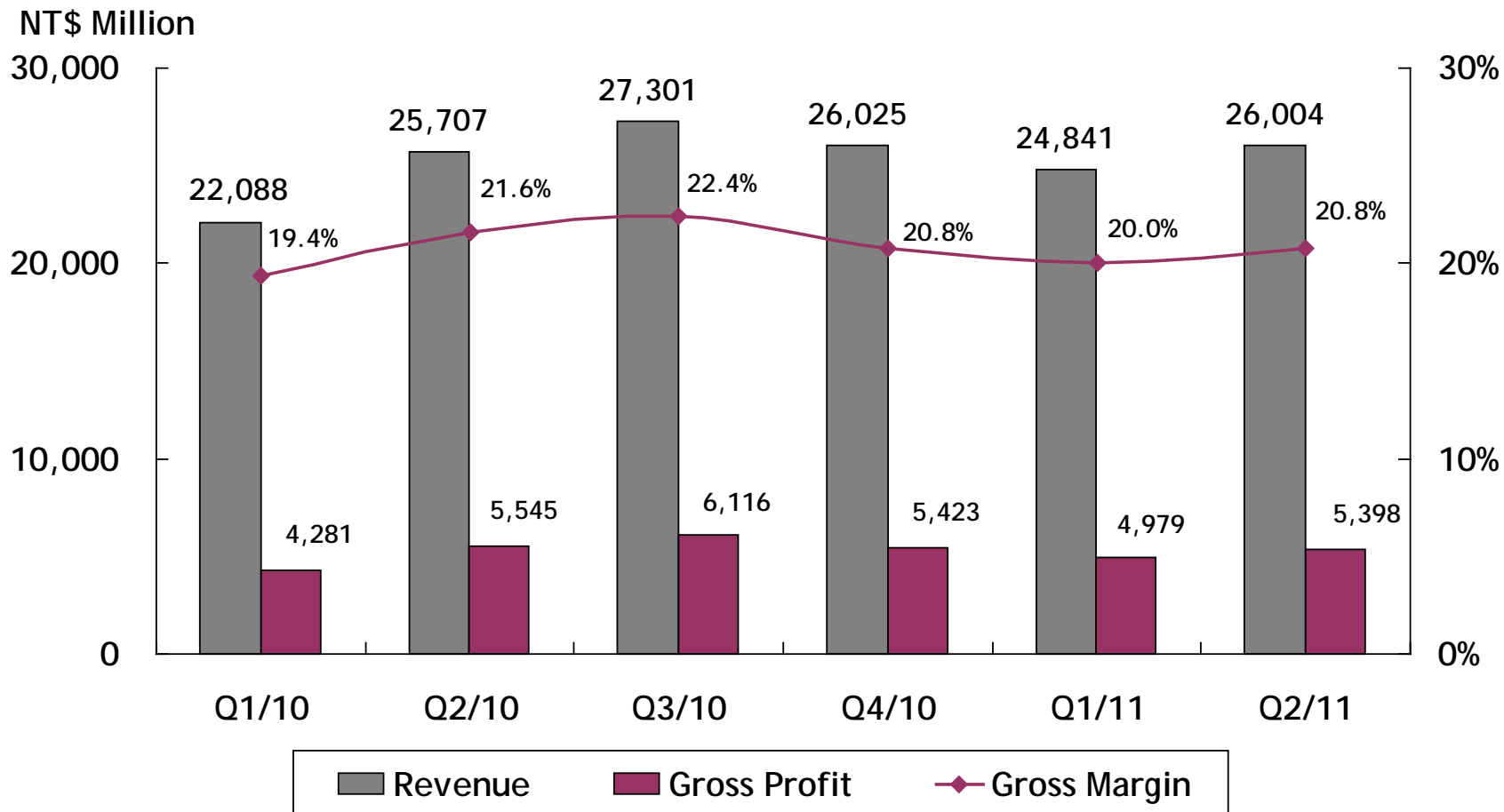
<sup>1</sup> All EPS figures are based on fully diluted number of shares



