



ASE GROUP



ASE Inc. Q1/2014 Earnings Release

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Chief Financial Officer
ASE Inc.
Apr. 25, 2014



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 2013 Annual Report on Form 20-F filed on April 17, 2014.

Consolidated Statement of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



| (NT\$ Million except EPS) | Q1 / 2014 | % | Q4 / 2013 | % | Change |
|--|---------------|---------------|---------------|---------------|-------------|
| Net Revenues: | | | | | |
| IC Packaging | 26,722 | 48.9% | 28,703 | 44.7% | -7% |
| Testing | 5,785 | 10.6% | 6,225 | 9.7% | -7% |
| Direct Material | 779 | 1.4% | 746 | 1.2% | 4% |
| EMS | 21,365 | 39.1% | 28,411 | 44.3% | -25% |
| Others | 49 | 0.1% | 79 | 0.1% | -38% |
| Total Net Revenues | 54,700 | 100.0% | 64,164 | 100.0% | -15% |
| Gross Profit | 10,349 | 18.9% | 12,510 | 19.5% | -17% |
| Operating Income(Loss) | 5,070 | 9.3% | 6,940 | 10.8% | -27% |
| Pretax Income(Loss) | 4,284 | 7.8% | 5,792 | 9.0% | -26% |
| Income Tax Benefit(Expense) | (727) | -1.3% | (450) | -0.7% | |
| Noncontrolling Interest | (119) | -0.2% | (134) | -0.2% | |
| Net Income Attributable to Shareholders of the Parent | 3,438 | 6.3% | 5,208 | 8.1% | -34% |
| EPS ¹ | 0.44 | | 0.66 | | |
| EBITDA | 11,363 | 20.8% | 12,958 | 20.2% | -12% |

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

Consolidated Statement of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



| (NT\$ Million except EPS) | Q1 / 2014 | % | Q1 / 2013 | % | Change |
|--|---------------|---------------|---------------|---------------|------------|
| Net Revenues: | | | | | |
| IC Packaging | 26,722 | 48.9% | 24,903 | 51.7% | 7% |
| Testing | 5,785 | 10.6% | 5,723 | 11.9% | 1% |
| Direct Material | 779 | 1.4% | 679 | 1.4% | 15% |
| EMS | 21,365 | 39.1% | 16,383 | 34.0% | 30% |
| Others | 49 | 0.1% | 502 | 0.9% | -90% |
| Total Net Revenues | 54,700 | 100.0% | 48,190 | 100.0% | 14% |
| Gross Profit | 10,349 | 18.9% | 8,281 | 17.2% | 25% |
| Operating Income(Loss) | 5,070 | 9.3% | 3,603 | 7.5% | 41% |
| Pretax Income(Loss) | 4,284 | 7.8% | 3,159 | 6.6% | 36% |
| Income Tax Benefit(Expense) | (727) | -1.3% | (803) | -1.7% | |
| Noncontrolling Interest | (119) | -0.2% | (125) | -0.3% | |
| Net Income Attributable to Shareholders of the Parent | 3,438 | 6.3% | 2,231 | 4.6% | 54% |
| EPS¹ | 0.44 | | 0.29 | | |
| EBITDA | 11,363 | 20.8% | 10,021 | 20.8% | 13% |

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

IC ATM Statement of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



| (NT\$ Million except EPS) | Q1 / 2014 | % | Q4 / 2013 | % | Change |
|--|---------------|---------------|---------------|---------------|-------------|
| Net Revenues: | | | | | |
| IC Packaging | 27,787 | 80.9% | 30,929 | 81.6% | -10% |
| Testing | 5,785 | 16.8% | 6,225 | 16.4% | -7% |
| Direct Material | 779 | 2.3% | 746 | 2.0% | 4% |
| Total Net Revenues | 34,351 | 100.0% | 37,900 | 100.0% | -9% |
| Gross Profit | 8,243 | 24.0% | 10,448 | 27.6% | -21% |
| Operating Income(Loss) | 4,210 | 12.3% | 6,150 | 16.2% | -32% |
| Pretax Income(Loss) | 4,038 | 11.8% | 5,655 | 14.9% | -29% |
| Income Tax Benefit(Expense) | (570) | -1.7% | (406) | -1.1% | |
| Noncontrolling Interest | (30) | -0.1% | (41) | -0.1% | |
| Net Income Attributable to Shareholders of the Parent | 3,438 | 10.0% | 5,208 | 13.7% | -34% |
| EPS ¹ | 0.44 | | 0.66 | | |
| EBITDA | 10,148 | 29.5% | 11,668 | 30.8% | -13% |

