

Maximum with Minimum

ASE Inc. 2006 Q1 Earnings Release

Presented by
Advanced
Semiconductor
Engineering, Inc.
4/26/2006



Safe Harbor Notice

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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 press release. 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 press release. 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 cyclical 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; possible disruptions in commercial activities caused by natural or human-induced disasters, including terrorist activity and armed conflict; 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 2004 Annual Report on Form 20-F filed on June 23, 2005.



Consolidated Income Statement



2006 Q1 Sequential Comparison

(NT\$ Million except EPS)	2006 Q1	%	2005 Q4	%	Change
Net Revenues:					
IC Packaging	17,831	71.8%	18,730	70.9%	-5%
Testing	5,123	20.6%	5,267	19.9%	-3%
Module Assembly	1,475	5.9%	2,054	7.8%	-28%
Others	408	1.6%	353	1.3%	16%
Total Net Revenues	24,837	100.0%	26,404	100.0%	-6%
Gross Profit	6,635	26.7%	6,555	24.8%	1%
Operating Profit	4,685	18.9%	4,252	16.1%	10%
Pretax Income(Loss)	4,083	16.4%	3,298	12.5%	24%
Income Tax(Expense)	(18)	-0.1%	(46)	-0.2%	
Income(Loss) from Discontinuing Operations	0	0.0%	230	0.9%	
Cumulative Effect of Change in Accounting Principle	(457)	-1.8%	0	0.0%	
MI in Net Loss(Income)	(426)	-1.7%	(540)	-2.0%	
Net Income(Loss)	3,182	12.8%	2,942	11.1%	8%
EPS¹	0.69		0.65		6%
EBITDA	7,953	32.0%	7,781	29.5%	2%

¹ All EPS figures are based on fully diluted number of shares

Consolidated Income Statement



2006 Q1 YoY Comparison

(NT\$ Million except EPS)	2006 Q1	%	2005 Q1	%	Change
Net Revenues:					
IC Packaging	17,831	71.8%	12,755	71.6%	40%
Testing	5,123	20.6%	3,693	20.7%	39%
Module Assembly	1,475	5.9%	1,179	6.6%	25%
Others	408	1.6%	196	1.1%	108%
Total Net Revenues	24,837	100.0%	17,823	100.0%	39%
Gross Profit	6,635	26.7%	1,821	10.2%	264%
Operating Profit	4,685	18.9%	(211)	-1.2%	
Pretax Income(Loss)	4,083	16.4%	(531)	-3.0%	
Income Tax(Expense)	(18)	-0.1%	146	0.8%	-112%
Income(Loss) from Discontinuing Operations	0	0.0%	23	0.1%	
Cumulative Effect of Change in Accounting Principle	(457)	-1.8%	0	0.0%	
MI in Net Loss(Income)	(426)	-1.7%	234	1.3%	-282%
Net Income(Loss)	3,182	12.8%	(128)	-0.7%	
EPS ¹	0.69	0.0%	(0.03)	0.0%	
EBITDA	7,953	32.0%	3,942	22.1%	102%