# IC ATM Consolidated Revenue & Margin Trend

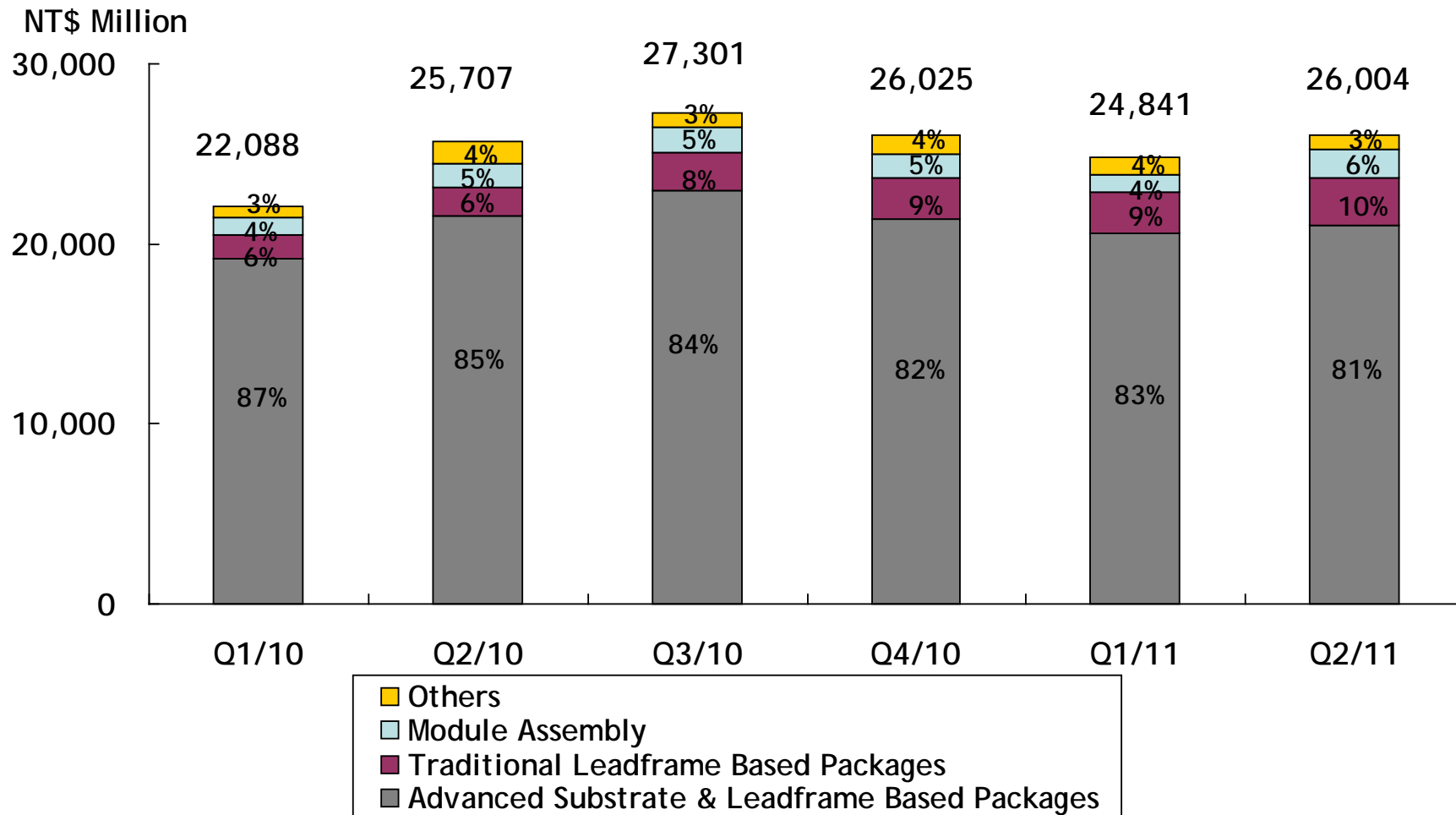


# IC Packaging Operations



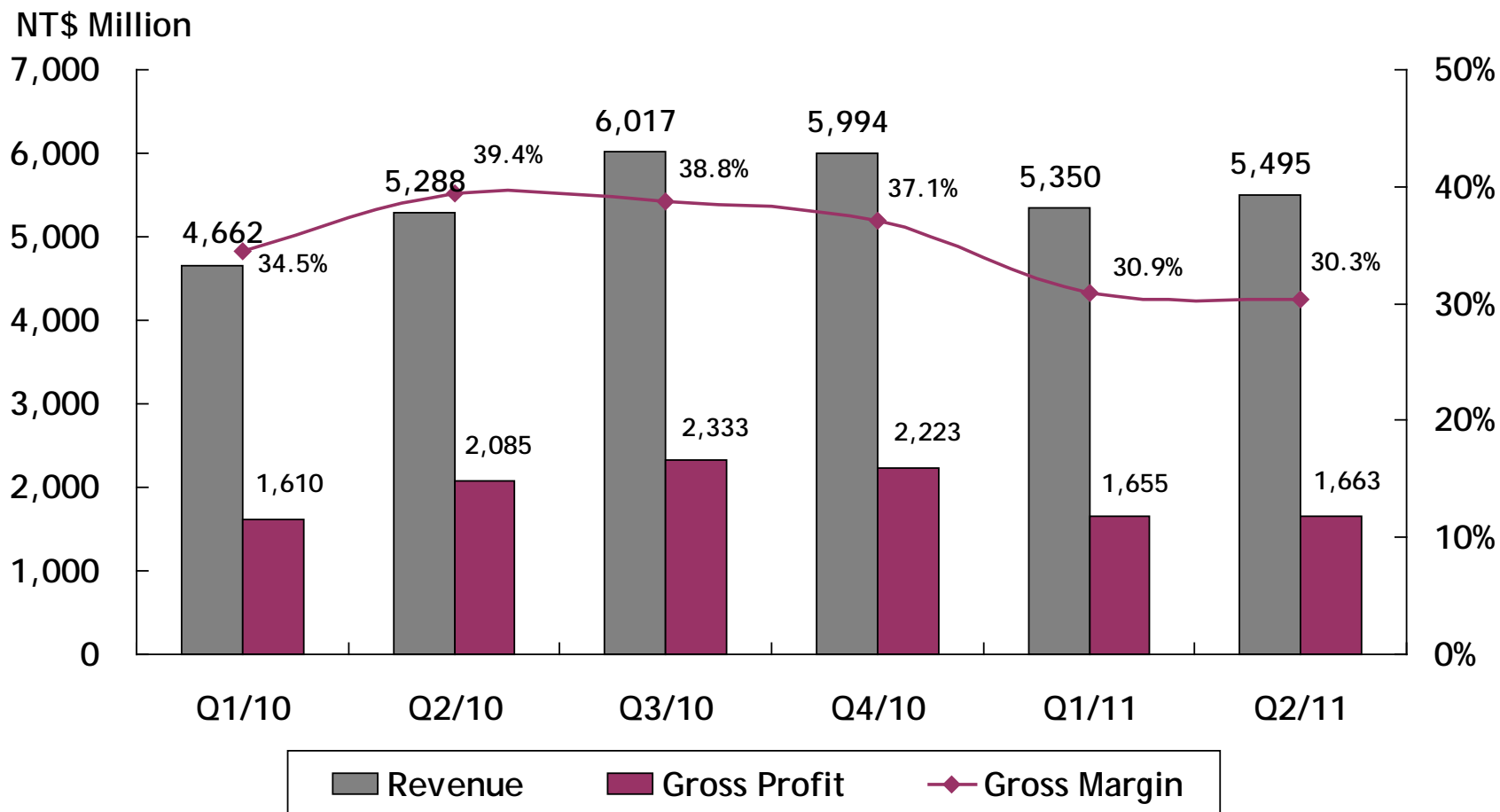
# IC Packaging Operations

## Package Revenue Breakdown



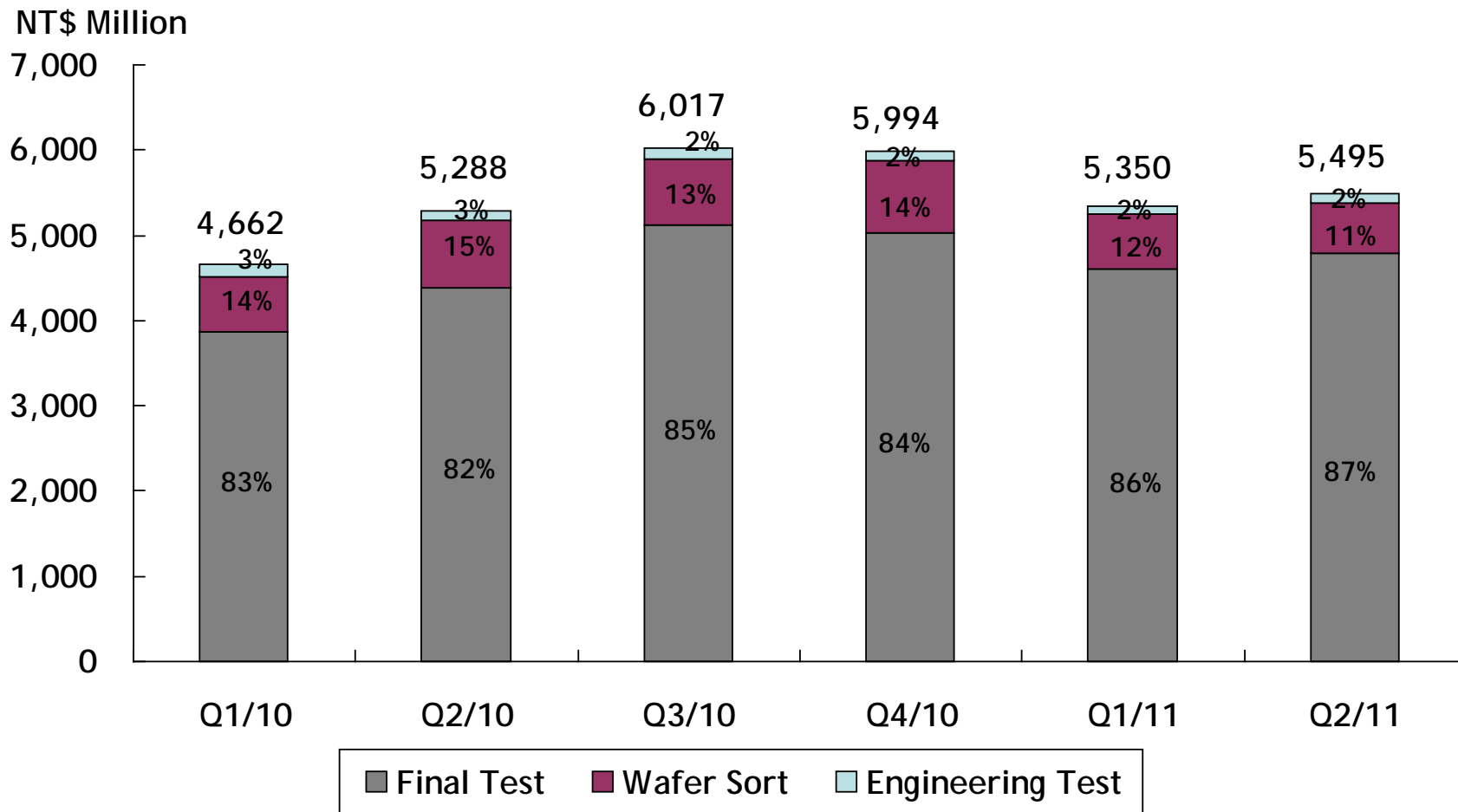


# IC Testing Operations

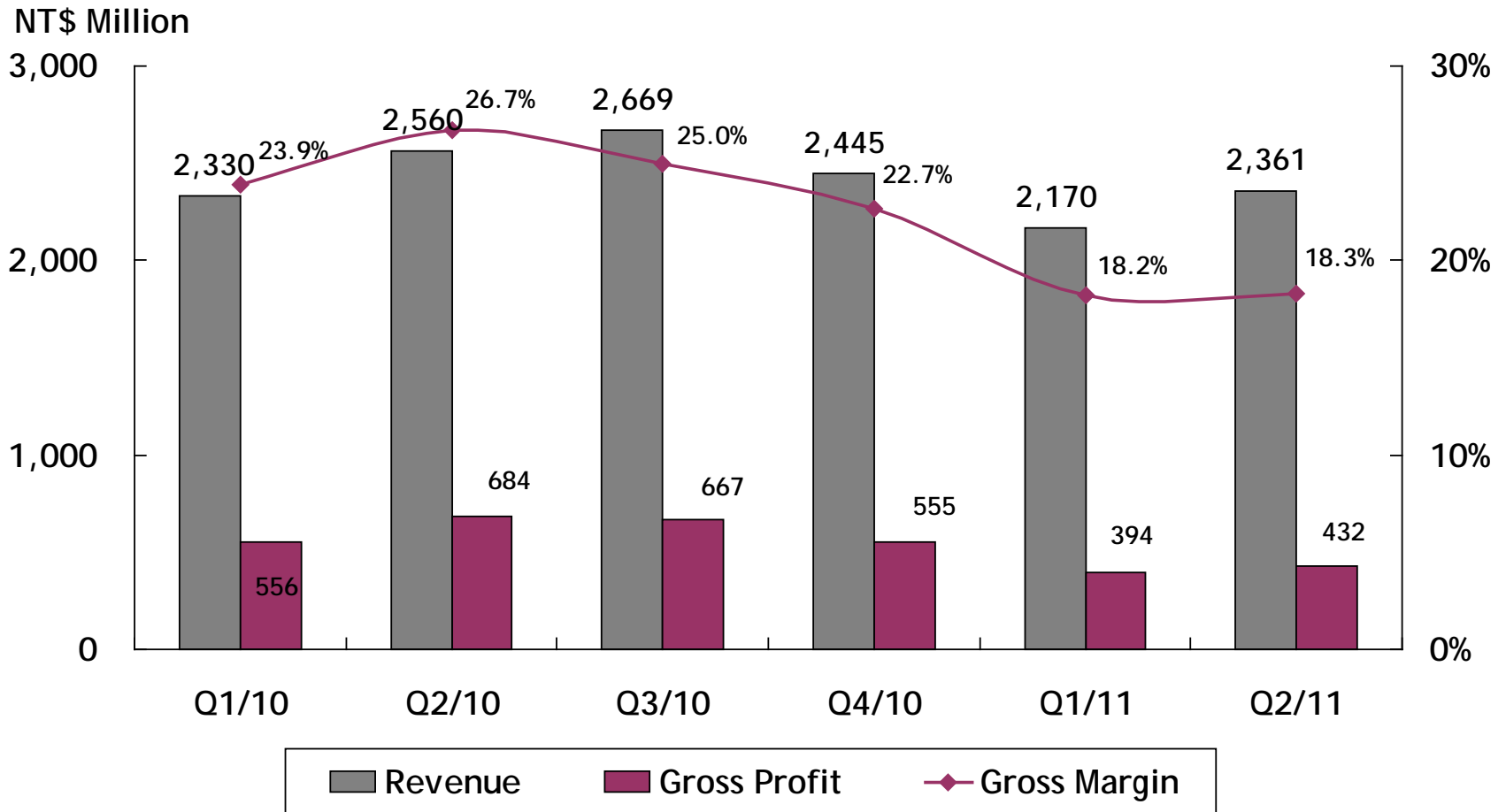


# IC Testing Operations

## Test Revenue Breakdown



# Material Operations



# USI Consolidated Income Statement

Sequential Comparison



(NT\$ Million except EPS)	Q2 / 2011	%	Q1 / 2011	%	Change
<b>Net Revenues:</b>					
Total Net Revenues	13,986	100.0%	15,095	100.0%	-7%
Gross Profit	1,515	10.8%	1,648	10.9%	-8%
Operating Income(Loss)	415	3.0%	547	3.6%	-24%
Pretax Income(Loss)	480	3.4%	640	4.2%	-25%
Income Tax Benefit(Expense)	(155)	-1.1%	(295)	-2.0%	
Minority Interest	(3)	0.0%	(3)	0.0%	
Net Income(Loss)	322	2.3%	342	2.3%	-6%
EBITDA	770	5.5%	920	6.1%	-16%