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

IC ATM Statement of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



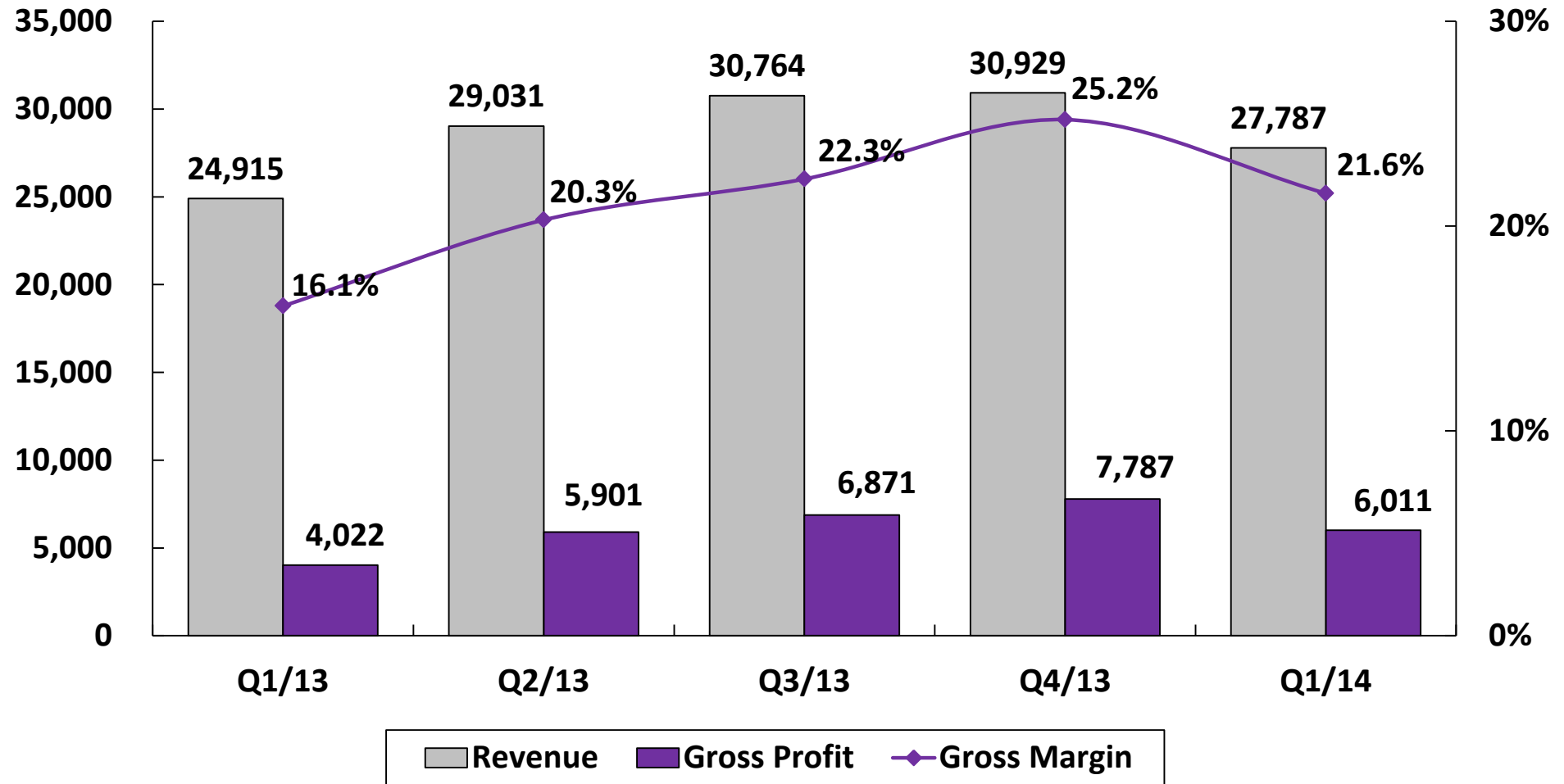
| (NT\$ Million except EPS) | Q1 / 2014 | % | Q1 / 2013 | % | Change |
|--|---------------|---------------|---------------|---------------|------------|
| Net Revenues: | | | | | |
| IC Packaging | 27,787 | 80.9% | 24,915 | 79.6% | 12% |
| Testing | 5,785 | 16.8% | 5,723 | 18.3% | 1% |
| Direct Material | 779 | 2.3% | 679 | 2.2% | 15% |
| Total Net Revenues | 34,351 | 100.0% | 31,317 | 100.0% | 10% |
| Gross Profit | 8,243 | 24.0% | 6,224 | 19.9% | 32% |
| Operating Income(Loss) | 4,210 | 12.3% | 2,669 | 8.5% | 58% |
| Pretax Income(Loss) | 4,038 | 11.8% | 2,776 | 8.9% | 45% |
| Income Tax Benefit(Expense) | (570) | -1.7% | (506) | -1.6% | |
| Noncontrolling Interest | (30) | -0.1% | (39) | -0.1% | |
| Net Income Attributable to Shareholders of the Parent | 3,438 | 10.0% | 2,231 | 7.1% | 54% |
| EPS ¹ | 0.44 | | 0.29 | | |
| EBITDA | 10,148 | 29.5% | 8,610 | 27.5% | 18% |