¹ All EPS figures are based on fully diluted number of shares

Consolidated Revenue & Margin Trend



NT\$ Million

30,000

20,000

10,000

0

30%

20%

10%

0%

-10%

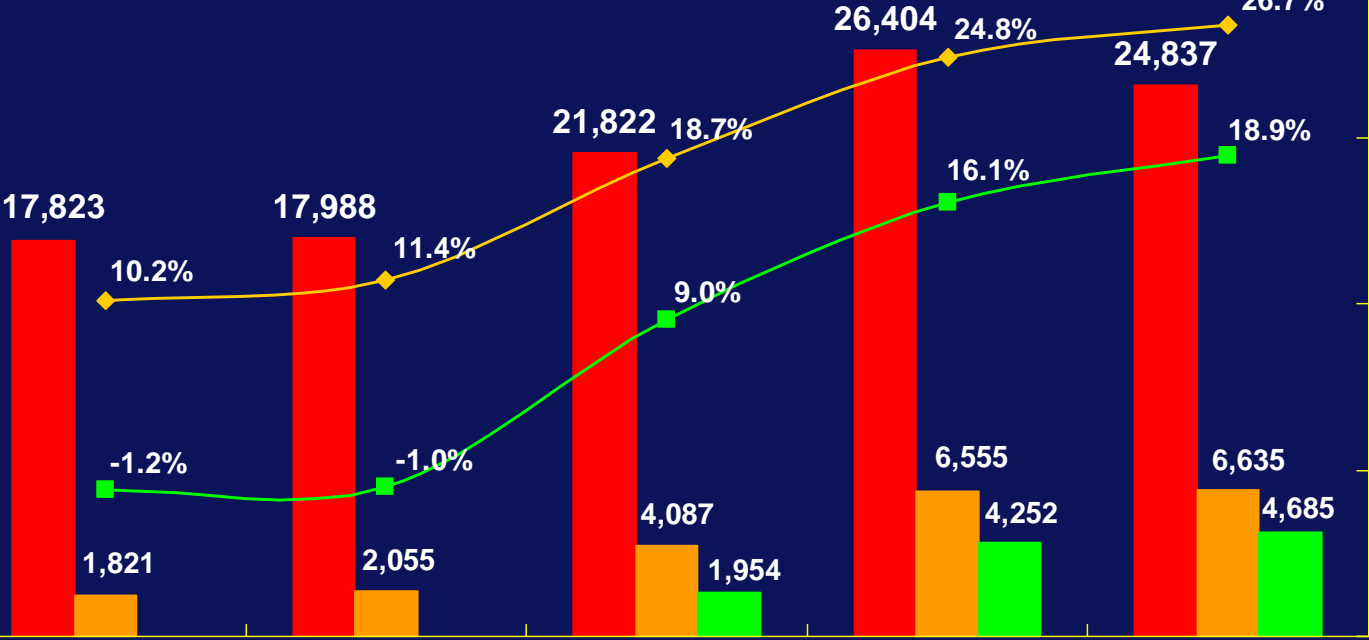
