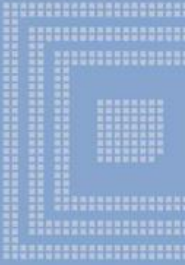




ASE GROUP



ASE Inc. 2016 First Quarter Earnings Release

Joseph Tung
Chief Financial Officer
ASE Inc.
Apr. 29, 2016

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 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 cyclicity and market conditions in the semiconductor or electronic industry; changes in our regulatory environment, including our ability to comply with new or stricter environmental regulations and to resolve environmental liabilities; demand for the outsourced semiconductor packaging, testing and electronic manufacturing services we offer and for such outsourced services generally; the highly competitive semiconductor or manufacturing industry we are involved in; our ability to introduce new technologies in order to remain competitive; international business activities; our business strategy; our future expansion plans and capital expenditures; the strained relationship between the Republic of China and the People's Republic of China; general economic and political conditions; the recent global economic crisis; possible disruptions in commercial activities caused by natural or human-induced disasters; 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 2014 Annual Report on Form 20-F filed on March 18, 2015.



Consolidated Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q1 / 2016	%	Q4 / 2015	%	Change
Net Revenues:					
Packaging	28,036	45.0%	29,093	38.5%	-4%
Testing	5,995	9.6%	6,356	8.4%	-6%
Direct Material	892	1.4%	798	1.1%	12%
EMS	24,749	39.7%	39,301	52.0%	-37%
Others	2,699	4.3%	0	0.0%	
Total Net Revenues	62,371	100.0%	75,548	100.0%	-17%
Gross Profit	11,449	18.4%	13,269	17.6%	-14%
Operating Income (Loss)	5,206	8.3%	6,801	9.0%	-23%
Pretax Income (Loss)	5,656	9.1%	6,572	8.7%	-14%
Income Tax Benefit (Expense)	(1,318)	-2.1%	(1,260)	-1.7%	
Noncontrolling Interest	(175)	-0.3%	(322)	-0.4%	
Net Income Attributable to Shareholders of the Parent	4,163	6.7%	4,990	6.6%	-17%
Basic EPS (NT Dollar)	0.54		0.65		
Diluted EPS (NT Dollar)	0.43		0.63		
EBITDA	13,229	21.2%	14,189	18.8%	-7%



Consolidated Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million)	Q1 / 2016	%	Q1 / 2015	%	Change
Net Revenues:					
Packaging	28,036	45.0%	29,321	45.3%	-4%
Testing	5,995	9.6%	6,180	9.6%	-3%
Direct Material	892	1.4%	861	1.3%	4%
EMS	24,749	39.7%	28,300	43.8%	-13%
Others	2,699	4.3%	0	-0.1%	
Total Net Revenues	62,371	100.0%	64,662	100.0%	-4%
Gross Profit	11,449	18.4%	12,313	19.0%	-7%
Operating Income (Loss)	5,206	8.3%	6,292	9.7%	-17%
Pretax Income (Loss)	5,656	9.1%	5,506	8.5%	3%
Income Tax Benefit (Expense)	(1,318)	-2.1%	(856)	-1.3%	
Noncontrolling Interest	(175)	-0.3%	(181)	-0.3%	
Net Income Attributable to Shareholders of the Parent	4,163	6.7%	4,469	6.9%	-7%
Basic EPS (NT Dollar)	0.54		0.58		
Diluted EPS (NT Dollar)	0.43		0.56		
EBITDA	13,229	21.2%	13,470	20.8%	-2%



IC ATM Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q1 / 2016	%	Q4 / 2015	%	Change
Net Revenues:					
Packaging	28,597	80.5%	31,121	81.0%	-8%
Testing	5,995	16.9%	6,356	16.5%	-6%
Direct Material	931	2.6%	910	2.4%	2%
Others	20	0.1%	19	0.0%	5%
Total Net Revenues	35,543	100.0%	38,406	100.0%	-7%
Gross Profit	7,832	22.0%	9,977	26.0%	-21%
Operating Income (Loss)	3,222	9.1%	5,313	13.8%	-39%
Pretax Income (Loss)	4,746	13.4%	6,140	16.0%	-23%
Income Tax Benefit (Expense)	(529)	-1.5%	(1,099)	-2.9%	
Noncontrolling Interest	(54)	-0.2%	(51)	-0.1%	
Net Income Attributable to Shareholders of the Parent	4,163	11.7%	4,990	13.0%	-17%
EBITDA	10,580	29.8%	12,005	31.3%	-12%



