

Maximum with Minimum

# ASE Inc. 2005 Q2 Earnings Release

Presented by  
Advanced  
Semiconductor  
Engineering, Inc.  
08/03/2005



# Safe Harbor Notice

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# Consolidated Income Statement



## 2005 Q2 Sequential Comparison

(NT\$ Million except EPS)	2005 Q2	%	Sequential 2005 Q1	%	Change
<b>Net Revenues:</b>					
IC Packaging	12,693	67.4%	12,755	68.7%	0%
Testing	3,752	19.9%	3,693	19.9%	2%
Module Assembly	2,283	12.1%	1,925	10.4%	19%
Others	91	0.5%	196	1.1%	-54%
<b>Total Net Revenues</b>	<b>18,819</b>	<b>100.0%</b>	<b>18,569</b>	<b>100.0%</b>	<b>1%</b>
Gross Profit	2,140	11.4%	1,883	10.1%	14%
Operating Profit	(105)	-0.6%	(166)	-0.9%	
Pretax Income	(10,073)	-53.5%	(508)	-2.7%	
Net Income after MI	(9,094)	-48.3%	(128)	-0.7%	
EPS <sup>1</sup>	(2.31)		(0.03)		
EBITDA <sup>2</sup>	2,736		3,940		

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

<sup>2</sup> EBITDA number has been adjusted for fire loss



# Consolidated Income Statement



## 2005 Q2 YoY Comparison

(NT\$ Million except EPS)			YoY		Change
	2005 Q2	%	2004 Q2	%	
<b>Net Revenues:</b>					
IC Packaging	12,693	67.4%	12,753	62.9%	0%
Testing	3,752	19.9%	4,102	20.2%	-9%
Module Assembly	2,283	12.1%	3,379	16.7%	-32%
Others	91	0.5%	56	0.3%	63%
<b>Total Net Revenues</b>	<b>18,819</b>	<b>100.0%</b>	<b>20,290</b>	<b>100.0%</b>	<b>-7%</b>
Gross Profit	2,140	11.4%	4,469	22.0%	-52%
Operating Profit	(105)	-0.6%	2,359	11.6%	-104%
Pretax Income	(10,073)	-53.5%	2,058	10.1%	-589%
Net Income after MI	(9,094)	-48.3%	2,020	10.0%	-550%
EPS <sup>1</sup>	(2.31)		0.51		
EBITDA <sup>2</sup>	2,736		6,138		

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

<sup>2</sup> EBITDA number has been adjusted for fire loss

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# Selective Balance Sheet Information



(NT\$ Million)	<u>Jun. 30, 2005</u>	<u>Mar. 31, 2005</u>	<u>Change</u>
Cash and Cash Equivalent	9,086	7,093	28.1%
Short-term Investments	3,456	3,569	-3.2%
Long-term Investments	4,816	4,872	-1.1%
<b>Total Assets</b>	<b>125,505</b>	<b>133,277</b>	<b>-5.8%</b>
ST Bank Debt - Revolving Credit	6,204	6,607	-6.1%
- Current Portion of LT Debt	4,461	3,511	27.1%
Bonds Payable within 1 year	0	0	
LT Bank Debt	38,311	37,323	2.6%
LT Bonds Payable	8,999	9,421	-4.5%
<b>Total Net Worth</b> (Including minority interest)	<b>48,803</b>	<b>59,232</b>	<b>-17.6%</b>
<b>Quarterly EBITDA*</b>	<b>2,736</b>	<b>3,940</b>	<b>-30.6%</b>
<b>Current Ratio</b>	<b>1.53</b>	<b>1.45</b>	
<b>Leverage Ratio</b>	<b>0.93</b>	<b>0.78</b>	