Q1/05

Q2/05

Q3/05

Q4/05

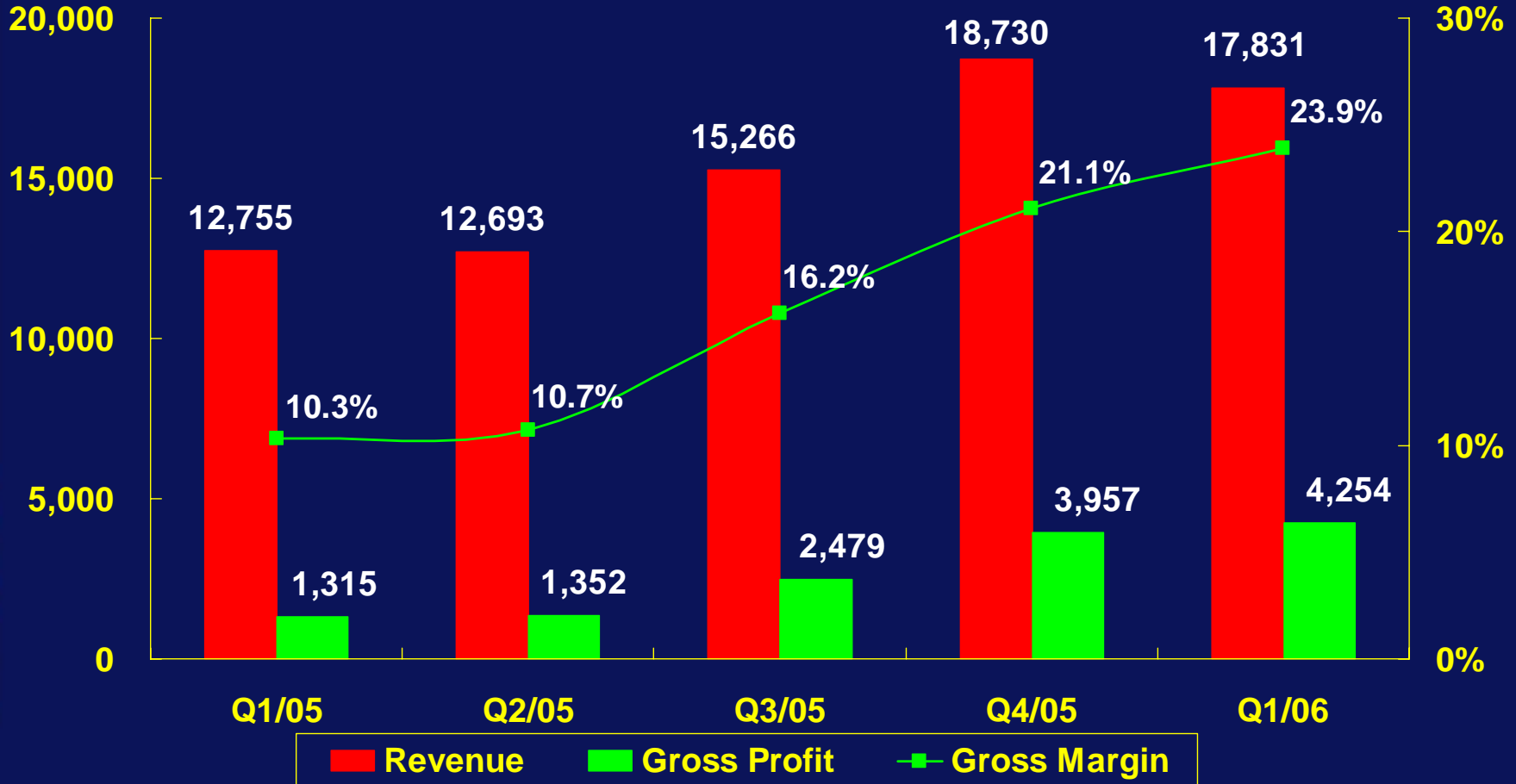
Q1/06



IC Packaging Operations



NT\$ Million

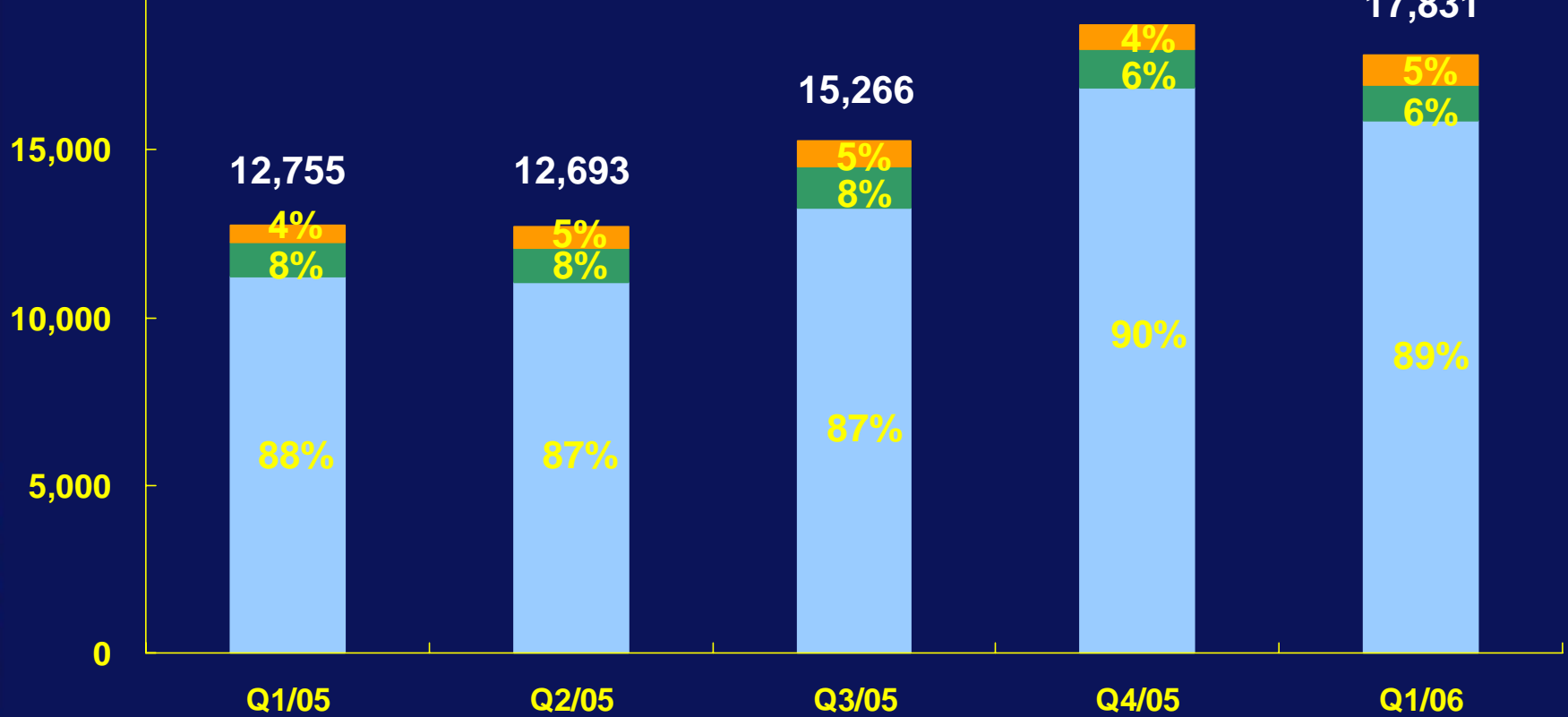




IC Packaging Operations