IC ATM Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



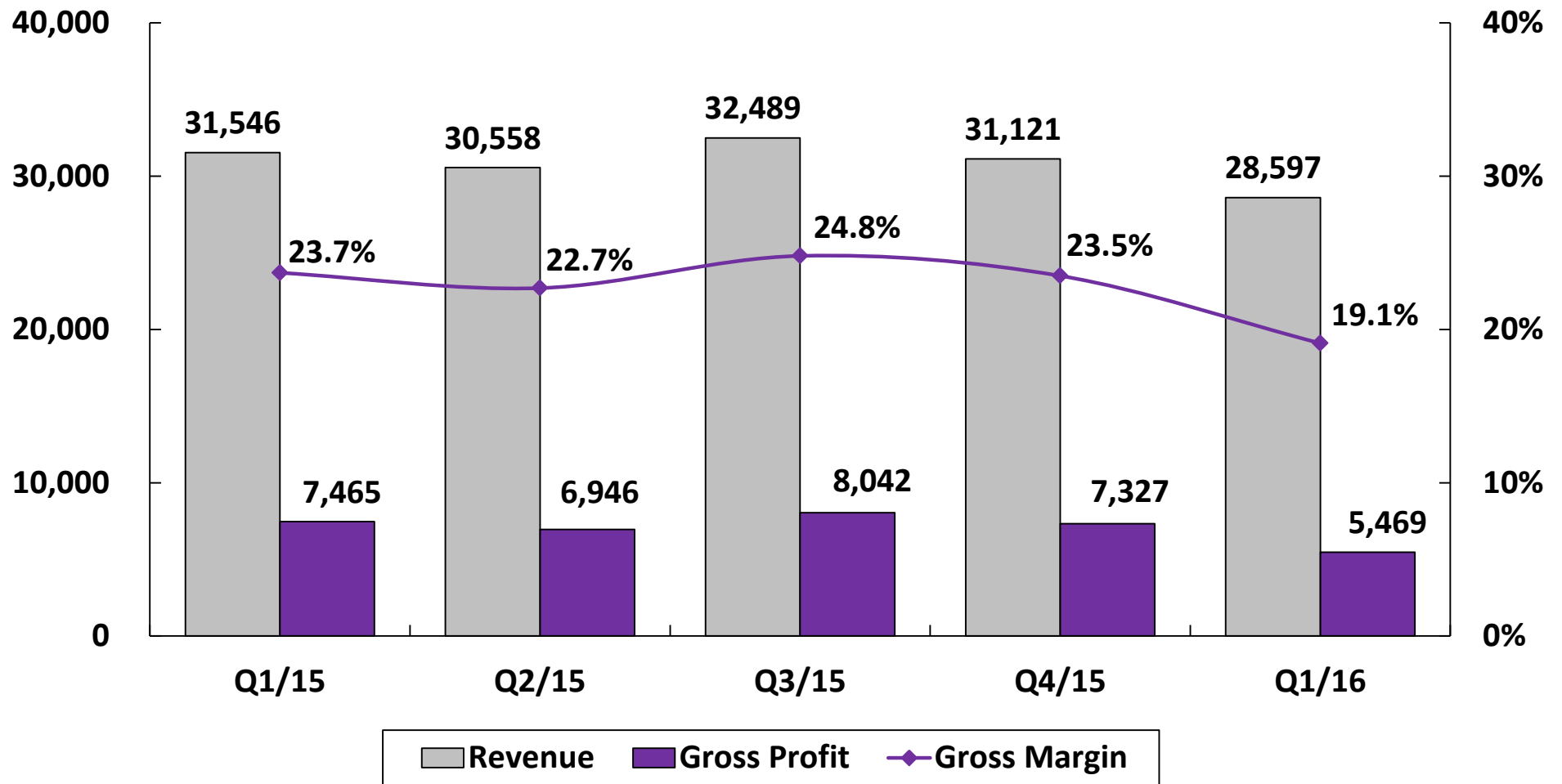
(NT\$ Million)	Q1 / 2016	%	Q1 / 2015	%	Change
Net Revenues:					
Packaging	28,597	80.5%	31,546	81.7%	-9%
Testing	5,995	16.9%	6,180	16.0%	-3%
Direct Material	931	2.6%	861	2.2%	8%
Others	20	0.1%	18	0.0%	11%
Total Net Revenues	35,543	100.0%	38,605	100.0%	-8%
Gross Profit	7,832	22.0%	9,995	25.9%	-22%
Operating Income (Loss)	3,222	9.1%	5,546	14.4%	-42%
Pretax Income (Loss)	4,746	13.4%	5,230	13.5%	-9%
Income Tax Benefit (Expense)	(529)	-1.5%	(709)	-1.8%	
Noncontrolling Interest	(54)	-0.2%	(52)	-0.1%	
Net Income Attributable to Shareholders of the Parent	4,163	11.7%	4,469	11.6%	-7%
EBITDA	10,580	29.8%	11,937	30.9%	-11%