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

Packaging Operations

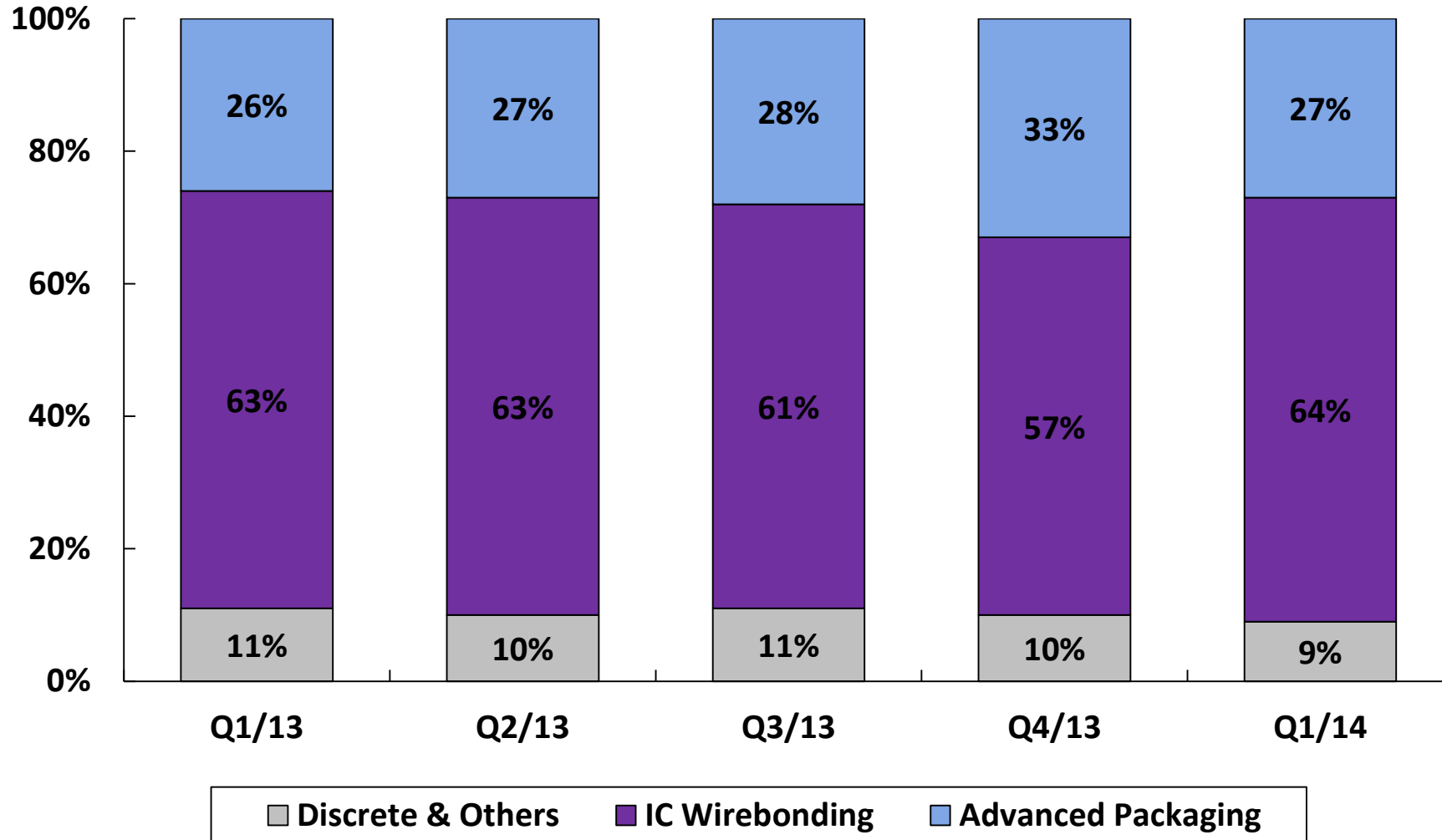