Package Revenue Breakdown

NT\$ Million
20,000



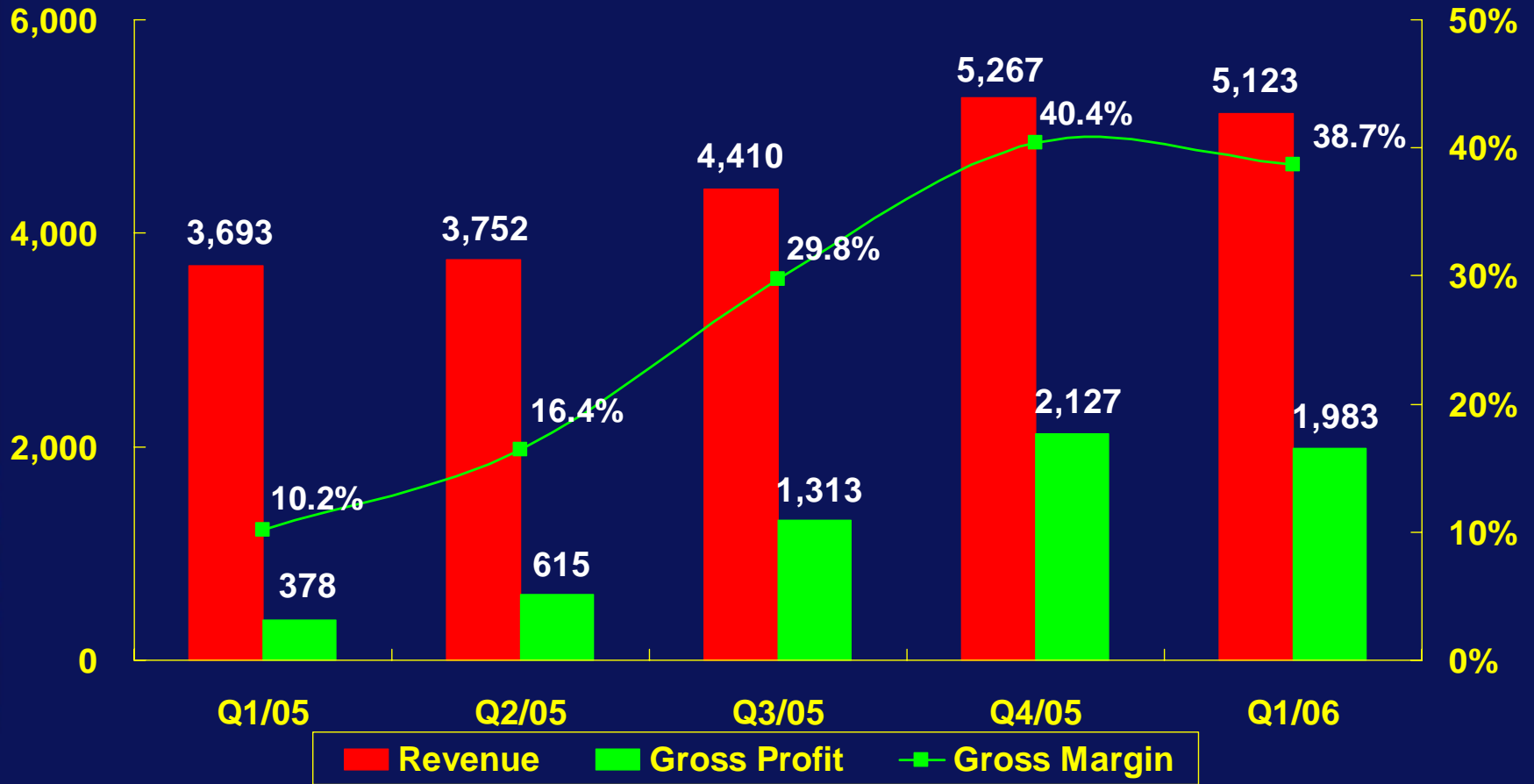
- Others
- Traditional Leadframe Based Packages
- Advanced Substrate & Leadframe Based Packages