Packaging Operations

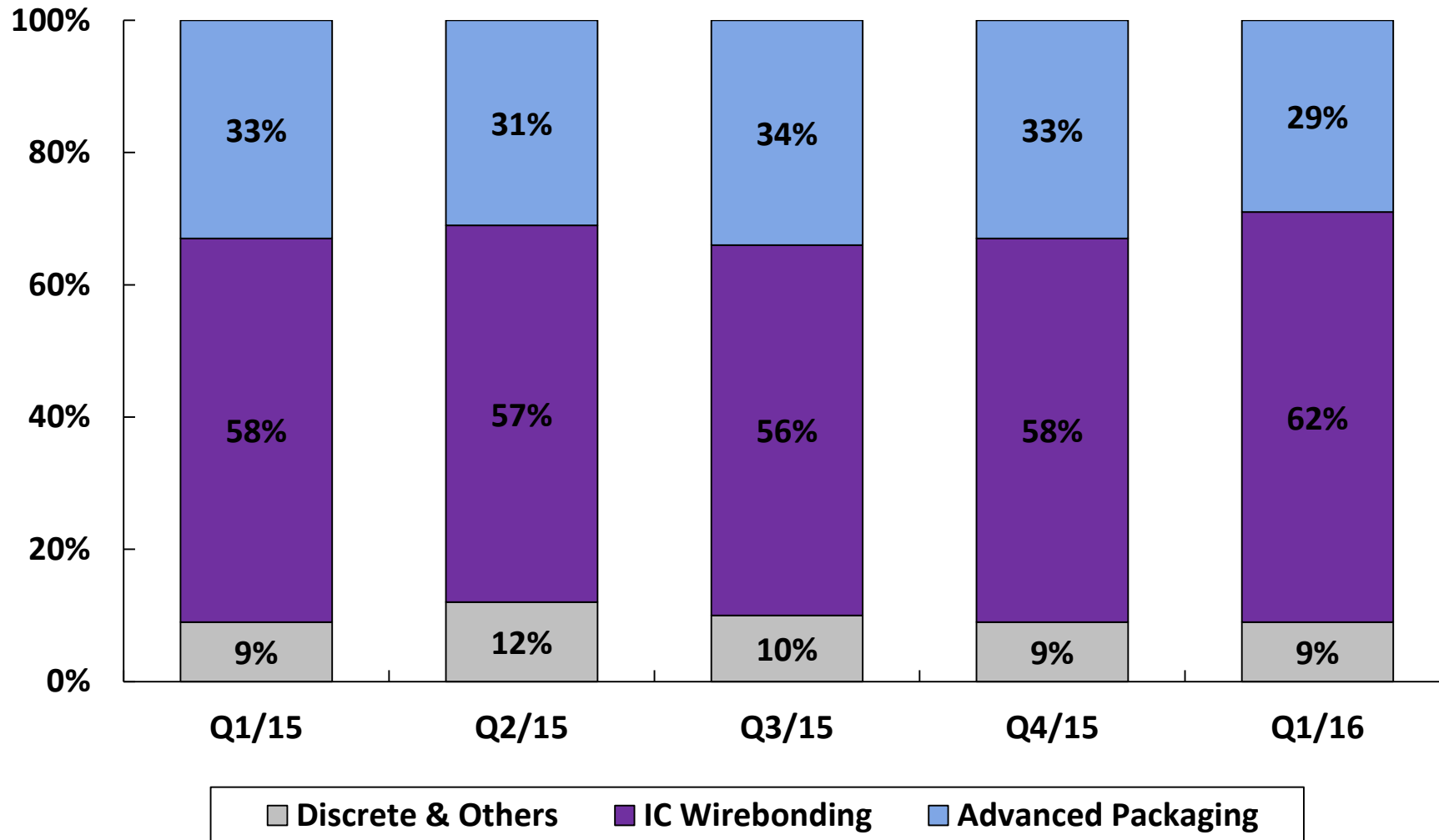


NT\$ Million



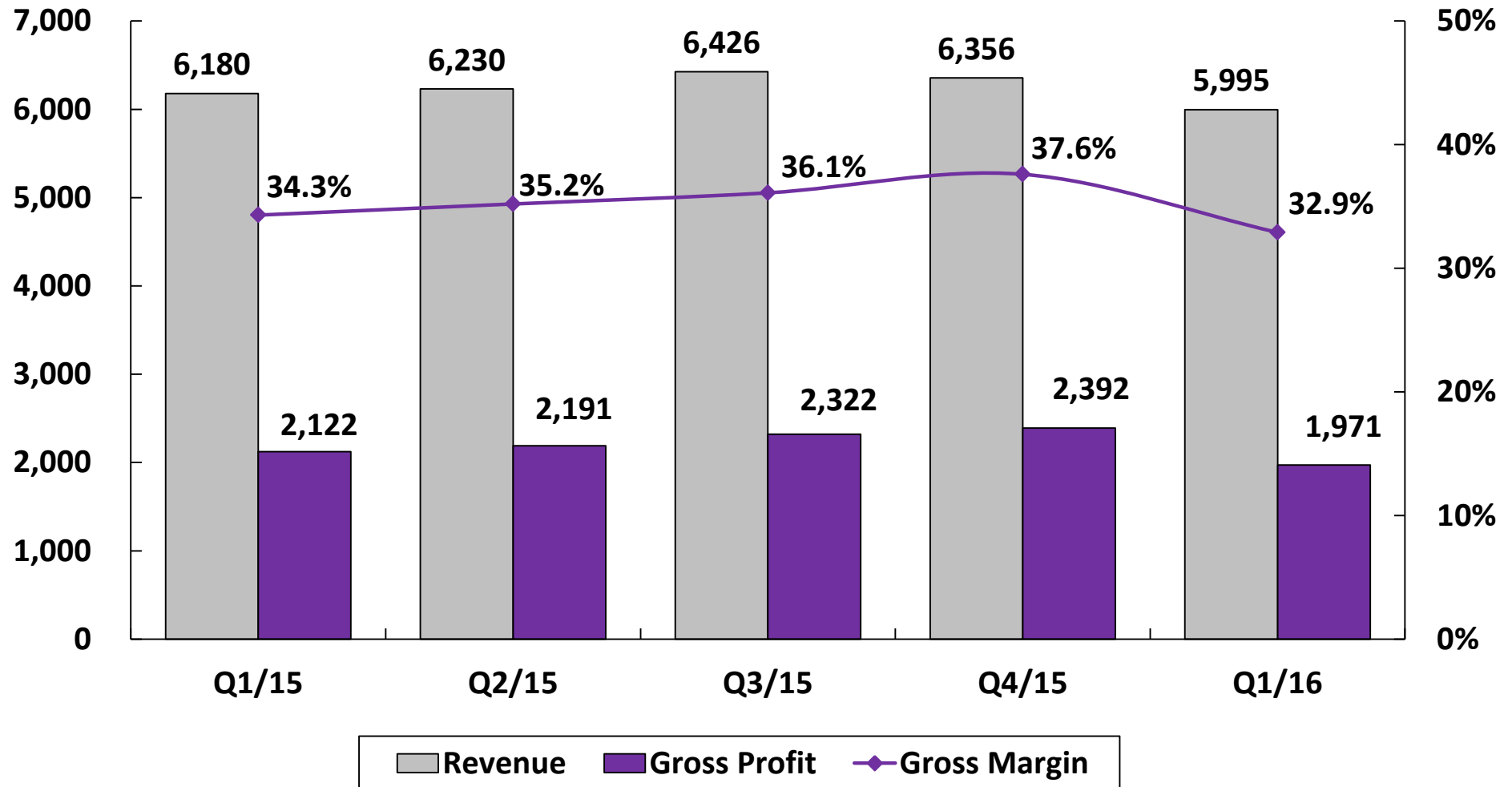