# USI Consolidated Income Statement

YoY Comparison



(NT\$ Million except EPS)	Q2 / 2011	%	Q2 / 2010	%	Change
<b>Net Revenues:</b>					
<b>Total Net Revenues</b>	13,986	100.0%	14,726	100.0%	-5%
<b>Gross Profit</b>	1,515	10.8%	1,763	12.0%	-14%
<b>Operating Income(Loss)</b>	415	3.0%	545	3.7%	-24%
<b>Pretax Income(Loss)</b>	480	3.4%	636	4.3%	-25%
<b>Income Tax Benefit(Expense)</b>	<b>(155)</b>	-1.1%	<b>(85)</b>	-0.6%	
<b>Minority Interest</b>	<b>(3)</b>	0.0%	<b>(2)</b>	0.0%	
<b>Net Income(Loss)</b>	322	2.3%	549	3.7%	-41%
<b>EBITDA</b>	770	5.5%	936	6.4%	-18%



# USI Consolidated Income Statement

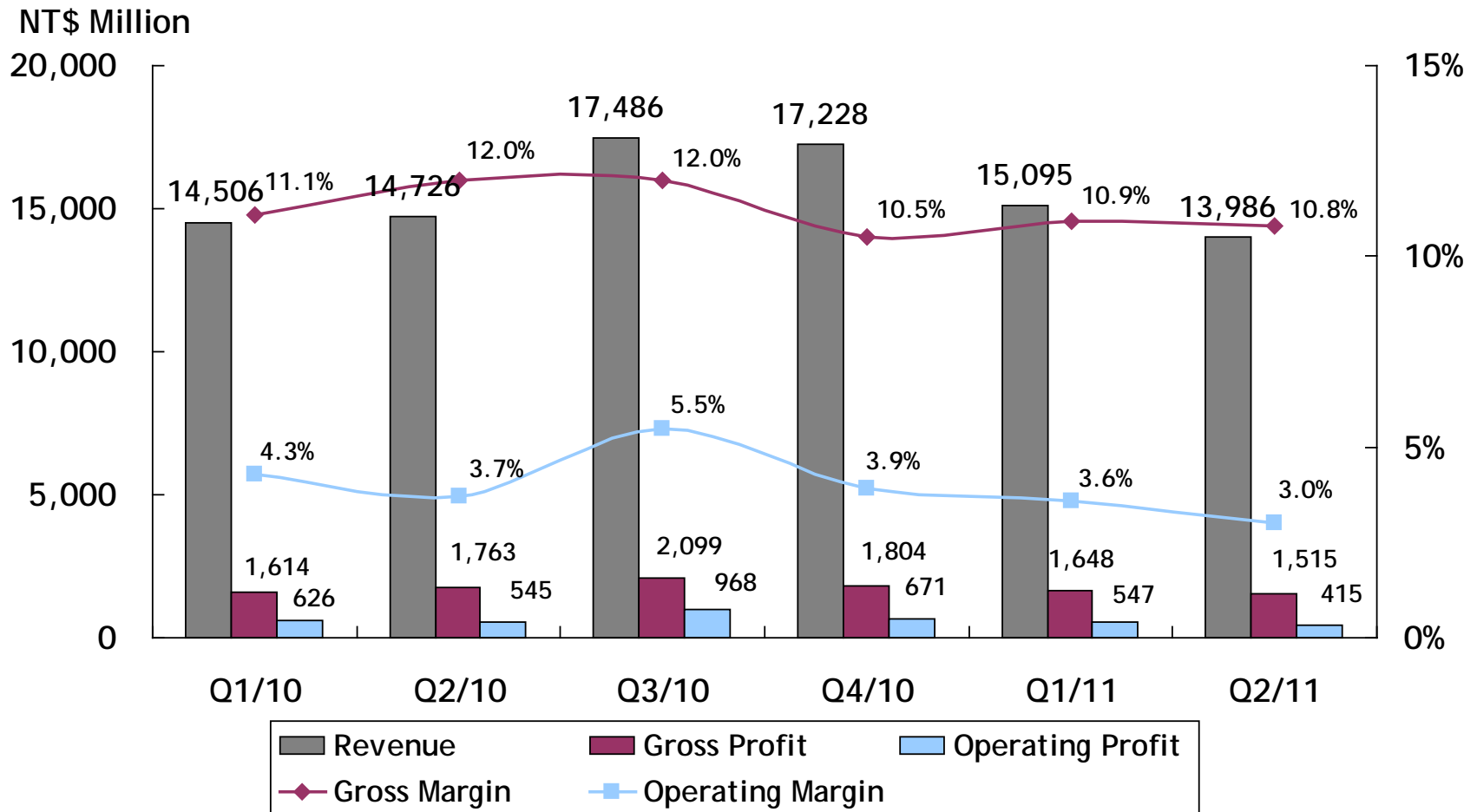
YoY Comparison



(NT\$ Million except EPS)	1H / 2011	%	1H / 2010	%	Change
<b>Net Revenues:</b>					
Total Net Revenues	29,081	100.0%	29,232	100.0%	-1%
Gross Profit	3,163	10.9%	3,377	11.6%	-6%
Operating Income(Loss)	962	3.3%	1,172	4.0%	-18%
Pretax Income(Loss)	1,120	3.9%	1,243	4.3%	-10%
Income Tax Benefit(Expense)	(450)	-1.5%	(159)	-0.5%	
Minority Interest	(6)	0.0%	(4)	0.0%	
Net Income(Loss)	664	2.3%	1,080	3.7%	-39%
EBITDA	1,690	5.8%	1,848	6.3%	-9%