Testing Operations



NT\$ Million

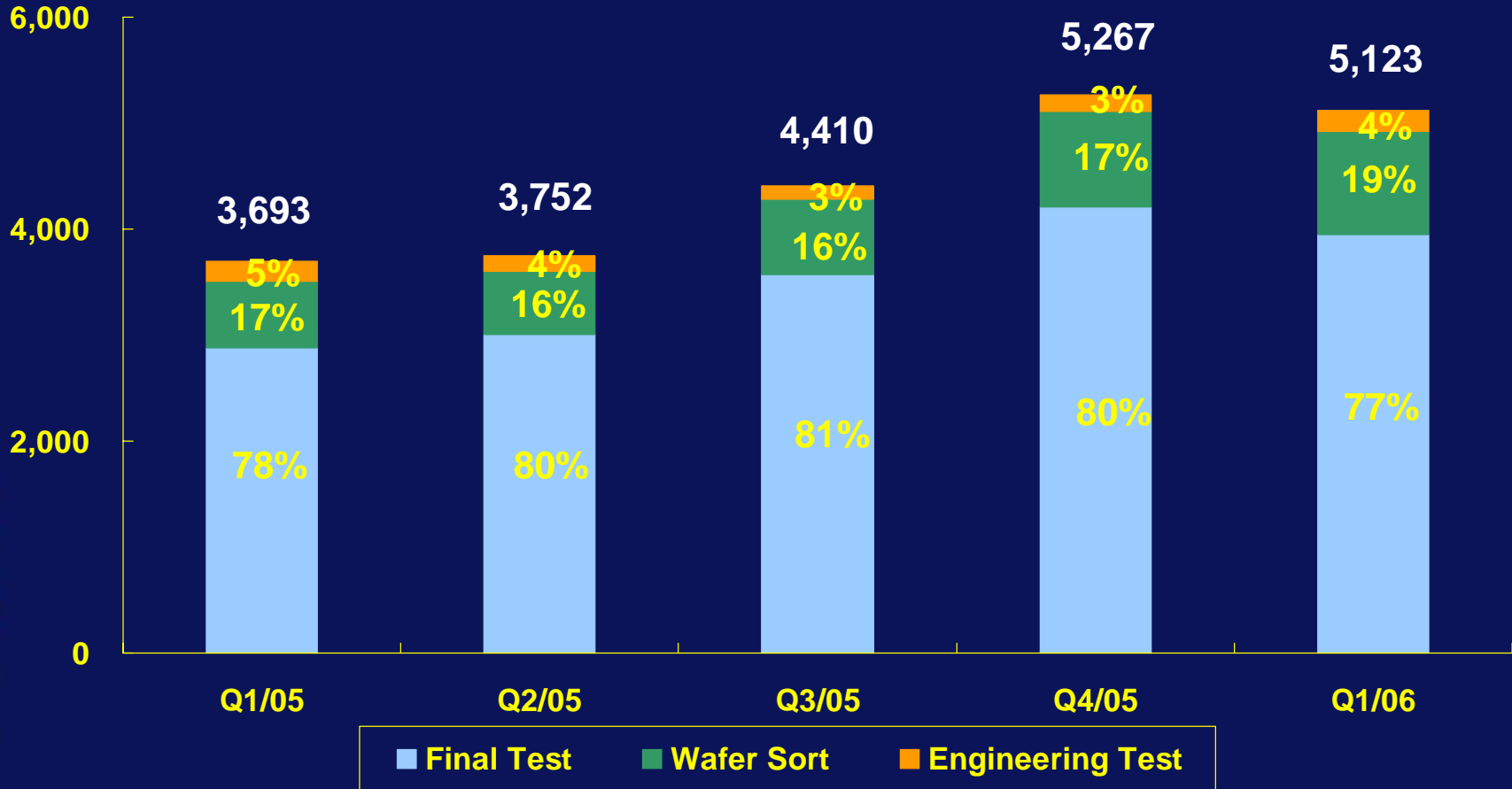




Testing Operations

Test Revenue Breakdown

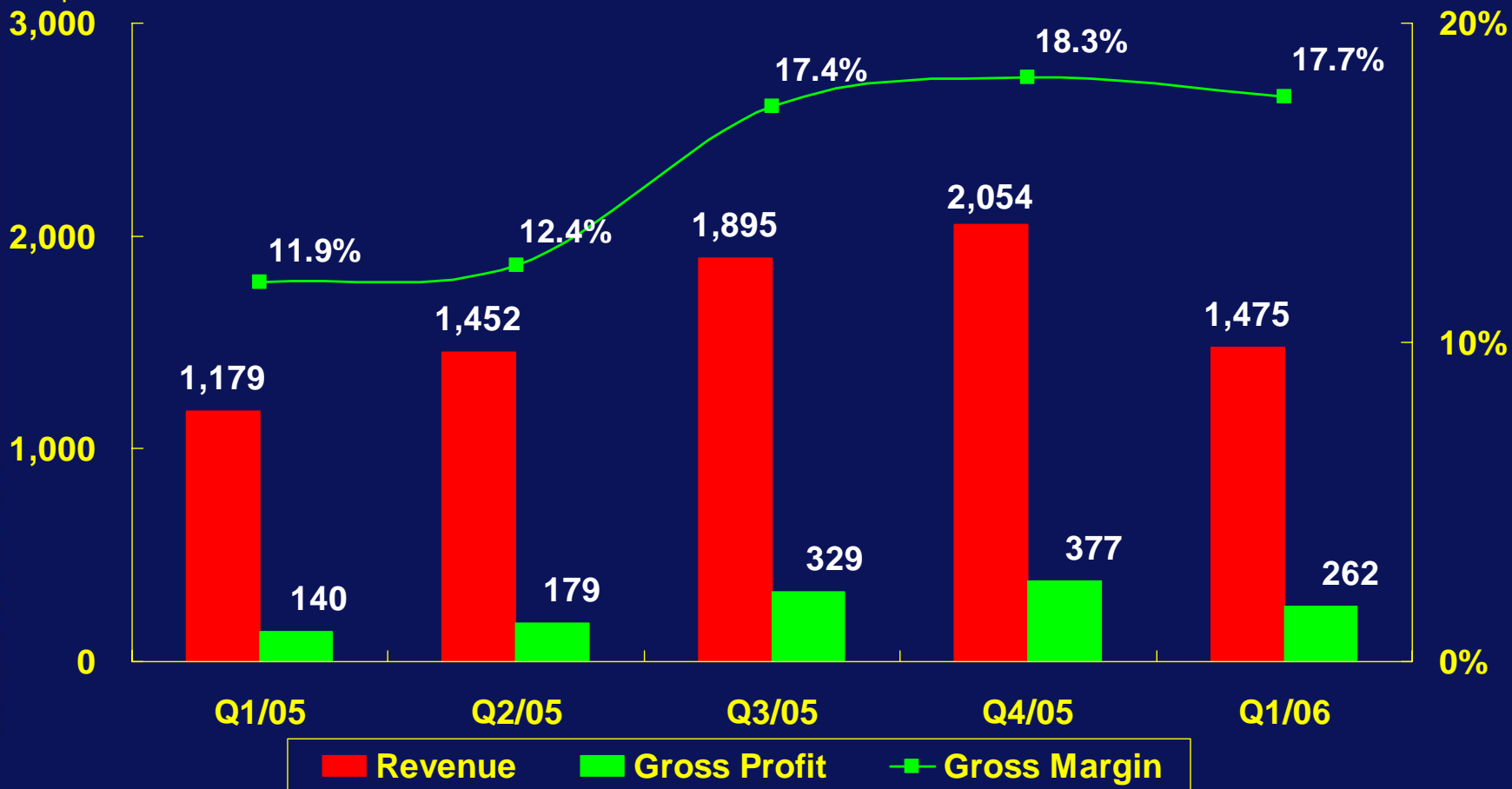
NT\$ Million



Module Assembly Operations



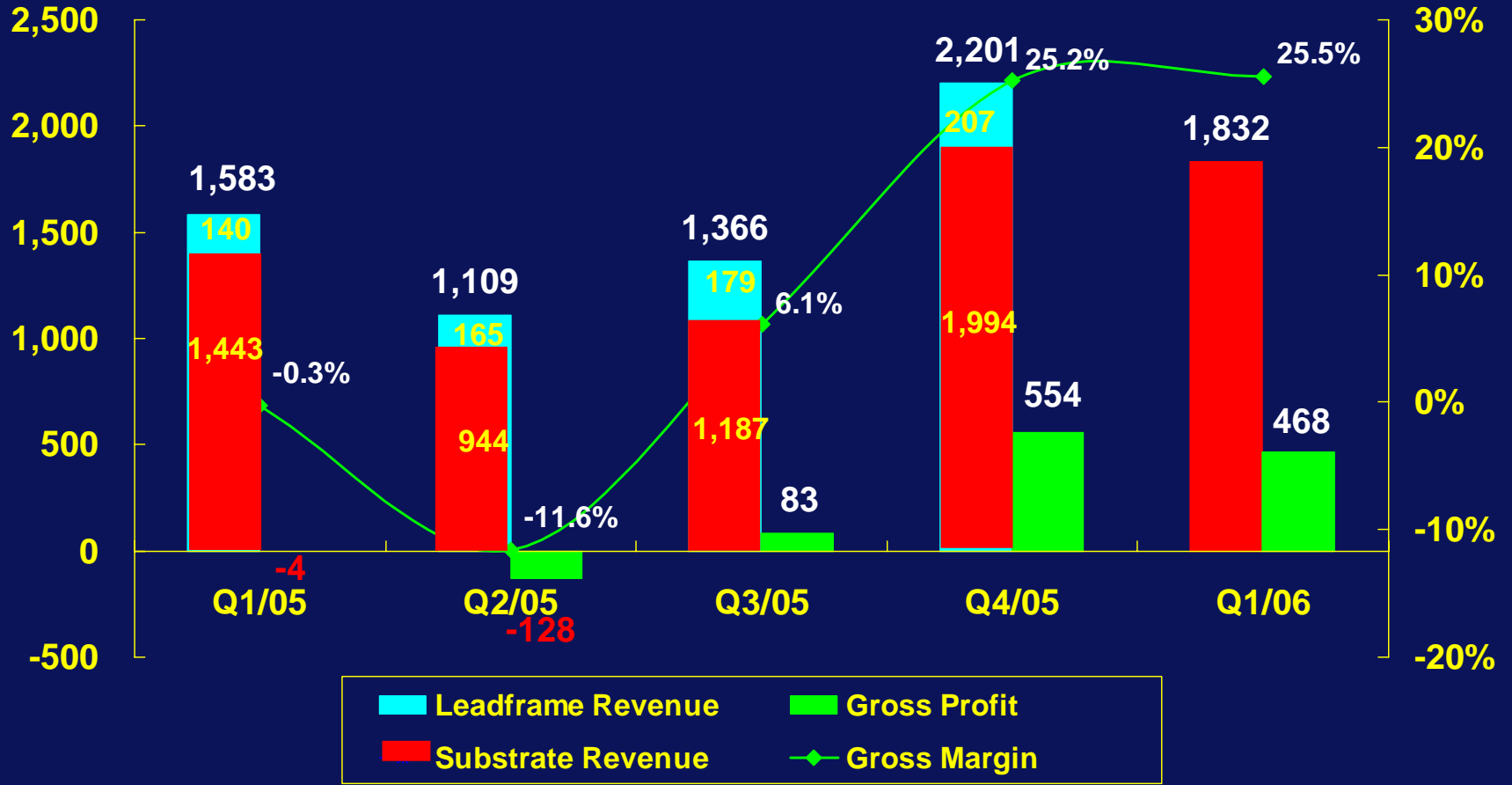
NT\$ Million



Material Operations



NT\$ Million



Selective Balance Sheet Information



(NT\$ Million)	<u>Mar. 31, 2006</u>	<u>Dec. 31, 2005</u>	<u>Change</u>
Cash and Cash Equivalent	10,261	13,264	-22.6%
Financial Assets - current	6,895	4,353	58.4%
Financial Assets - non current	5,138	4,898	4.9%
Total Assets	129,574	131,255	-1.3%
ST Bank Debt - Revolving Credit	5,327	5,085	4.8%
- Current Portion of LT Debt	4,586	5,438	-15.7%
Bonds Payable within 1 year	0	0	
LT Bank Debt	30,944	33,500	-7.6%
LT Bonds Payable	9,342	9,362	-0.2%
Total Net Worth (Including minority interest)	58,814	54,980	7.0%
Quarterly EBITDA	7,953	7,781	2.2%
Current Ratio	1.63	1.54	
Leverage Ratio	0.56	0.65	