Packaging Operations

Package Revenue Breakdown



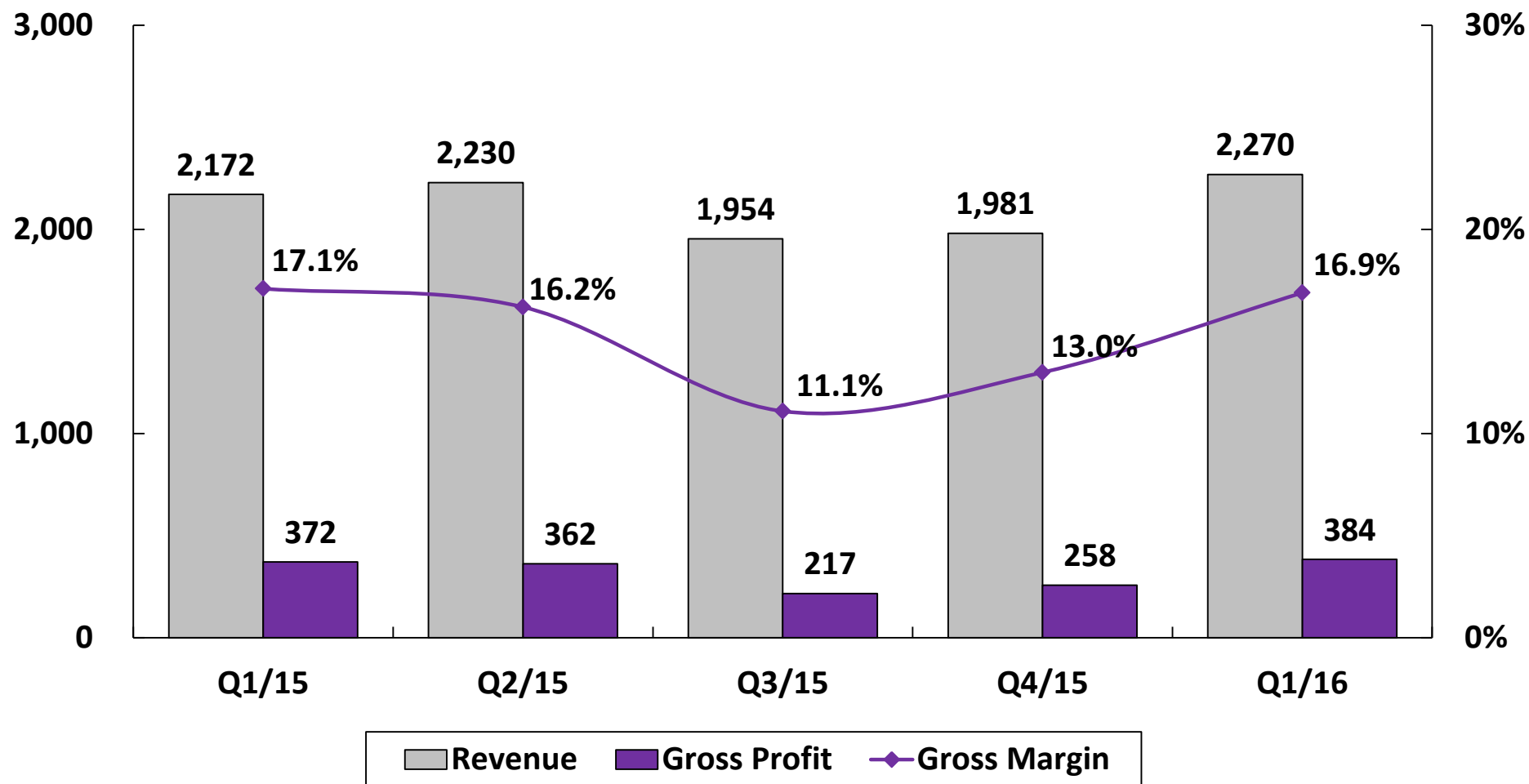
Testing Operations