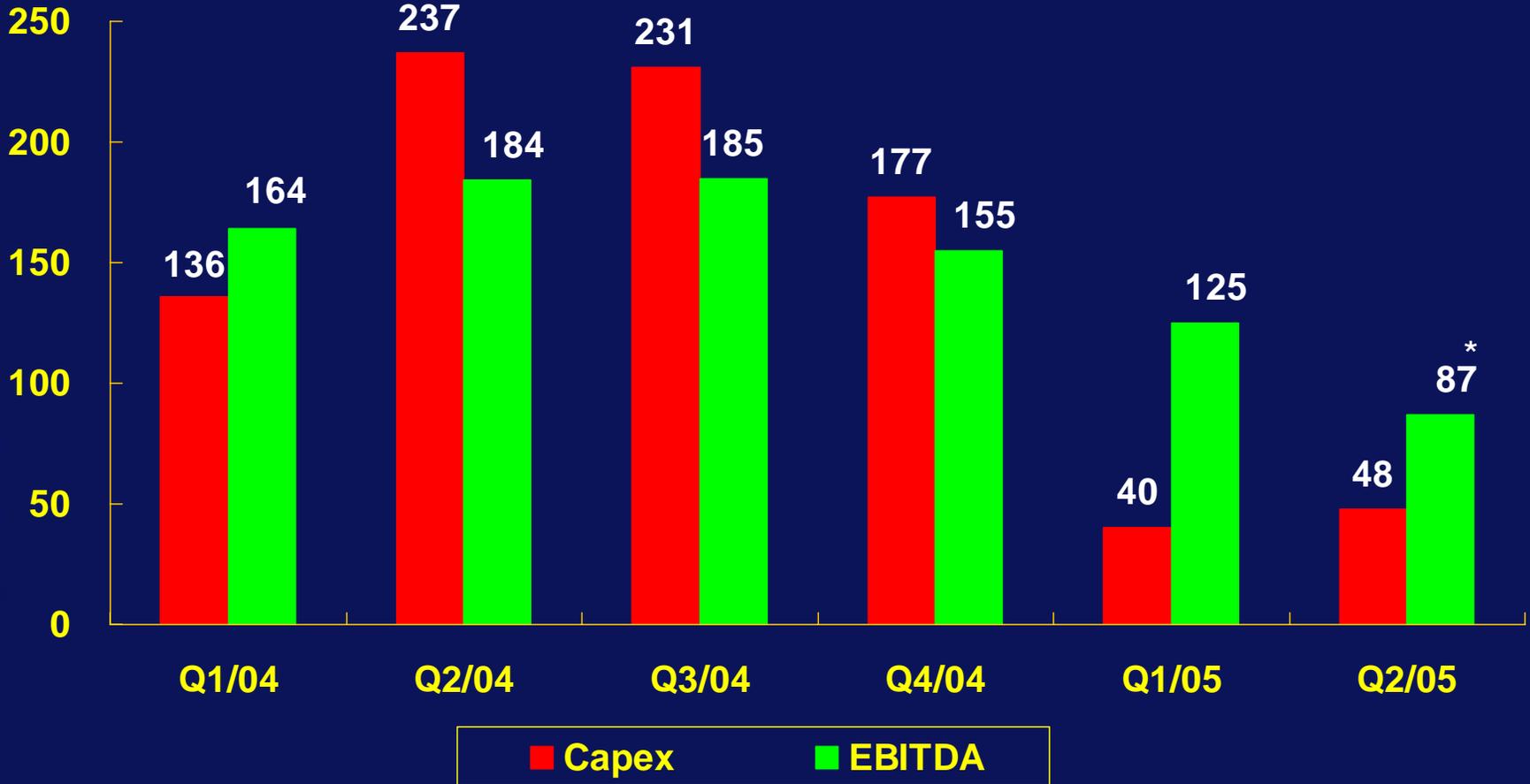
\*: EBITDA number has been adjusted for fire loss