# USI Consolidated Revenue & Margin Trend



# IC ATM + USI Consolidated Income Statement

Sequential Comparison



(NT\$ Million except EPS)	Q2 / 2011	%	Q1 / 2011	%	Change
<b>Net Revenues:</b>					
IC Packaging	25,991	56.3%	24,812	54.0%	5%
Testing	5,492	11.9%	5,339	11.6%	3%
Direct Material	677	1.5%	688	1.5%	-2%
EMS	14,019	30.4%	15,095	32.9%	-7%
<b>Total Net Revenues</b>	<b>46,179</b>	<b>100.0%</b>	<b>45,934</b>	<b>100.0%</b>	<b>1%</b>
<b>Gross Profit</b>	<b>8,916</b>	<b>19.3%</b>	<b>8,612</b>	<b>18.7%</b>	<b>4%</b>
<b>Operating Income(Loss)</b>	<b>4,589</b>	<b>9.9%</b>	<b>4,354</b>	<b>9.5%</b>	<b>5%</b>





# Consolidated Income Statement

## Sequential Comparison



(NT\$ Million except EPS)	Q2 / 2011	%	Q1 / 2011	%	Change
<b>Net Revenues:</b>					
IC Packaging	25,991	56.2%	24,812	53.9%	5%
Testing	5,492	11.9%	5,339	11.6%	3%
Direct Material	677	1.5%	688	1.5%	-2%
EMS	14,019	30.3%	15,095	32.8%	-7%
Others	75	0.2%	71	0.1%	6%
<b>Total Net Revenues</b>	<b>46,254</b>	<b>100.0%</b>	<b>46,005</b>	<b>100.0%</b>	<b>1%</b>
<b>Gross Profit</b>	<b>8,964</b>	<b>19.4%</b>	<b>8,658</b>	<b>18.8%</b>	<b>4%</b>
<b>Operating Income(Loss)</b>	<b>4,621</b>	<b>10.0%</b>	<b>4,387</b>	<b>9.5%</b>	<b>5%</b>
<b>Pretax Income(Loss)</b>	<b>4,749</b>	<b>10.3%</b>	<b>5,096</b>	<b>11.1%</b>	<b>-7%</b>
<b>Income Tax Benefit(Expense)</b>	<b>(998)</b>	<b>-2.2%</b>	<b>(963)</b>	<b>-2.1%</b>	
<b>Minority Interest</b>	<b>(107)</b>	<b>-0.2%</b>	<b>(159)</b>	<b>-0.3%</b>	
<b>Net Income(Loss)</b>	<b>3,644</b>	<b>7.9%</b>	<b>3,974</b>	<b>8.6%</b>	<b>-8%</b>
<b>EPS<sup>1</sup></b>	<b>0.60</b>		<b>0.65</b>		
<b>EBITDA</b>	<b>10,783</b>	<b>23.3%</b>	<b>10,978</b>	<b>23.9%</b>	<b>-2%</b>

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



# Consolidated Income Statement

YoY Comparison



(NT\$ Million except EPS)	1H / 2011	%	1H / 2010	%	Change
<b>Net Revenues:</b>					
IC Packaging	50,803	55.1%	47,781	56.9%	6%
Testing	10,831	11.7%	9,951	11.9%	9%
EMS	29,114	31.6%	24,864	29.6%	17%
Direct Material	1,365	1.5%	1,375	1.6%	-1%
Others	146	0.2%	0	0.0%	
<b>Total Net Revenues</b>	<b>92,259</b>	<b>100.0%</b>	<b>83,971</b>	<b>100.0%</b>	<b>10%</b>
<b>Gross Profit</b>	<b>17,622</b>	<b>19.1%</b>	<b>17,472</b>	<b>20.8%</b>	<b>1%</b>
<b>Operating Income(Loss)</b>	<b>9,008</b>	<b>9.8%</b>	<b>10,042</b>	<b>12.0%</b>	<b>-10%</b>
<b>Pretax Income(Loss)</b>	<b>9,845</b>	<b>10.7%</b>	<b>9,457</b>	<b>11.3%</b>	<b>4%</b>
<b>Income Tax Benefit(Expense)</b>	<b>(1,961)</b>	<b>-2.1%</b>	<b>(1,067)</b>	<b>-1.3%</b>	
<b>Minority Interest</b>	<b>(266)</b>	<b>-0.3%</b>	<b>(382)</b>	<b>-0.5%</b>	
<b>Net Income(Loss)</b>	<b>7,618</b>	<b>8.3%</b>	<b>8,008</b>	<b>9.5%</b>	<b>-5%</b>
<b>EPS<sup>1</sup></b>	<b>1.25</b>		<b>1.34</b>		
<b>EBITDA</b>	<b>21,760</b>	<b>23.6%</b>	<b>19,350</b>	<b>23.0%</b>	<b>12%</b>