Maximum with Minimum

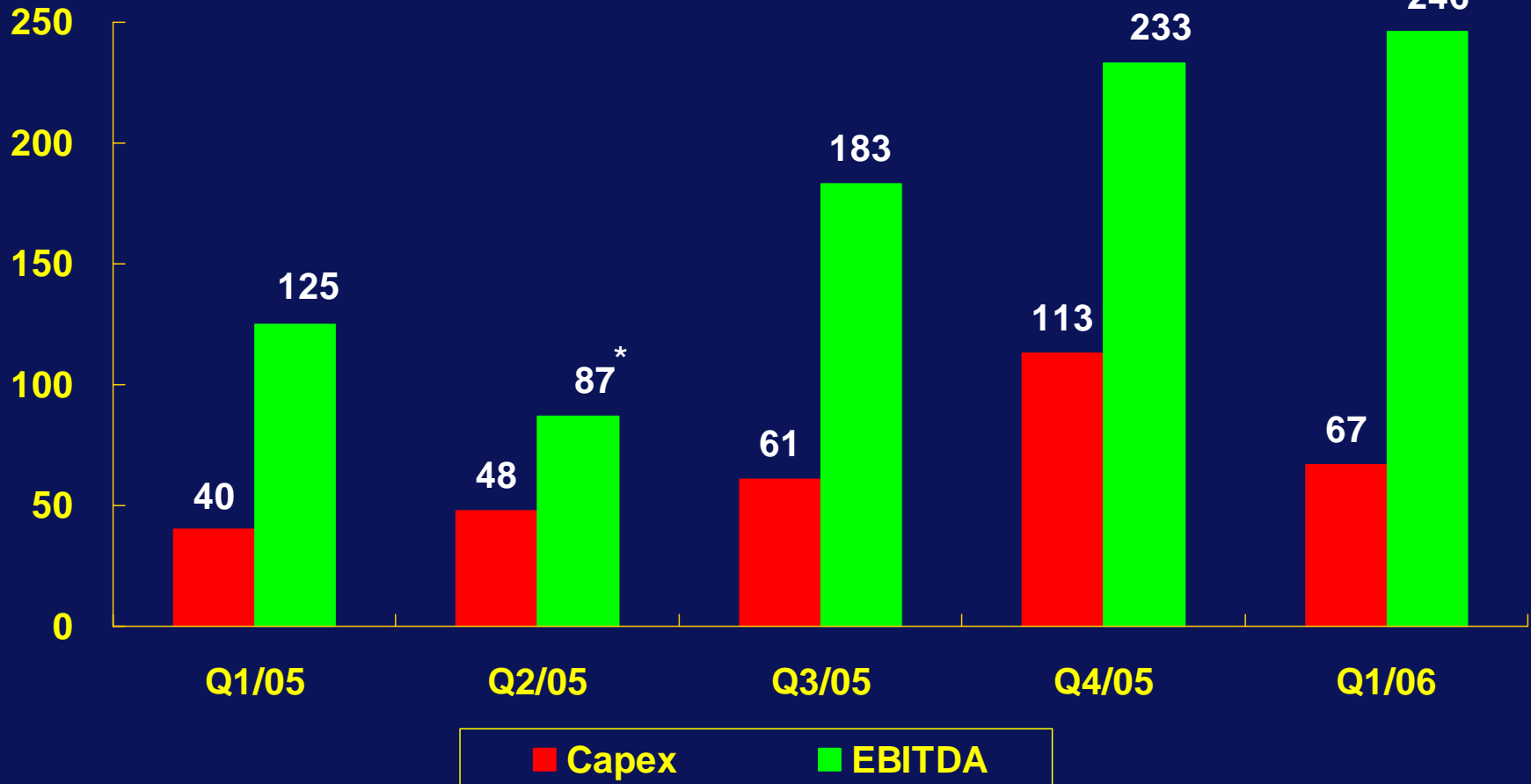


Capital Expenditure v.s. EBITDA



2005 Full Year Capex: US\$262 millions

US\$ Million



*: EBITDA number has been adjusted for fire loss



Top Ten Customers

2006 Q1

ASE Group

ATI

CAMBRIDGE

CONEXANT

FREESCALE

MICROSOFT

NEC

QUALCOMM

RFMD

SIS

VIA

Top 5

Top 10