# Capital Expenditure v.s. EBITDA



2004 Full Year Capex: US\$781 millions

US\$ Million

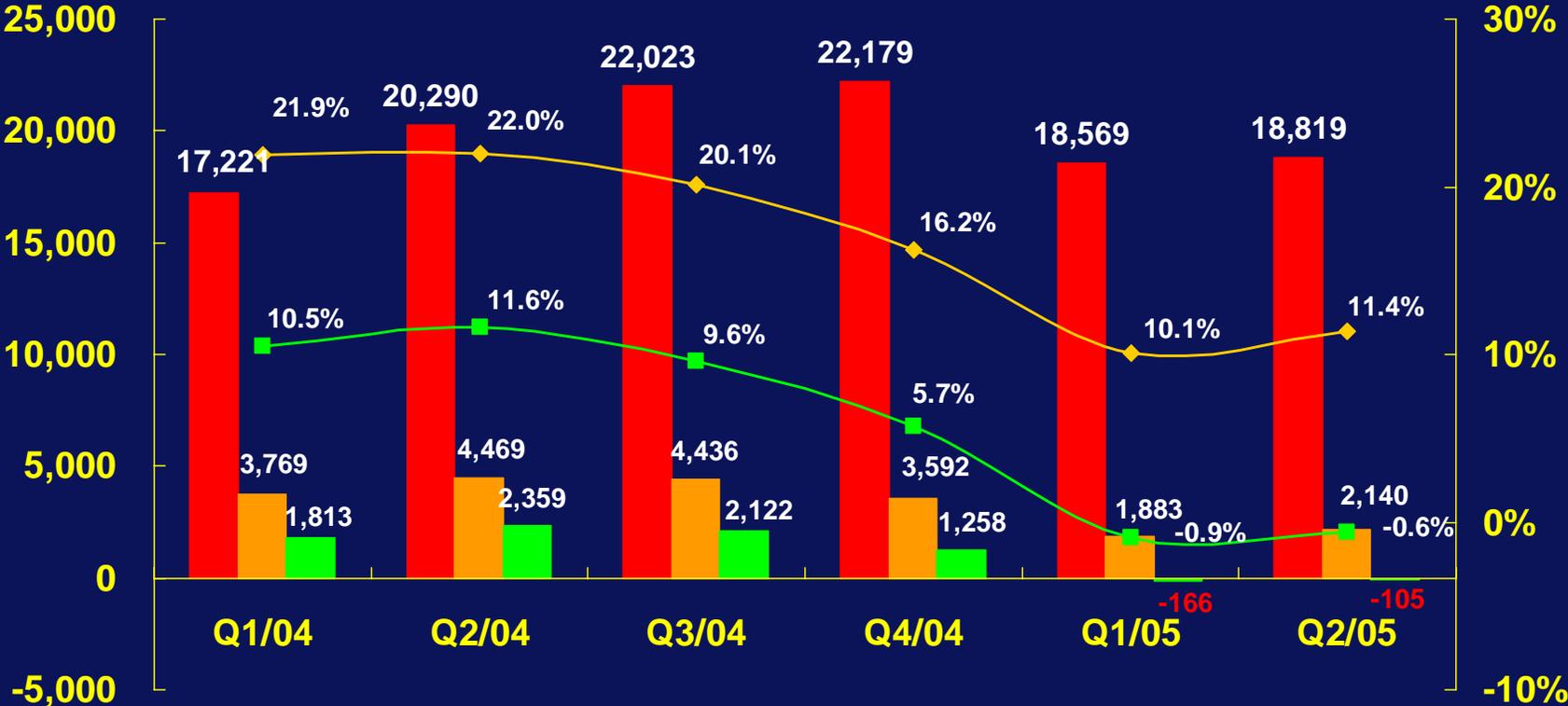


\*: EBITDA number has been adjusted for fire loss

# Consolidated Revenue & Margin Trend



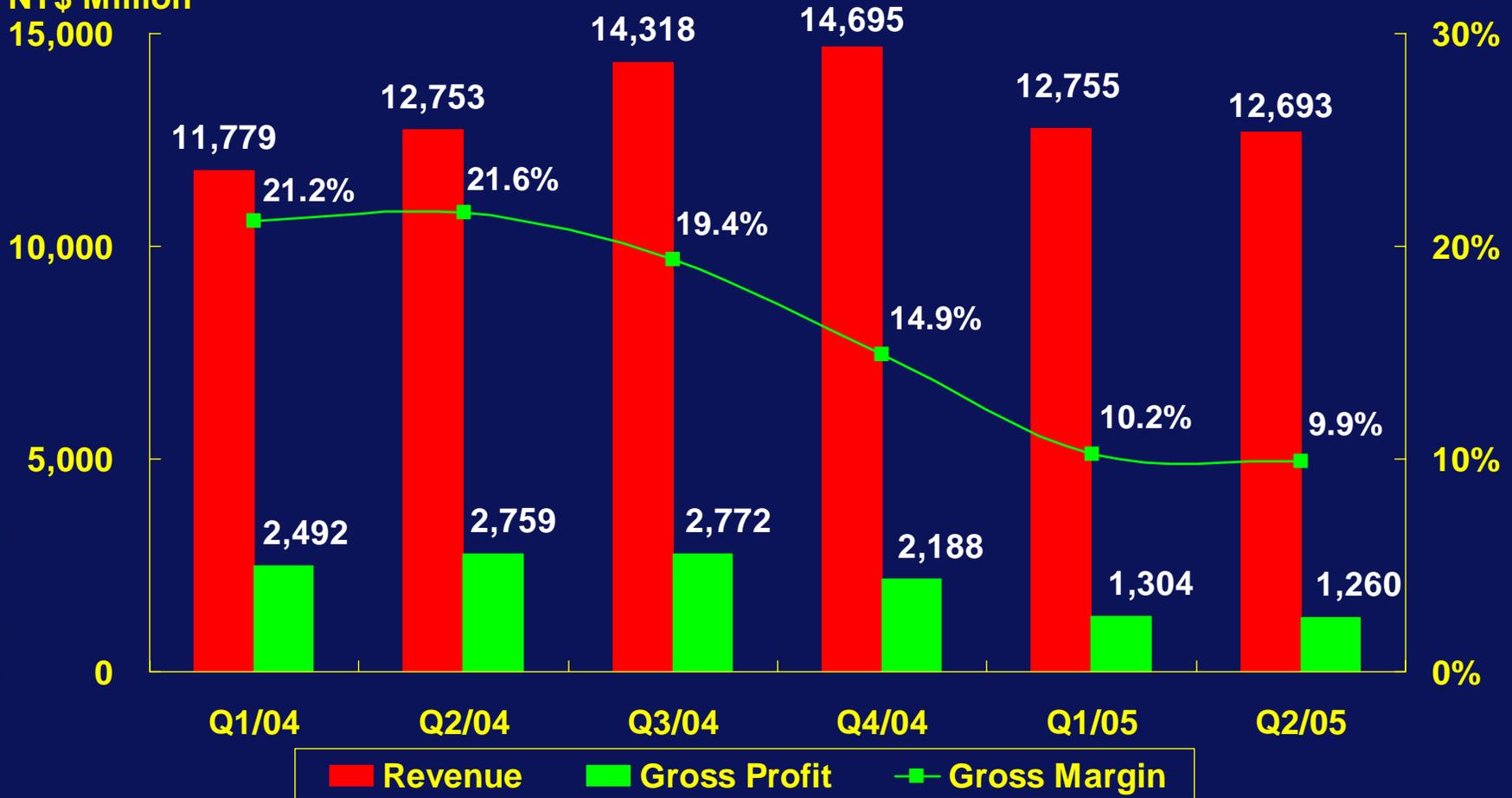