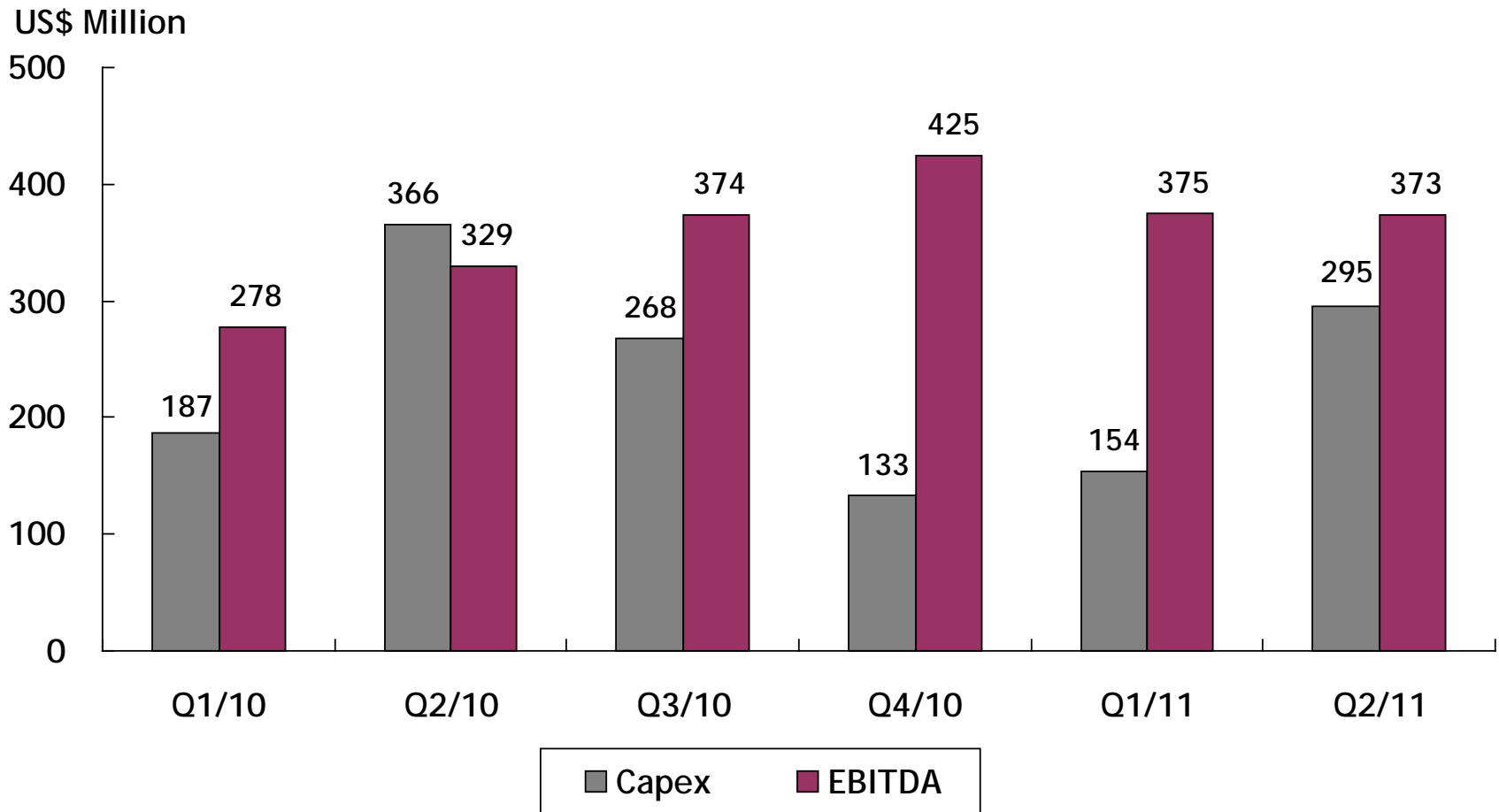
# Selective Balance Sheet Information



(NT\$ Million)	Jun. 30, 2011	Mar. 31, 2011	Change
Cash and Cash Equivalent	19,583	26,959	-27.4%
Financial Assets - current	687	1,420	-51.6%
Financial Assets - non current	2,743	2,450	12.0%
<b>Total Assets</b>	<b>210,102</b>	<b>213,450</b>	<b>-1.6%</b>
ST Bank Debt - Revolving Credit	26,026	22,191	17.3%
- Current Portion of LT Debt	2,455	5,348	-54.1%
LT Bank Debt	37,052	43,852	-15.5%
<b>Total Net Worth</b> (Including minority interest)	<b>96,152</b>	<b>97,403</b>	<b>-1.3%</b>
Quarterly EBITDA	10,783	10,978	-1.8%
Current Ratio	1.15	1.32	
Net Debt to Equity	0.47	0.44	