NT\$ Million



Packaging Operations

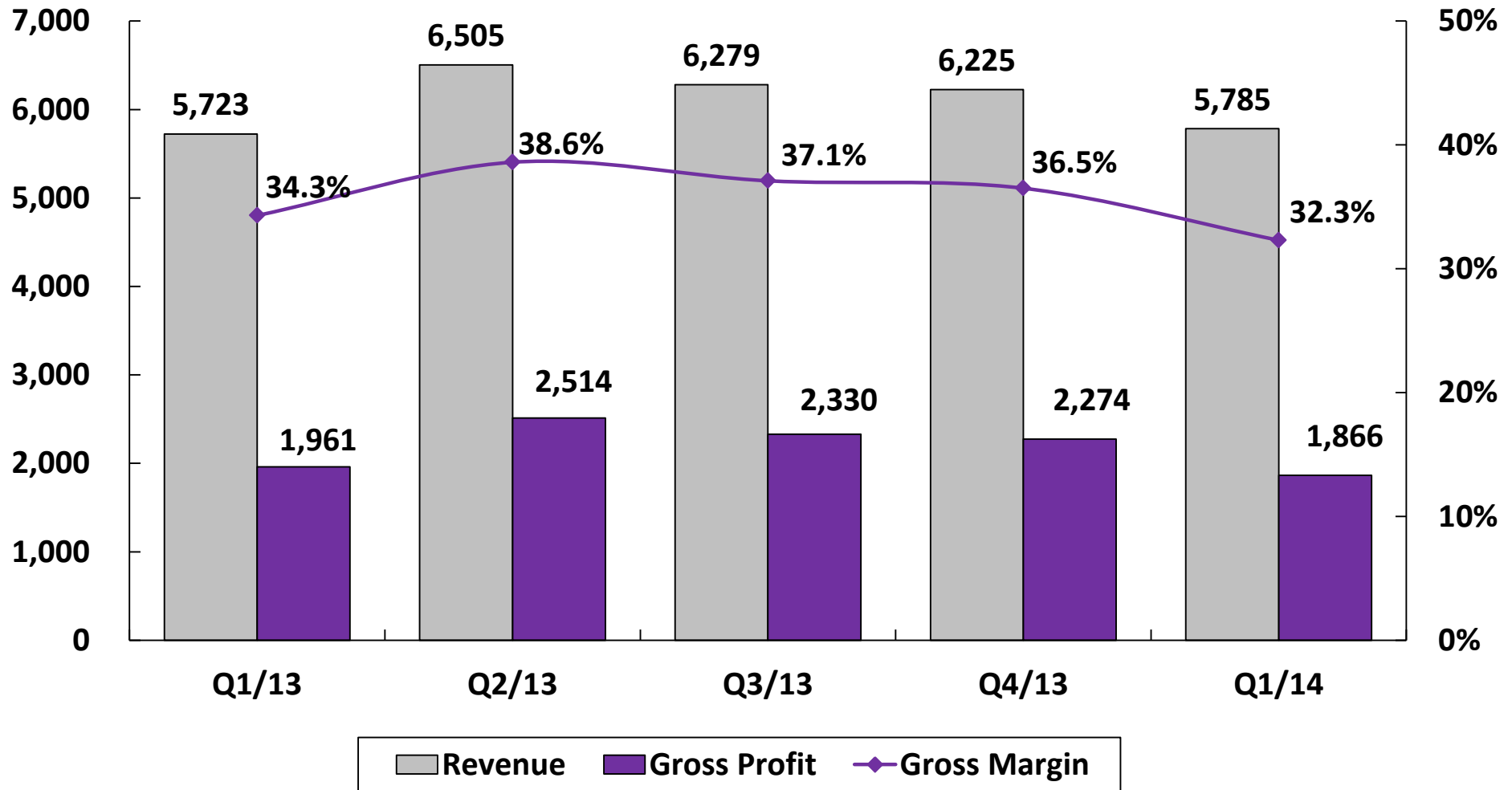