NT\$ Million



# IC Packaging Operations



NT\$ Million  
15,000





# IC Packaging Operations

## Package Revenue Breakdown

NT\$ Million

15,000

10,000

5,000

0

11,779

12,753

14,318

14,695

12,755

12,693

Q1/04

Q2/04

Q3/04

Q4/04

Q1/05

Q2/05

Others

Traditional Leadframe Based Packages

Advanced Substrate & Leadframe Based Packages

6%

5%

3%

4%

4%

5%

9%

10%

10%

8%

8%

8%

85%

85%

87%

88%

88%

87%

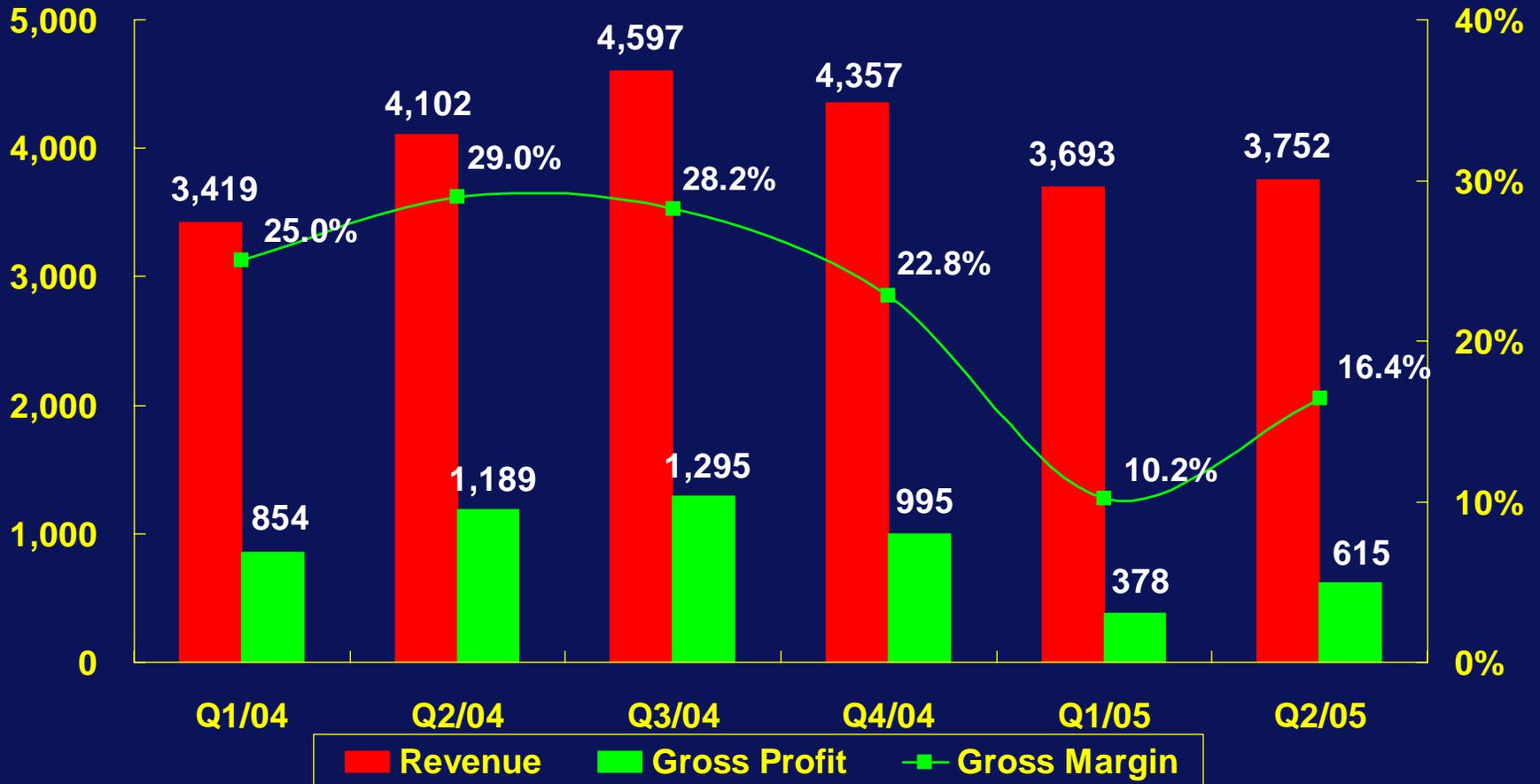
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# Testing Operations



