

ASE Inc. 2005 Q1 Earnings Release

Presented by
Advanced
Semiconductor
Engineering, Inc.
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Safe Harbor Notice

This press release 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 2003 Annual Report on Form 20-F filed on June 30, 2004.



Consolidated Income Statement



2005 Q1 Sequential Comparison

(NT\$ Million except EPS)	2005 Q1	%	Sequential 2004 Q4	%	Change
Net Revenues:					
IC Packaging	12,755	68.7%	14,695	66.3%	-13%
Testing	3,693	19.9%	4,357	19.6%	-15%
Module Assembly	1,925	10.4%	2,916	13.1%	-34%
Others	196	1.1%	211	1.0%	-7%
Total Net Revenues	18,569	100.0%	22,179	100.0%	-16%
Gross Profit	1,888	10.2%	3,592	16.2%	-47%
Operating Profit	(166)	-0.9%	1,258	5.7%	-113%
Pretax Income	(508)	-2.7%	(2,039)	-9.2%	
Net Income after MI	(128)	-0.7%	(1,407)	-6.3%	
EPS¹	(0.03)		(0.36)		
EBITDA	3,940		5,148		
Without Impairment in 2004 Q4:					
Pretax Income	(508)		423		-220%
Net Income after MI	(128)		636		-120%
EPS¹	(0.03)		0.16		

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

Consolidated Income Statement



2005 Q1 YoY Comparison

(NT\$ Million except EPS)			YoY		Change
	2005 Q1	%	2004 Q1	%	
Net Revenues:					
IC Packaging	12,755	68.7%	11,779	68.4%	8%
Testing	3,693	19.9%	3,419	19.9%	8%
Module Assembly	1,925	10.4%	1,966	11.4%	-2%
Others	196	1.1%	57	0.3%	244%
Total Net Revenues	18,569	100.0%	17,221	100.0%	8%
Gross Profit	1,888	10.2%	3,769	21.9%	-50%
Operating Profit	(166)	-0.9%	1,813	10.5%	-109%
Pretax Income	(508)	-2.7%	1,568	9.1%	-132%
Net Income after MI	(128)	-0.7%	1,637	9.5%	-108%
EPS¹	(0.03)		0.42	0.0%	
EBITDA	3,940		5,475		

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

Selective Balance Sheet Information



(NT\$ Million)	<u>Mar. 31, 2005</u>	<u>Dec. 31, 2004</u>	<u>Change</u>
Cash and Cash Equivalent	7,095	5,975	18.7%
Short-term Investments	3,569	3,194	11.7%
Long-term Investments	4,891	4,907	-0.3%
Total Assets	133,277	133,951	-0.5%
ST Bank Debt - Revolving Credit	6,607	4,642	42.3%
- Current Portion of LT Debt	3,511	2,211	58.8%
Bonds Payable within 1 year	0	0	
LT Bank Debt	37,323	37,089	0.6%
LT Bonds Payable	9,421	9,441	-0.2%
Total Net Worth (Including minority interest)	59,232	59,717	-0.8%
Quarterly EBITDA	3,940	5,148	-23.5%
Current Ratio	1.45	1.42	
Leverage Ratio	0.78	0.74	