NT\$ Million

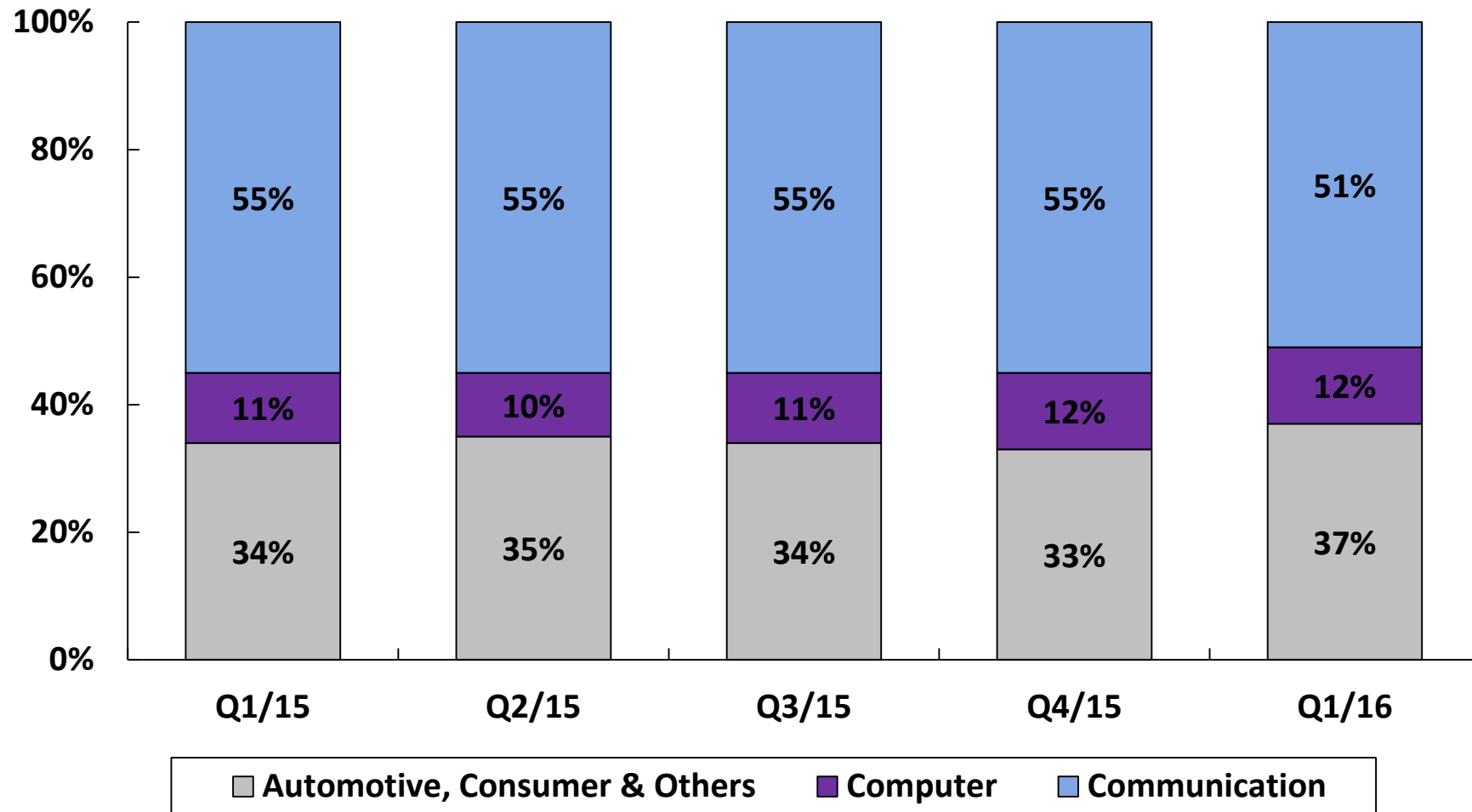


Material Operations

NT\$ Million