Package Revenue Breakdown



Testing Operations



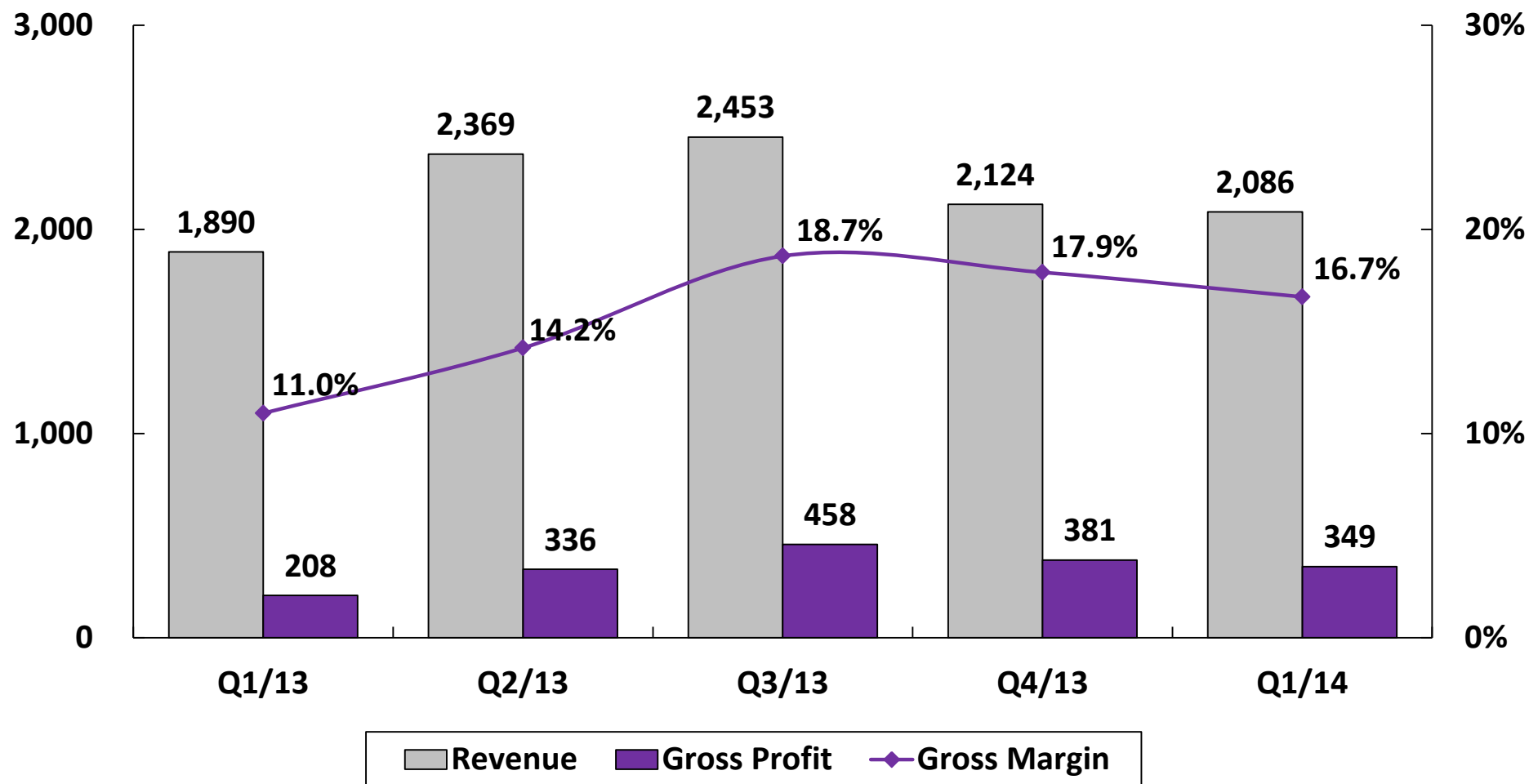
NT\$ Million