Maximum with Minimum

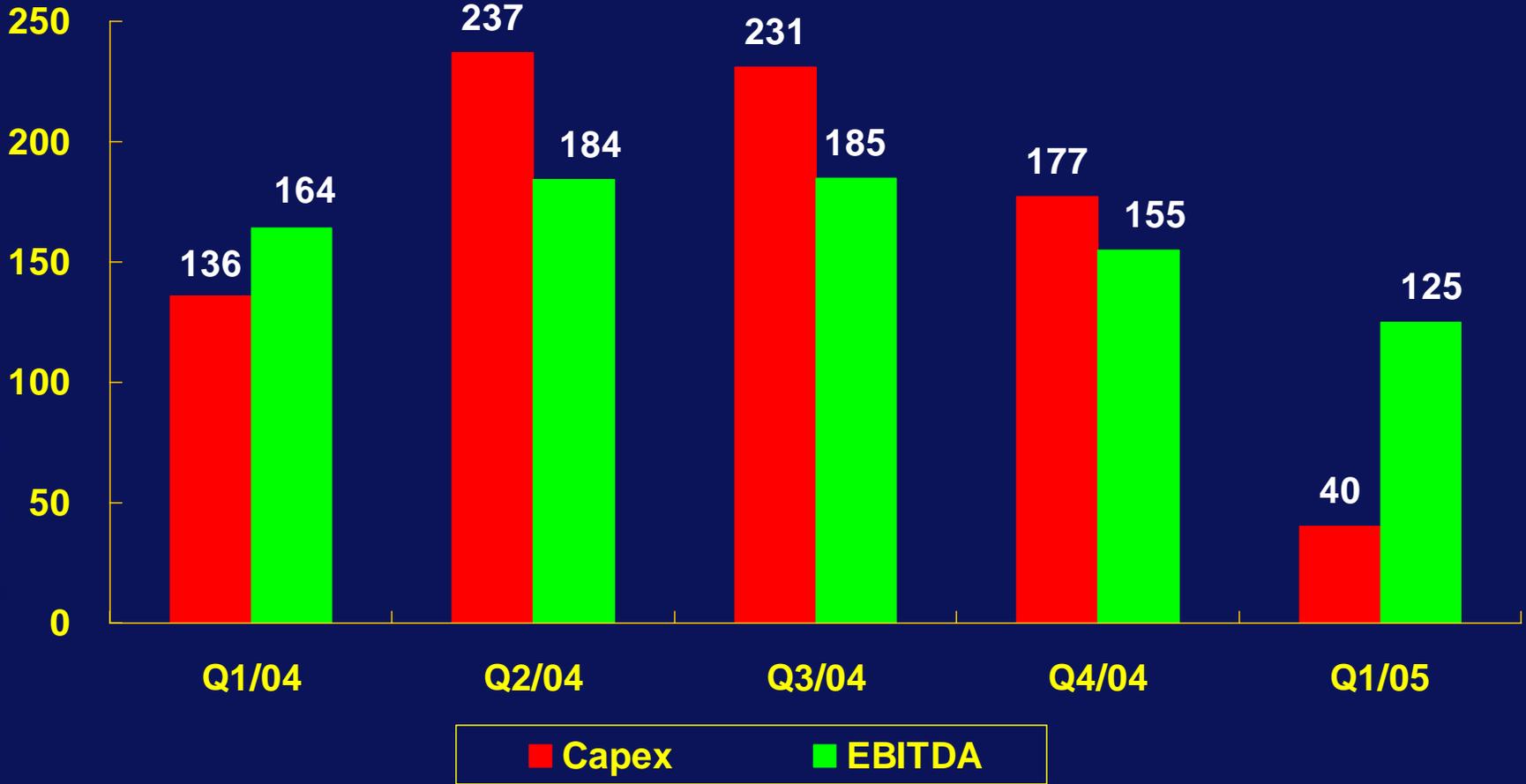


Capital Expenditure v.s. EBITDA



2004 Full Year Capex: US\$781 millions