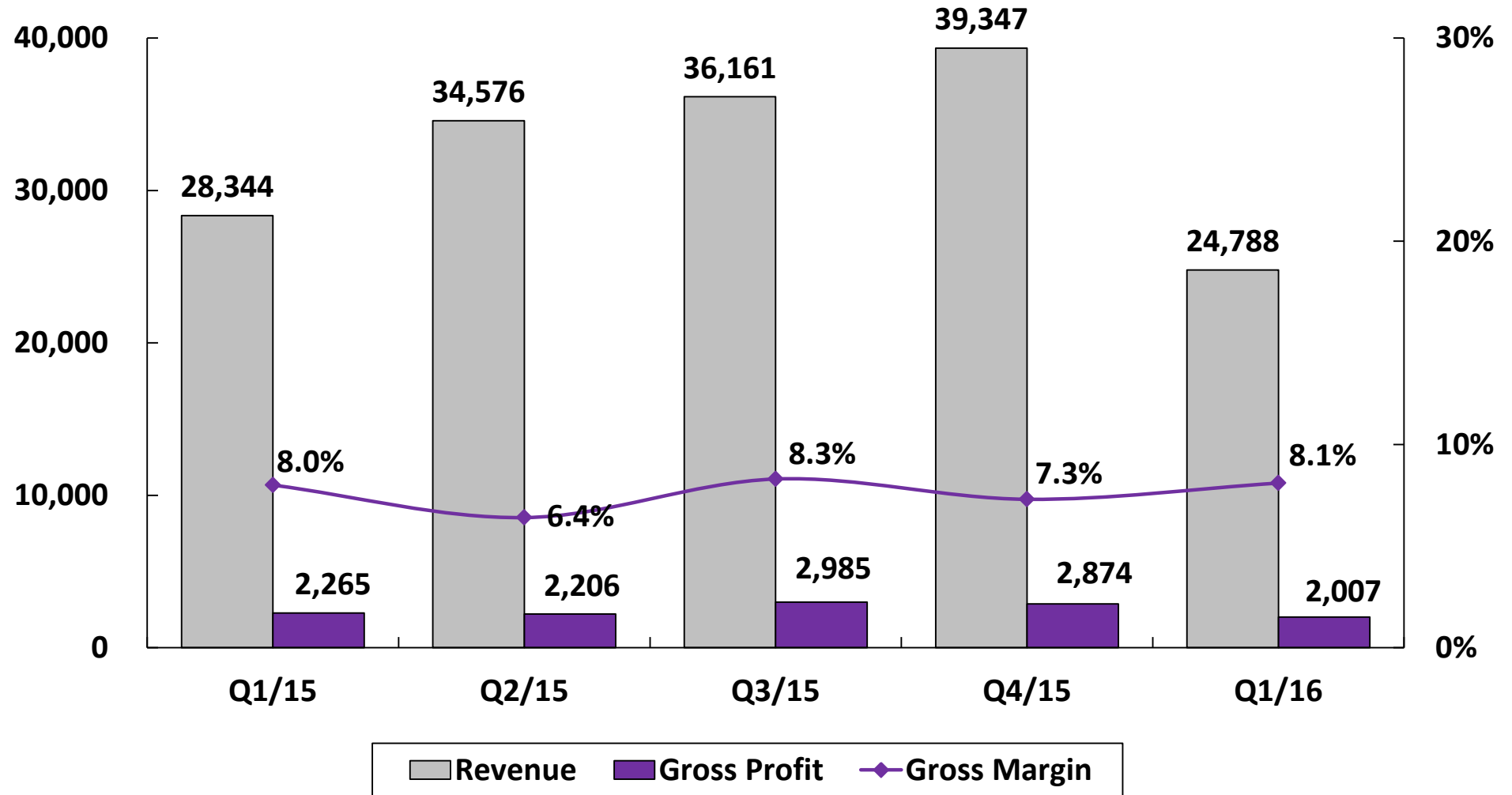
IC ATM Revenue by Application



EMS Operations

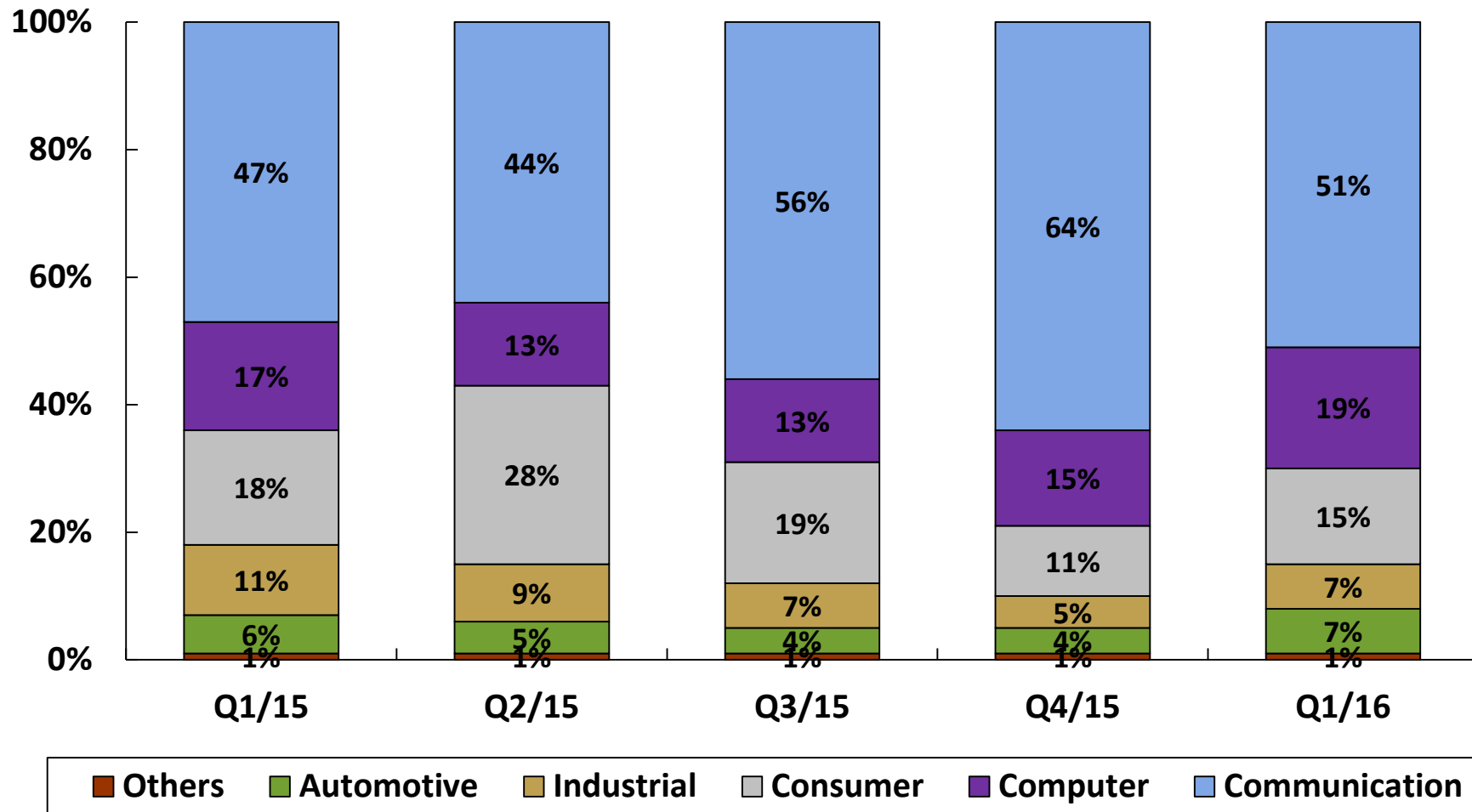


NT\$ Million



EMS Operations

EMS Revenue Breakdown



Key Balance Sheet Items & Indices

(unaudited)