# Capital Expenditure v.s. EBITDA



# Top 10 Customers

Q2 / 2011



## IC ATM

ATMEL  
BROADCOM  
FREESCALE  
INFINEON  
MARVELL  
MEDIATEK  
MSTAR  
QUALCOMM  
RENESAS  
STM

## USI

AEE  
AUO  
CMO  
EMC Corp  
HONEYWELL  
HP  
IEE  
LENOVO  
MOTOROLA  
VALEO

Top 5

Top 10

29% of Total Sales

45% of Total Sales

Top 5

Top 10

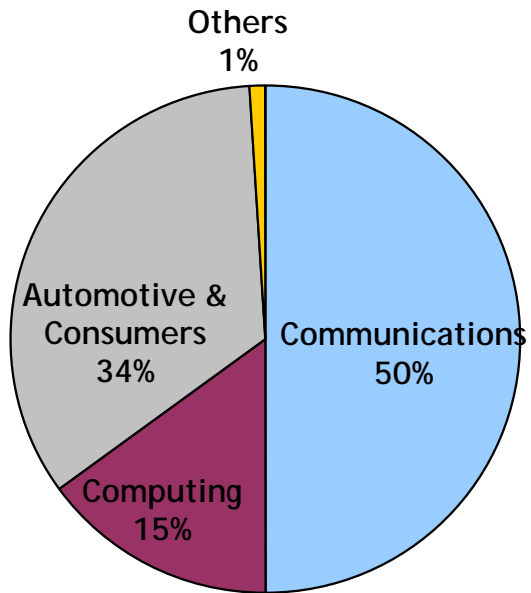
56% of Total Sales

77% of Total Sales

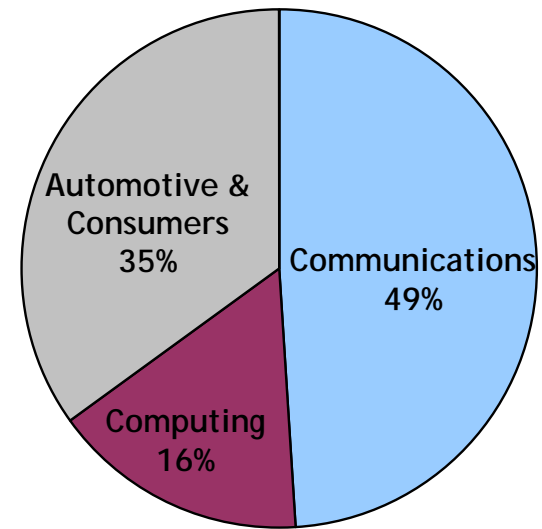


# IC ATM Market Segment Exposure

Q2 / 2011

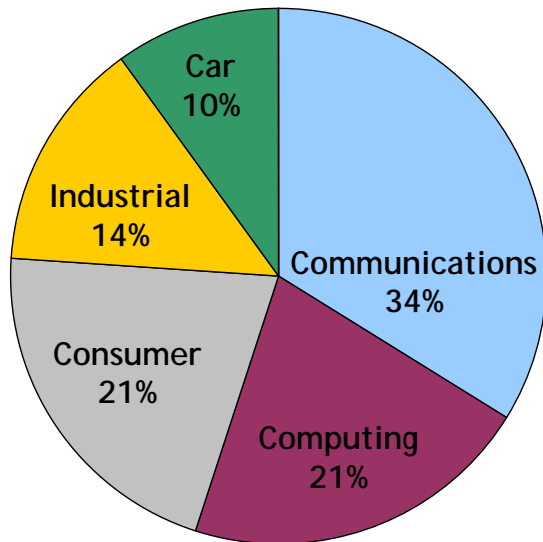


Q1 / 2011

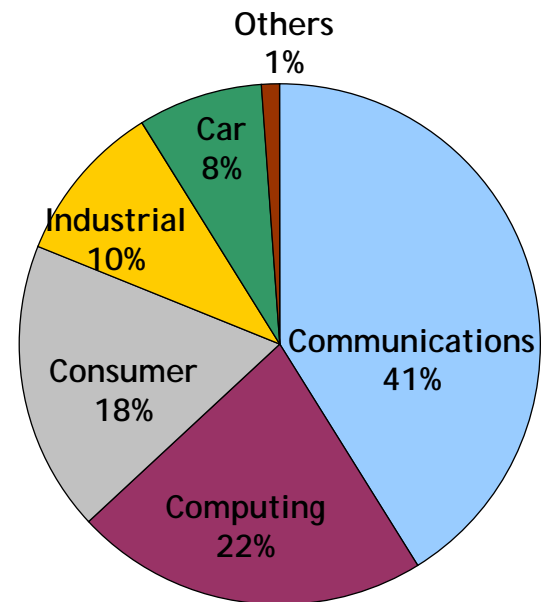


# USI Revenue Breakdown

Q2 / 2011



Q1 / 2011



For more information regarding ASE Group

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For all inquiries, suggestions and comments

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