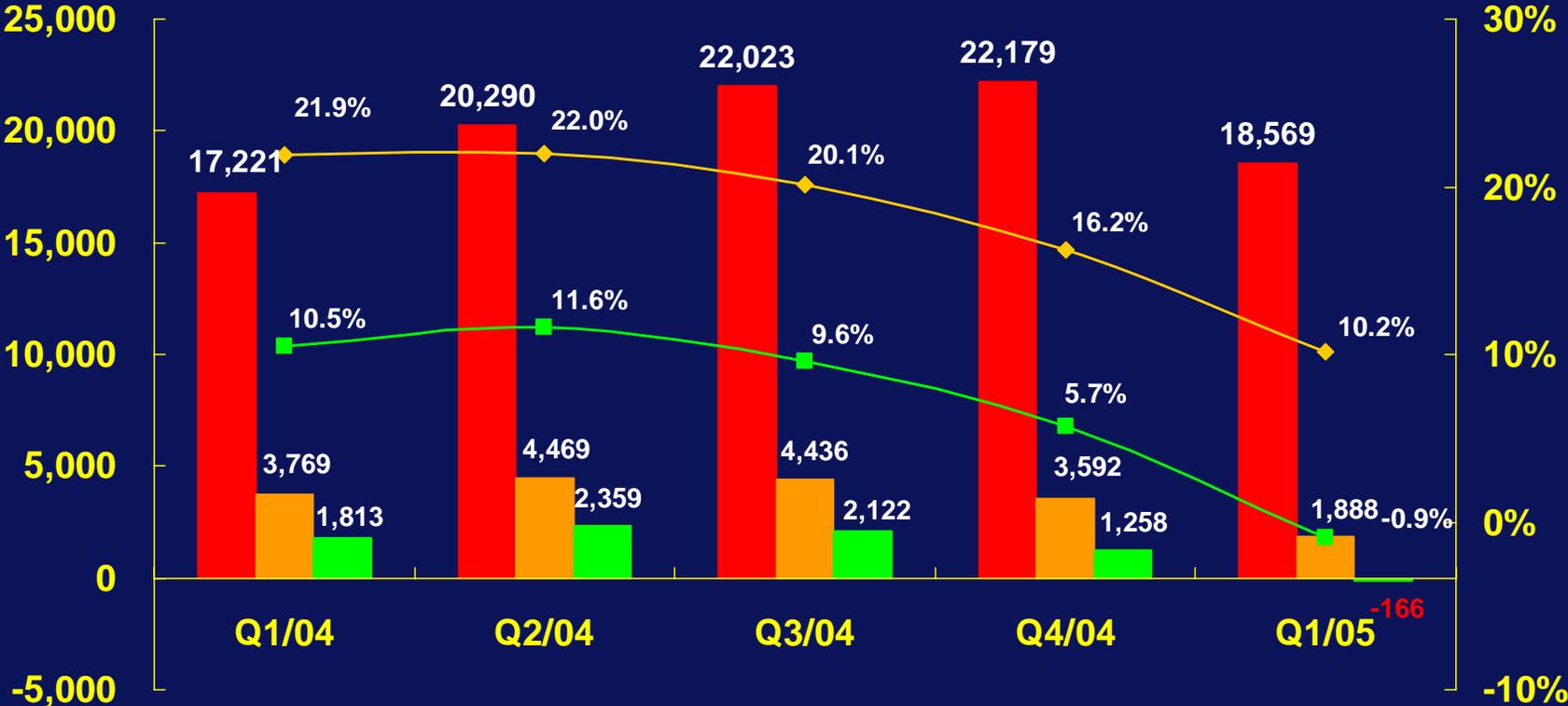
US\$ Million



Consolidated Revenue & Margin Trend



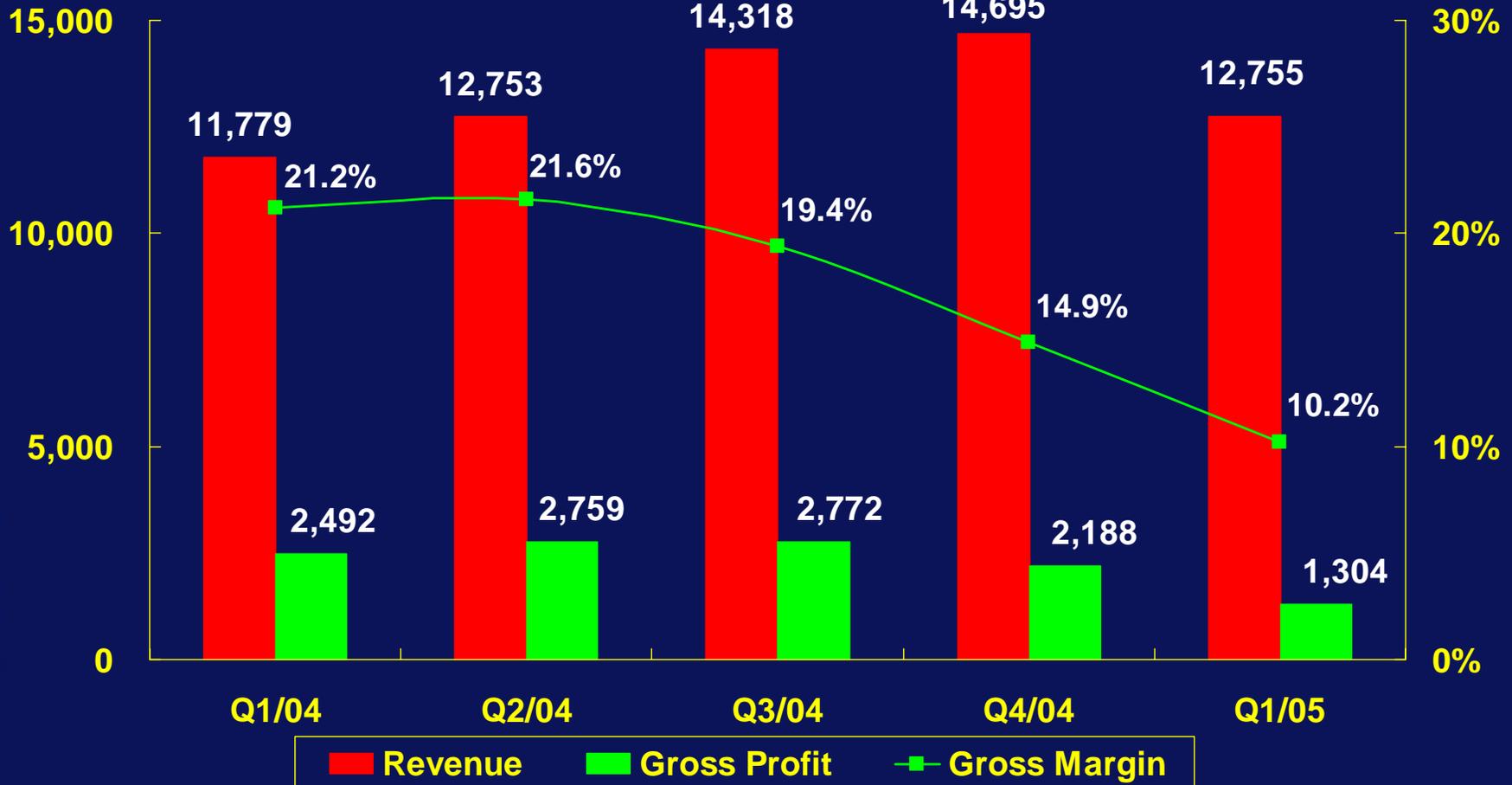
NT\$ Million