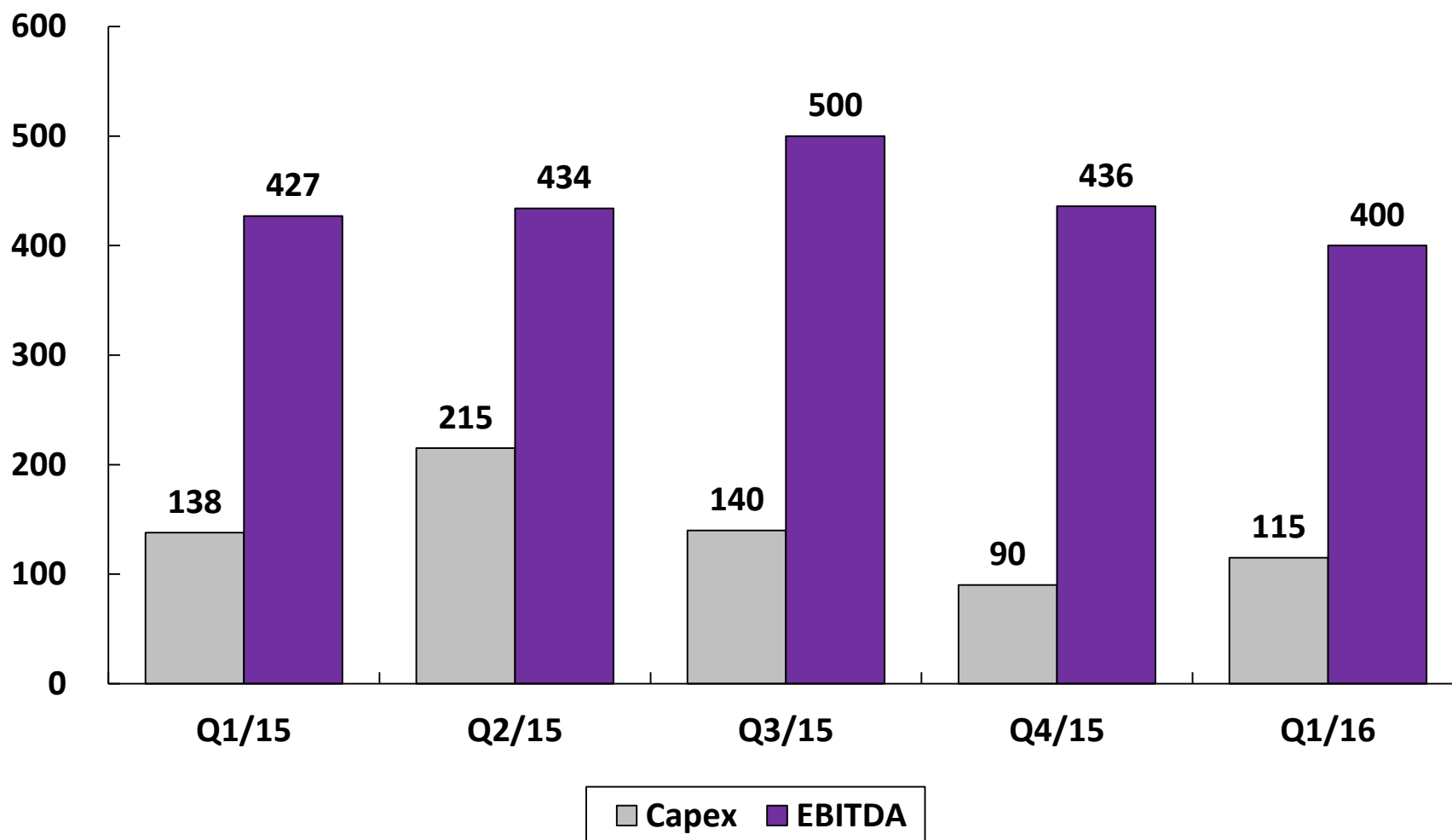
(NT\$ Million)	Mar. 31, 2016	Dec. 31, 2015	Change
Cash and cash equivalent	45,070	55,251	-18.4%
Financial assets - current	3,971	3,864	2.8%
Financial assets - non current & investments - equity method	51,985	38,347	35.6%
Property, plant & equipment	147,234	149,997	-1.8%
Total assets	356,490	365,288	-2.4%
Short-term borrowings & short-term bills payable	34,154	36,983	-7.6%
Current portion of bonds payable	14,482	14,686	-1.4%
Current portion of long-term borrowings & capital lease obligations	1,356	2,157	-37.1%
Bonds payable	32,582	23,740	37.2%
Long-term borrowings & capital lease obligations	36,089	42,795	-15.7%
Total equity (Including non-controlling interest)	168,737	168,420	0.2%
Quarterly EBITDA	13,229	14,189	-6.8%
Current ratio	1.25	1.30	
Net debt to equity	0.41	0.36	



Machinery & Equipment Capital Expenditure vs. EBITDA



US\$ Million



Second Quarter 2016 Outlook



Based on our current business outlook and exchange rate assumptions, management projects overall performance for the second quarter of 2016 to be as follows:

- IC ATM business will approach 4Q15 levels, driven by a moderate recovery while SiP business remains seasonally soft;
- IC ATM gross margin should see meaningful improvement from 1Q16, but could be a bit lower than 4Q15;
- EMS business should decline moderately on a quarter over quarter basis;
- EMS gross margin should be similar with 1Q16 levels.



Thank You

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