29% of Total Sales

46% of Total Sales

Maximum with Minimum

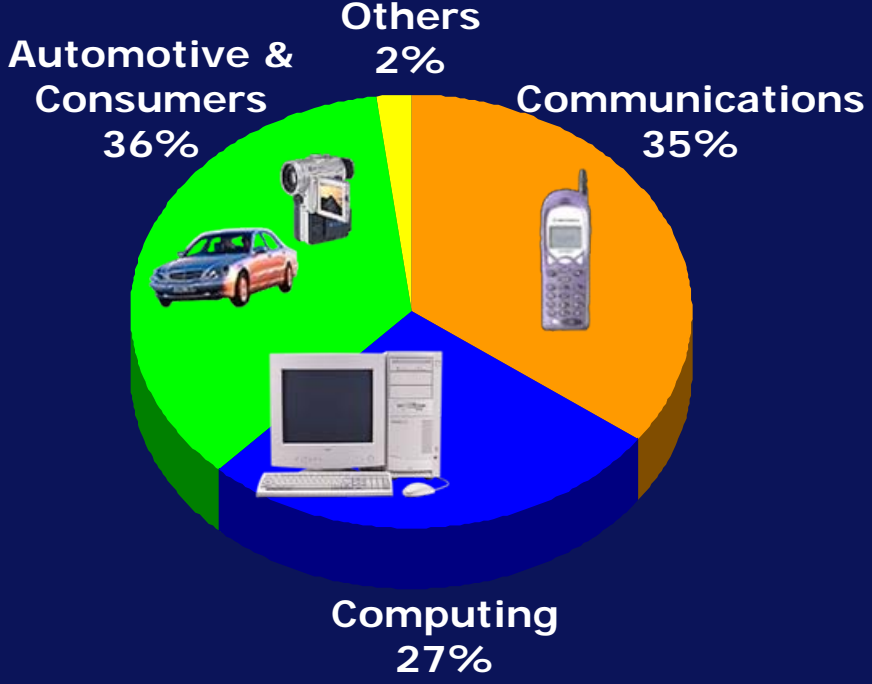
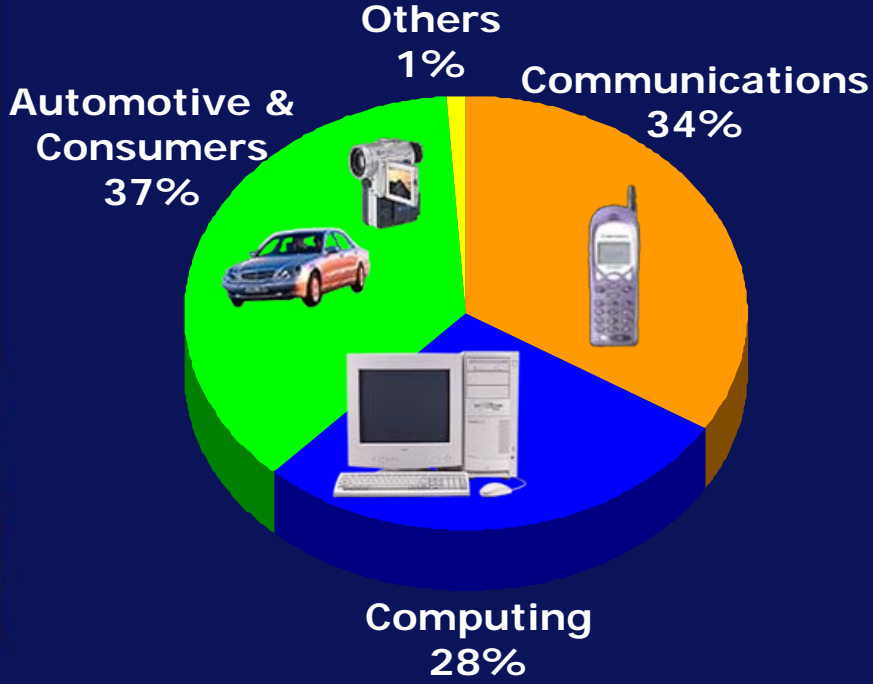


Market Segment Exposure



2006 Q1

2005 Q4



Maximum with Minimum



**For more information regarding
ASE Group
<http://www.aseglobal.com>**

**For all inquiries, suggestion, and
comments
ir@aseglobal.com**