IC Packaging Operations



NT\$ Million

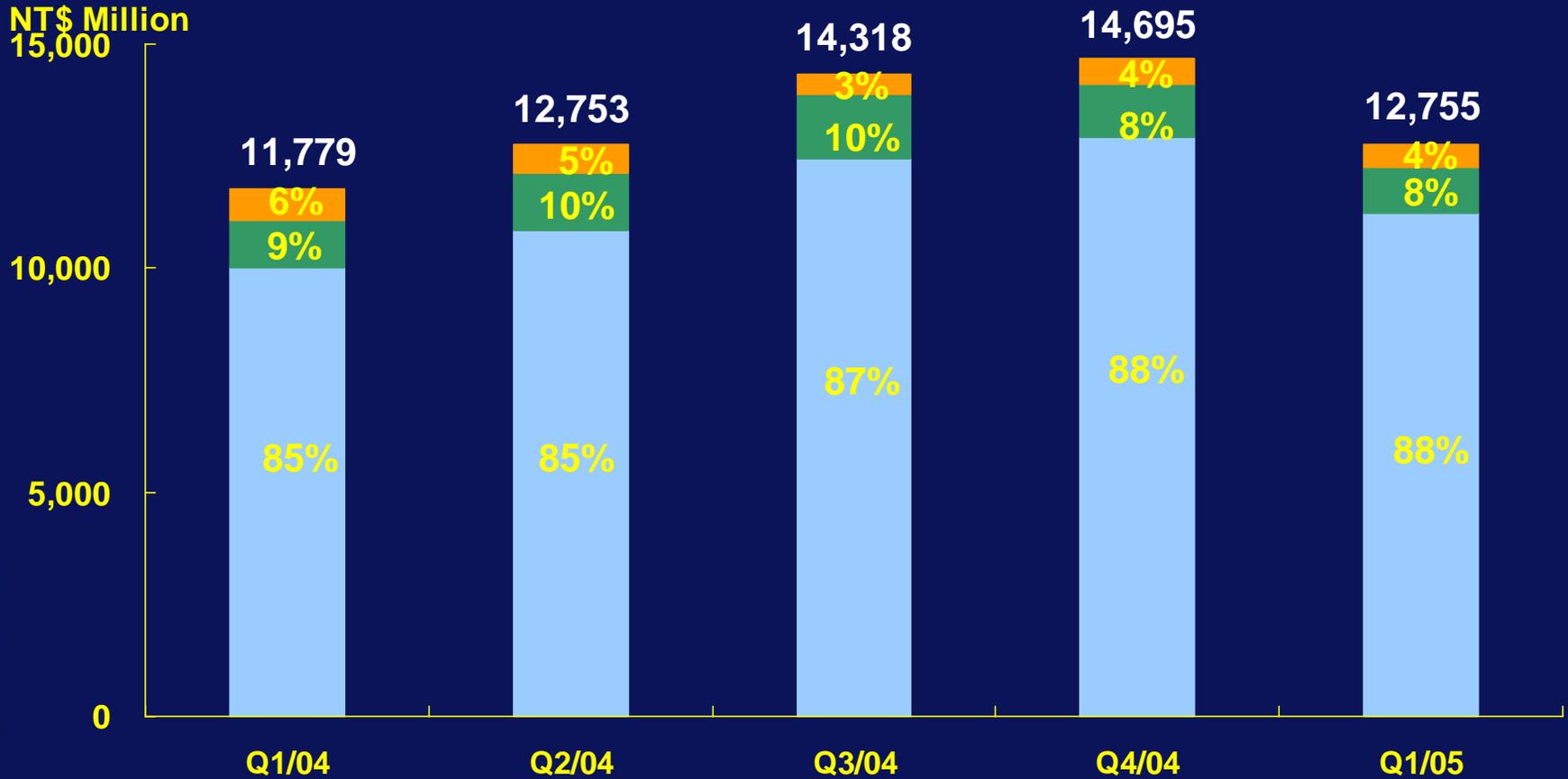




IC Packaging Operations

Package Revenue Breakdown

NT\$ Million