NT\$ Million



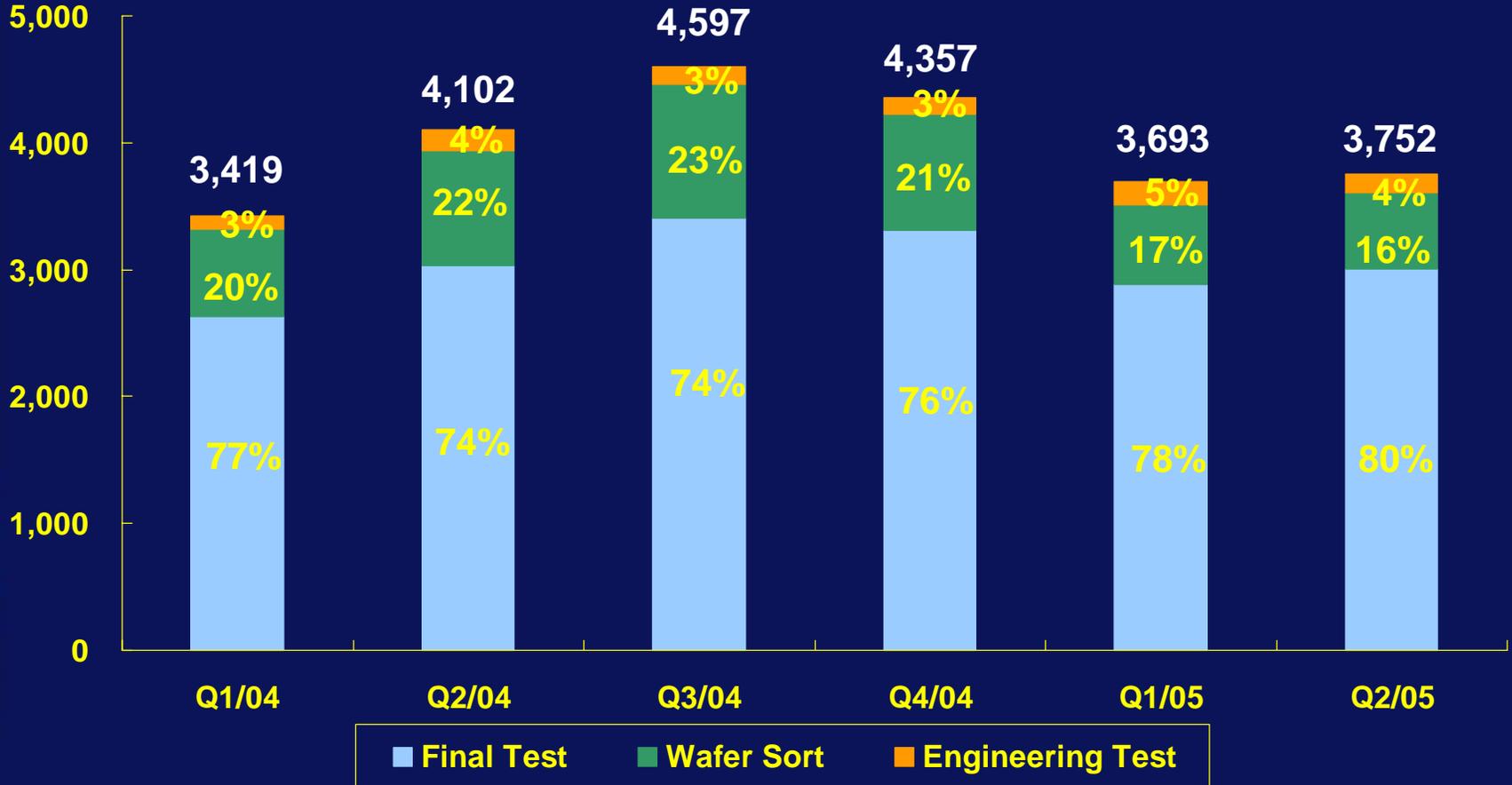


# Testing Operations

## Test Revenue Breakdown



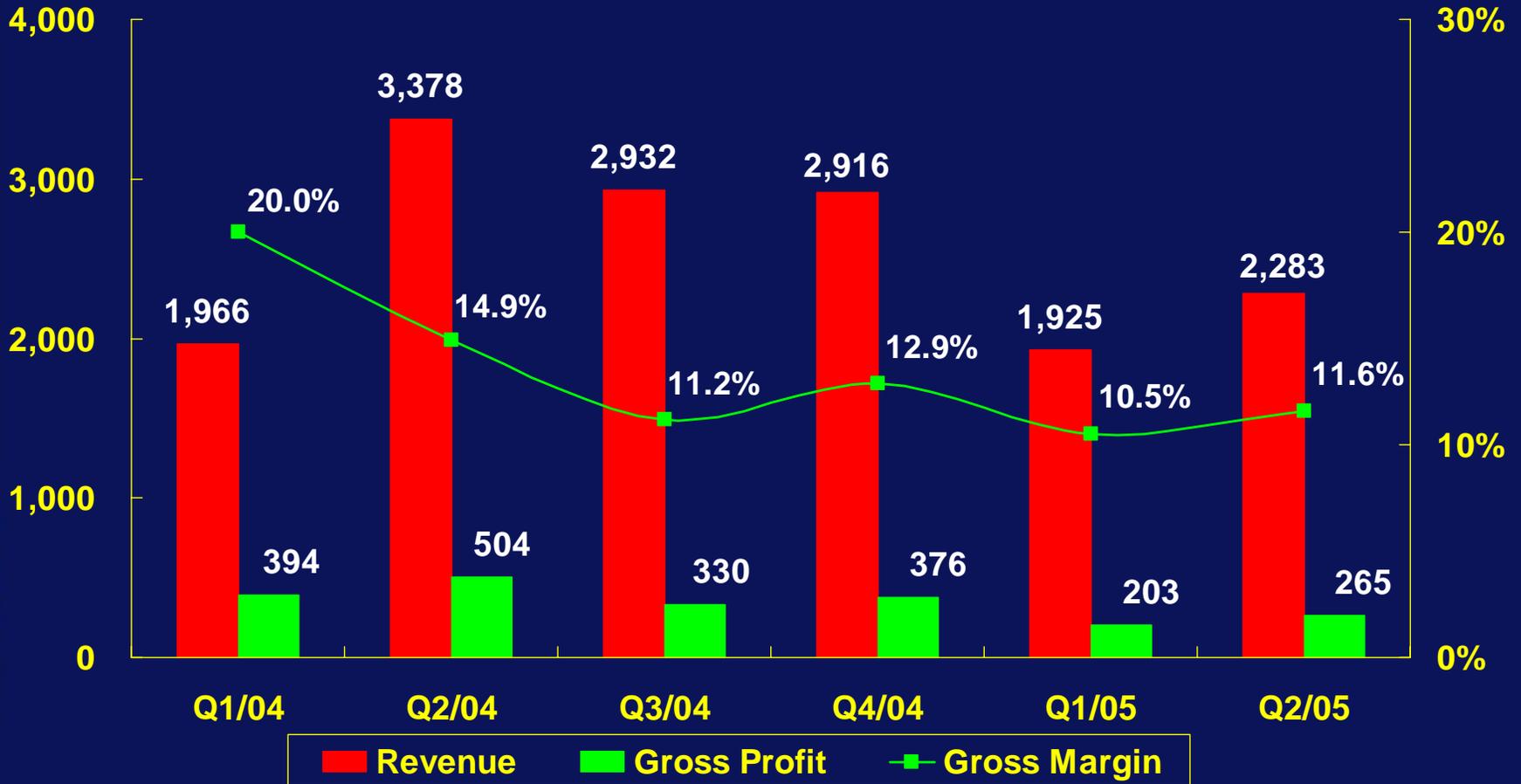
NT\$ Million



# Module Assembly Operations



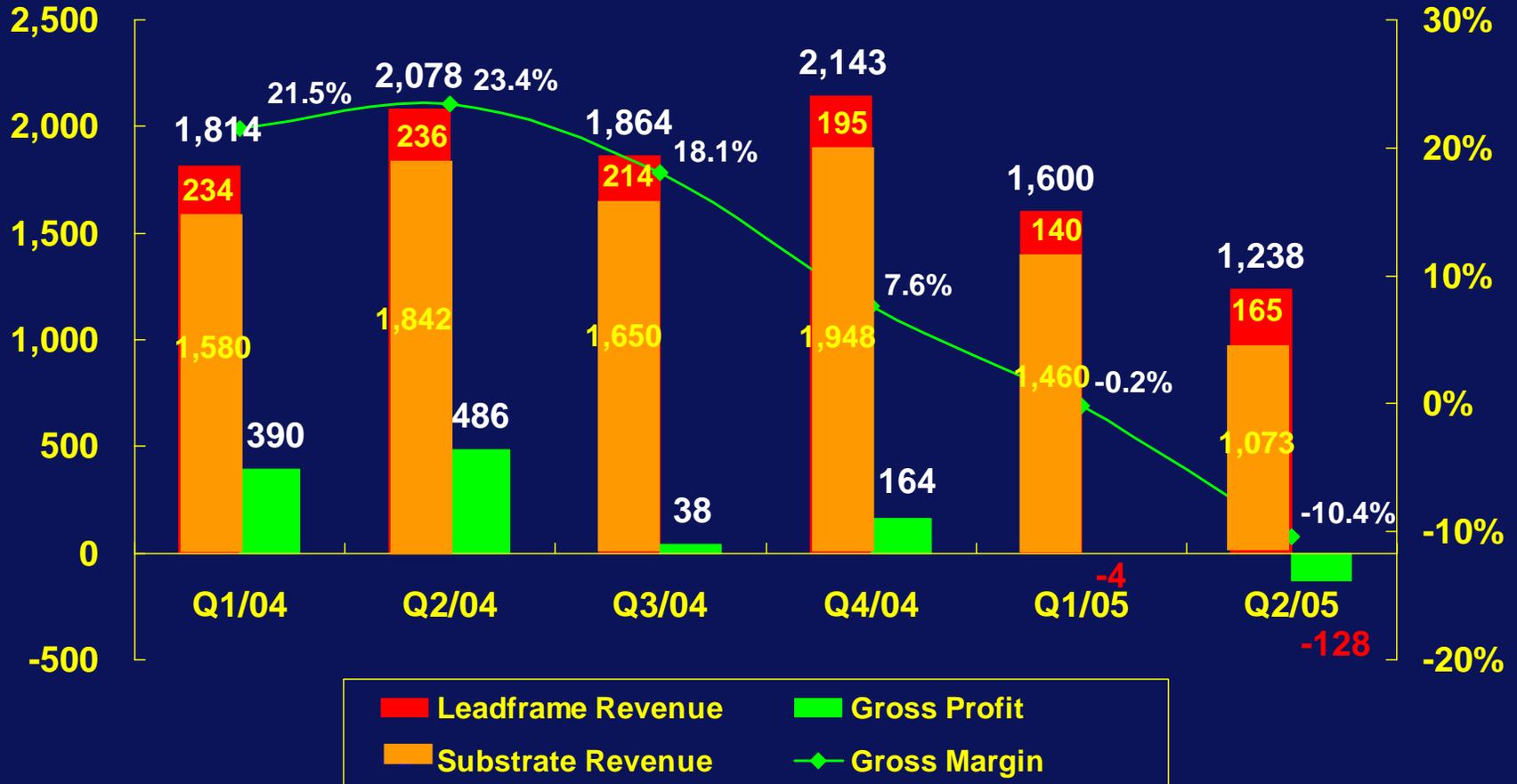
NT\$ Million



# Material Operations



NT\$ Million