15,000



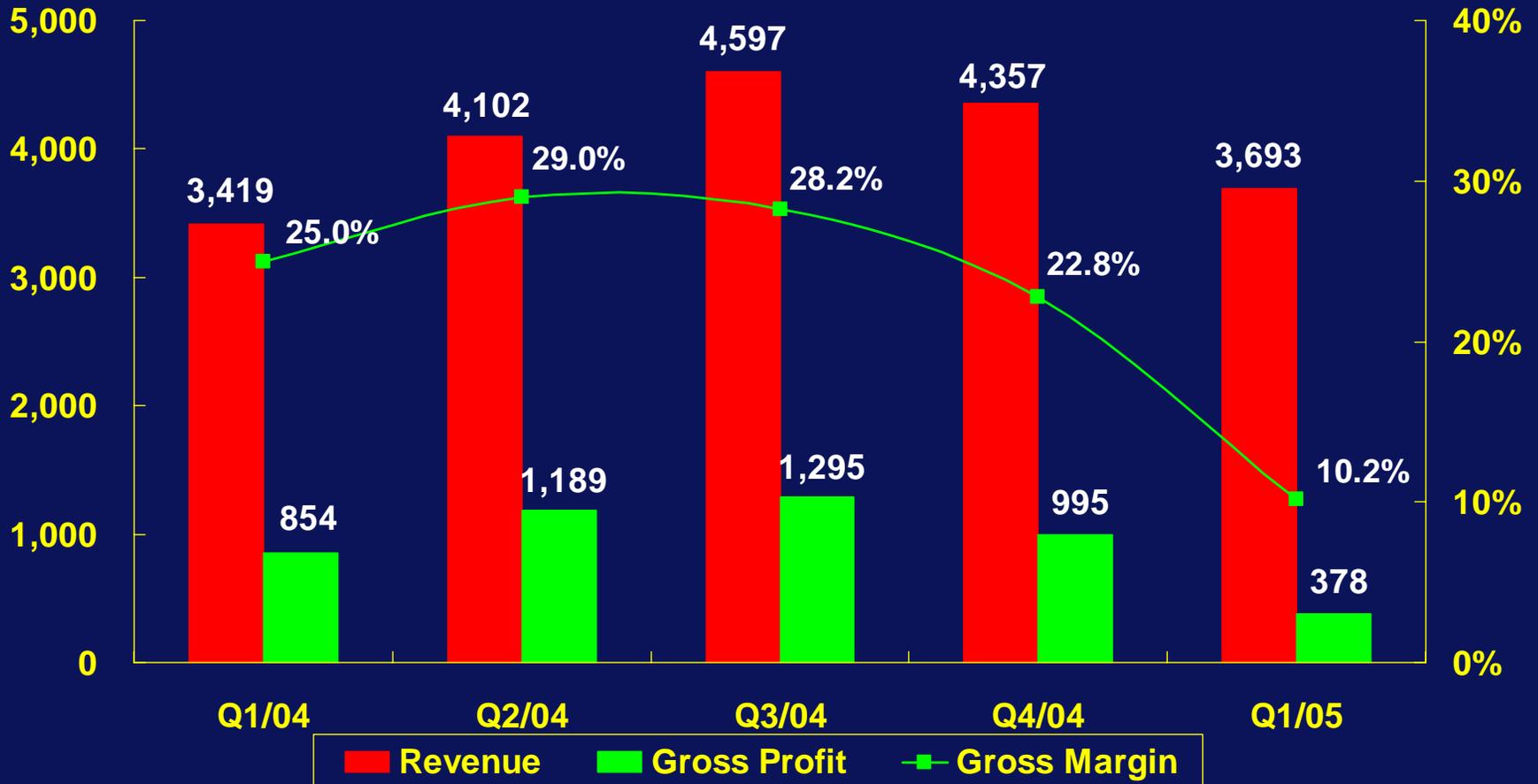
- Others
- Traditional Leadframe Based Packages
- Advanced Substrate & Leadframe Based Packages



Testing Operations



NT\$ Million



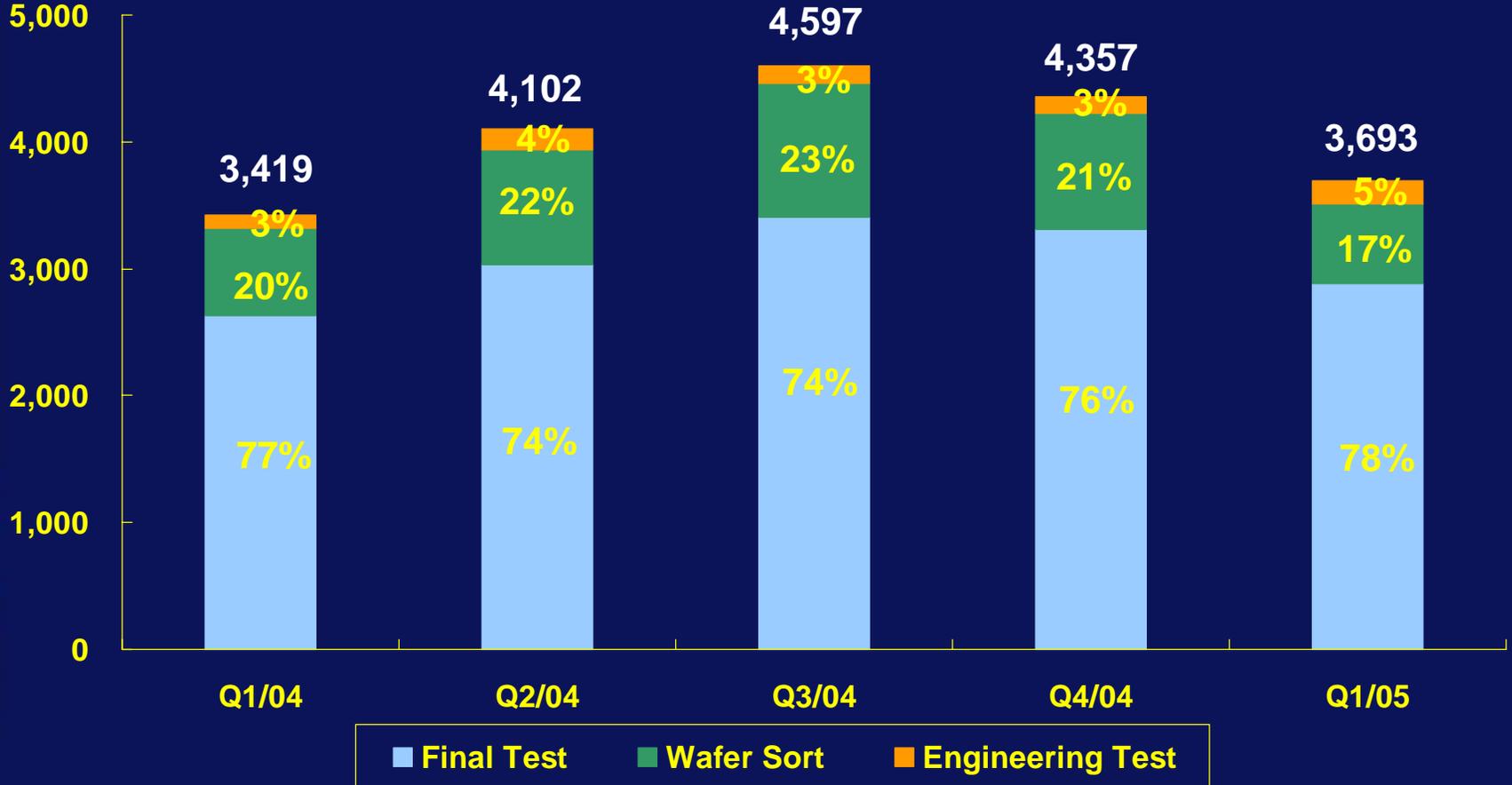


Testing Operations

Test Revenue Breakdown



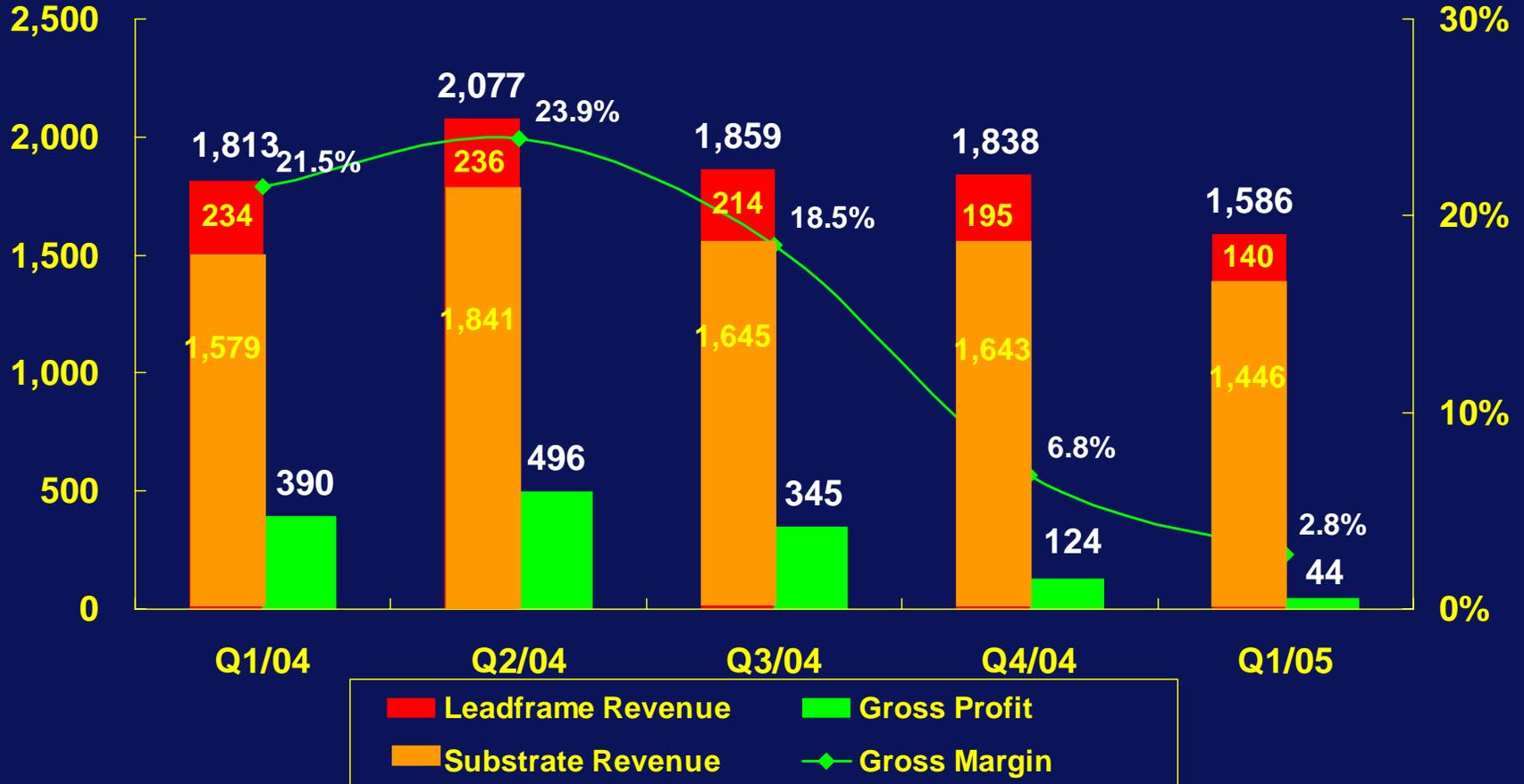
NT\$ Million



Material Operations



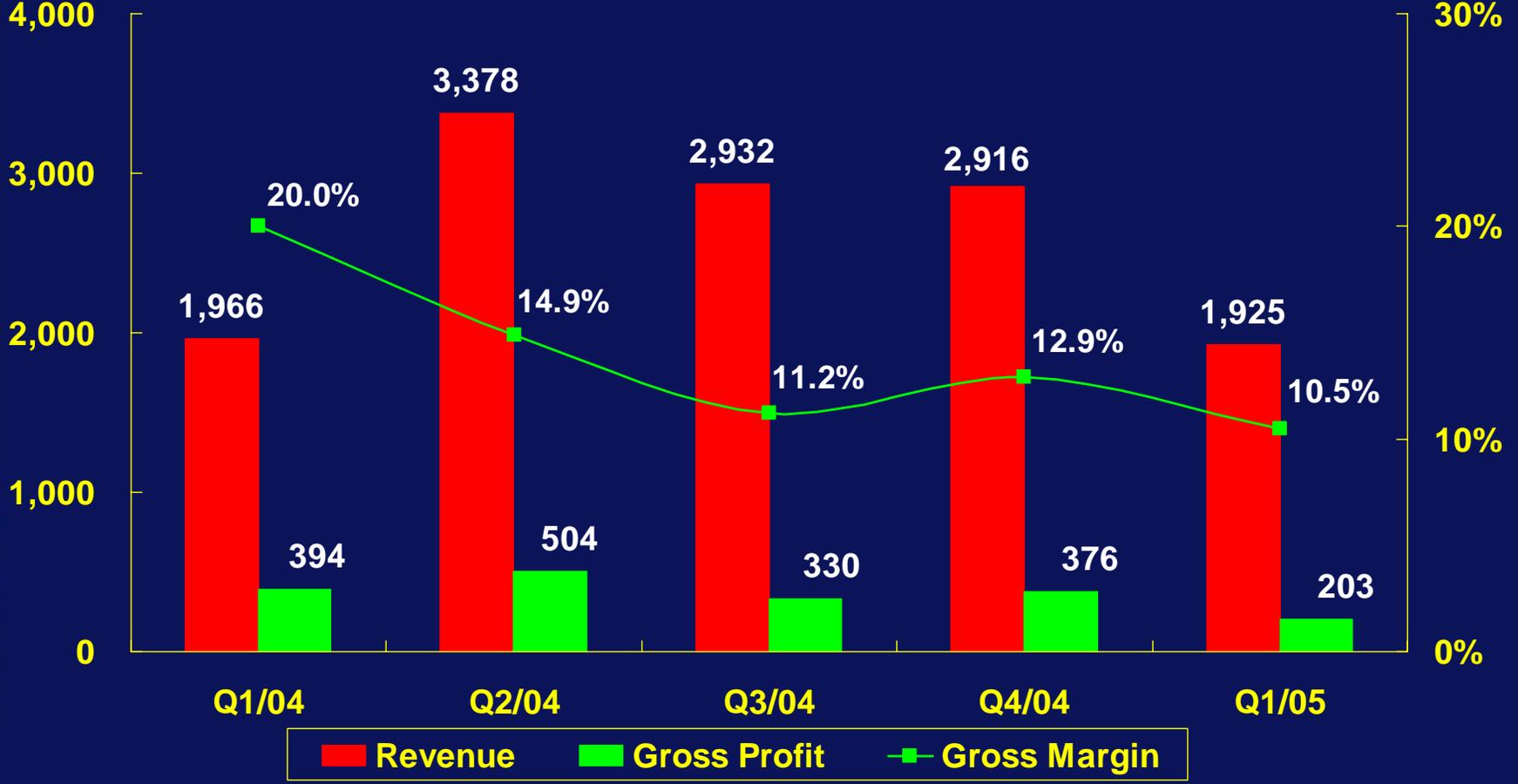