# Top Ten Customers

2005 Q2

**ASE Group**

**ATI**

**ATMEL**

**CONEXANT**

**FLEXTRONICS**

**FREESCALE**

**IEE**

**NEC**

**RFMD**

**STM**

**VIA**

**Top 5**

**Top 10**

**33% of Total Sales**

**49% of Total Sales**

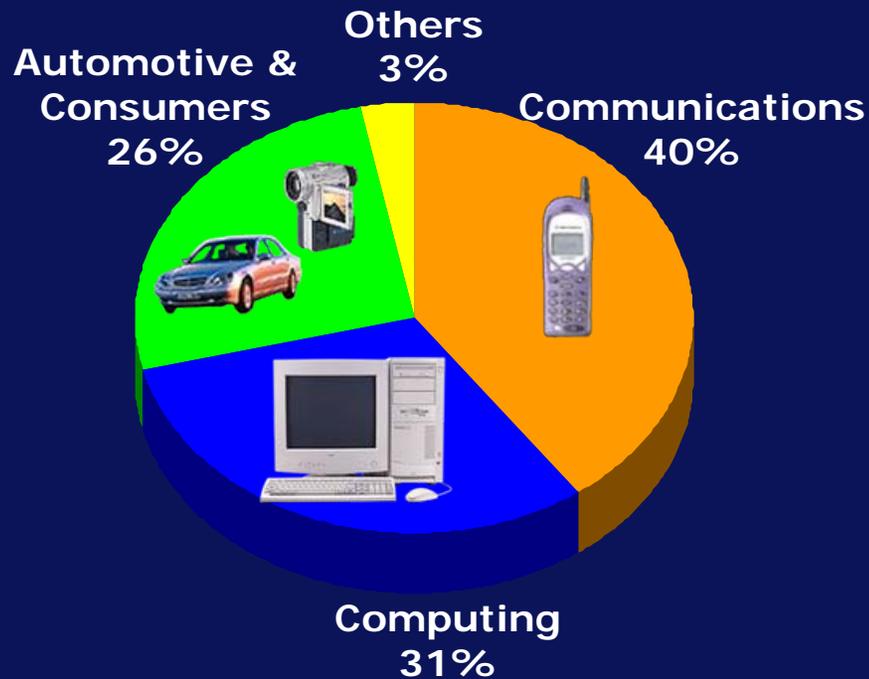
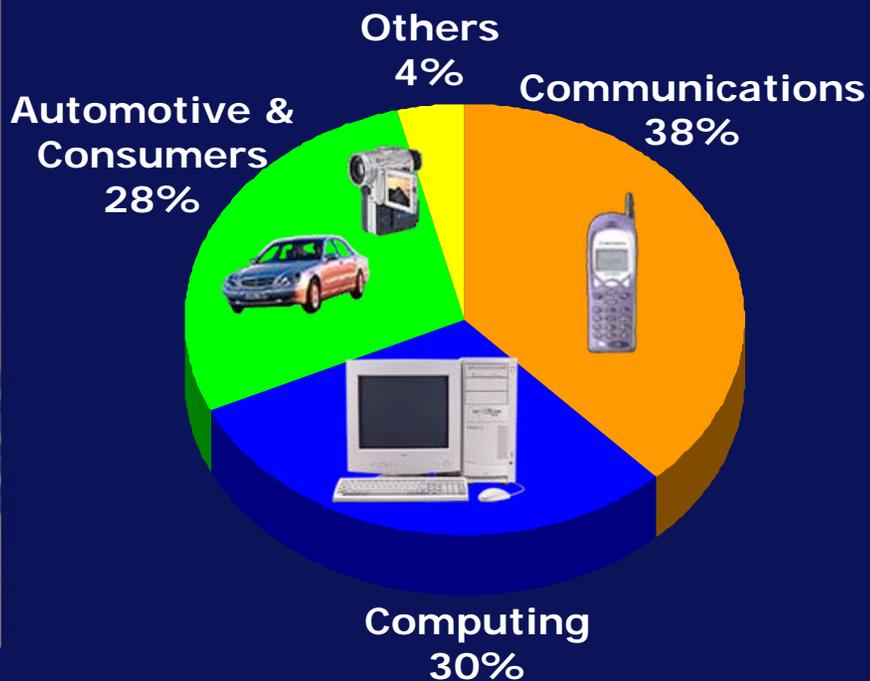


# Market Segment Exposure



2005 Q2

2005 Q1



# Guidance for 2005 Q3



- > Sequential revenue growth: low-teens %
- > Gross margin: around 15%
- > 2nd half Capex: US\$200 Millions

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**For more information regarding  
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