NT\$ Million



Module Assembly Operations



NT\$ Million





Top Ten Customers

2005 Q1

ASE Group

ATI

ATMEL

FLEXTRONICS

FREESCALE

IEE

NEC

QUALCOMM

RFMD

STM

VIA

Top 5

Top 10

35% of Total Sales

51% of Total Sales

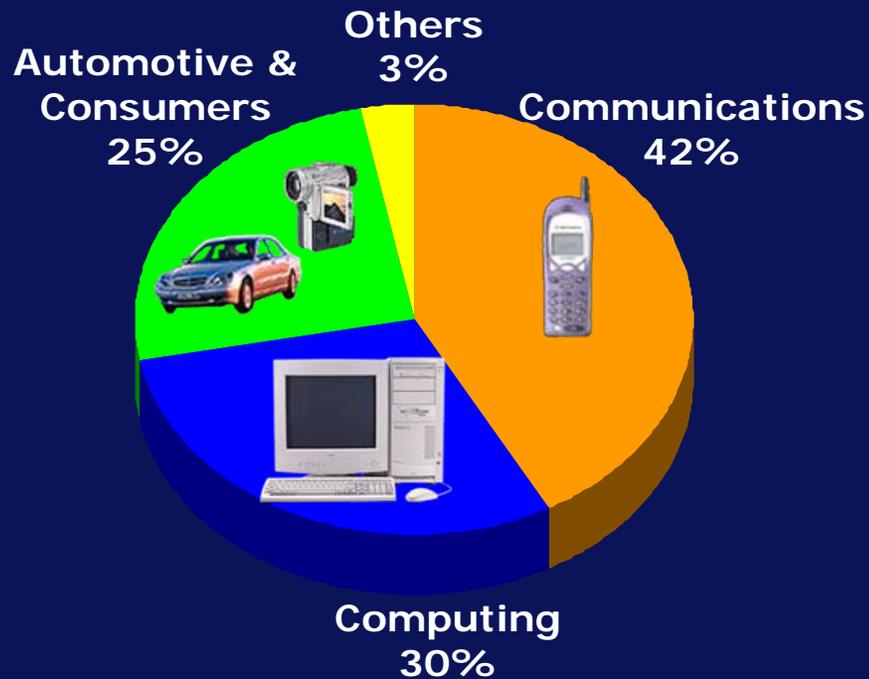
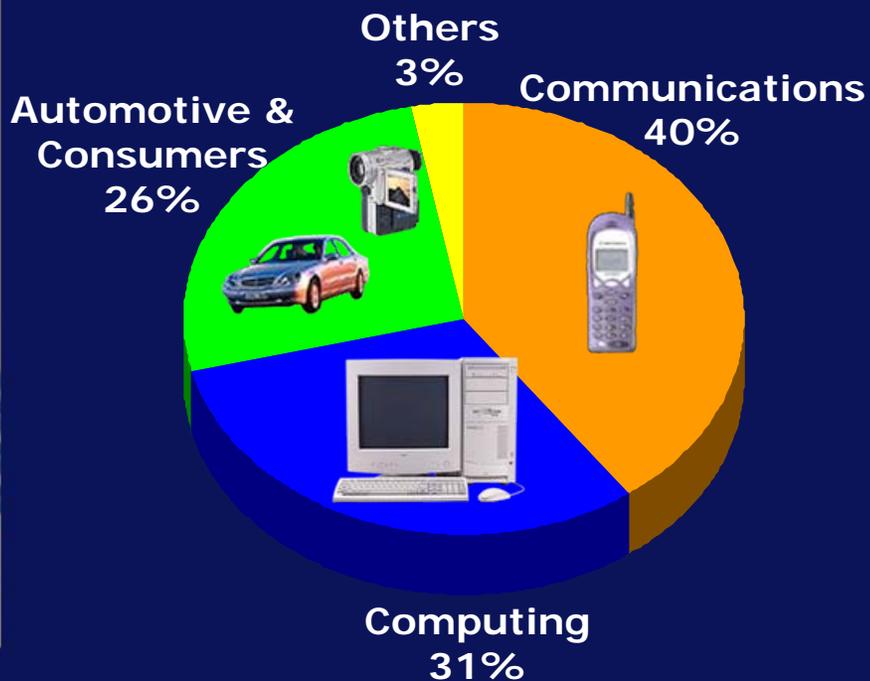


Market Segment Exposure



2005 Q1

2004 Q4



Maximum with Minimum



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

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