Material Operations



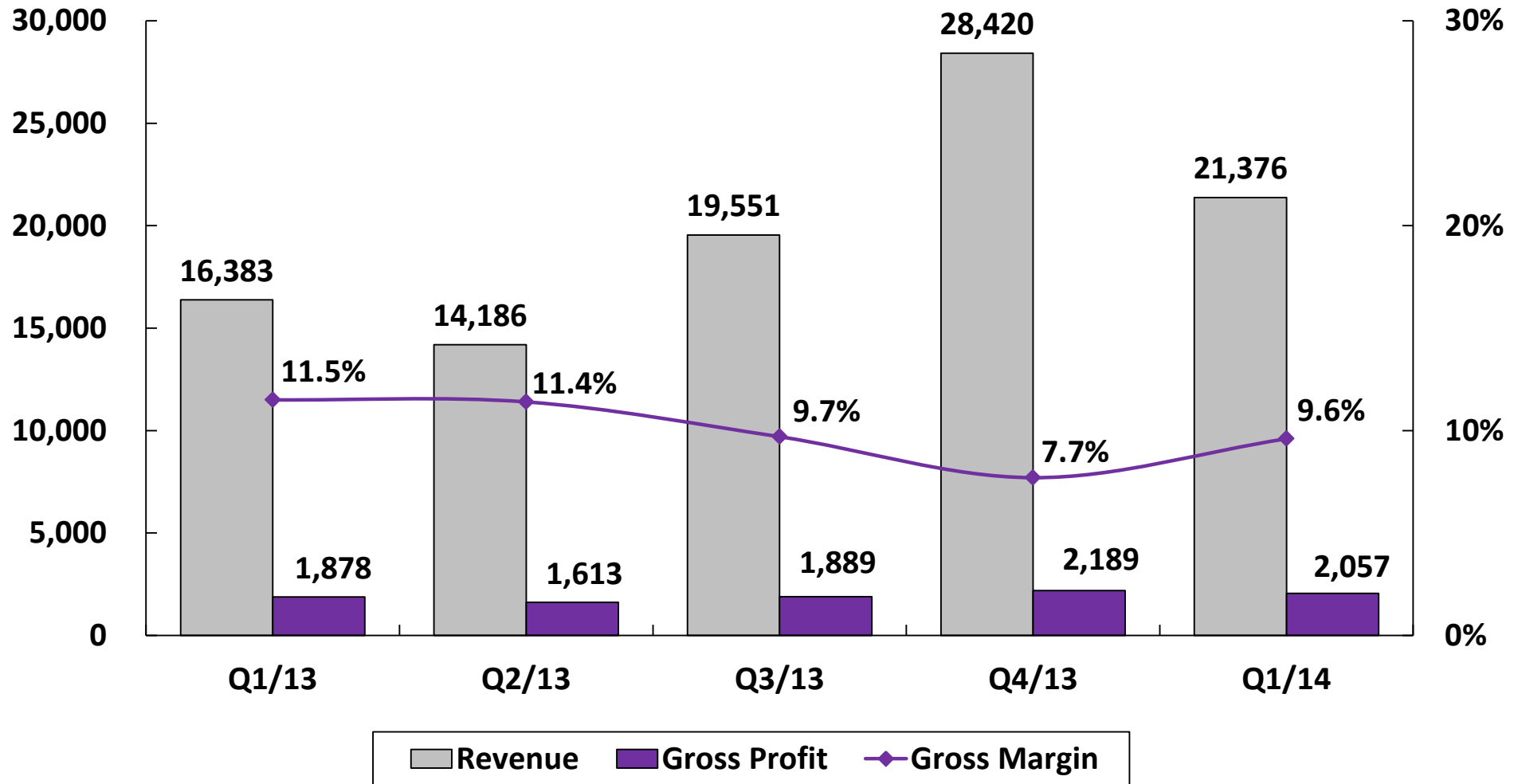
NT\$ Million



EMS Operations

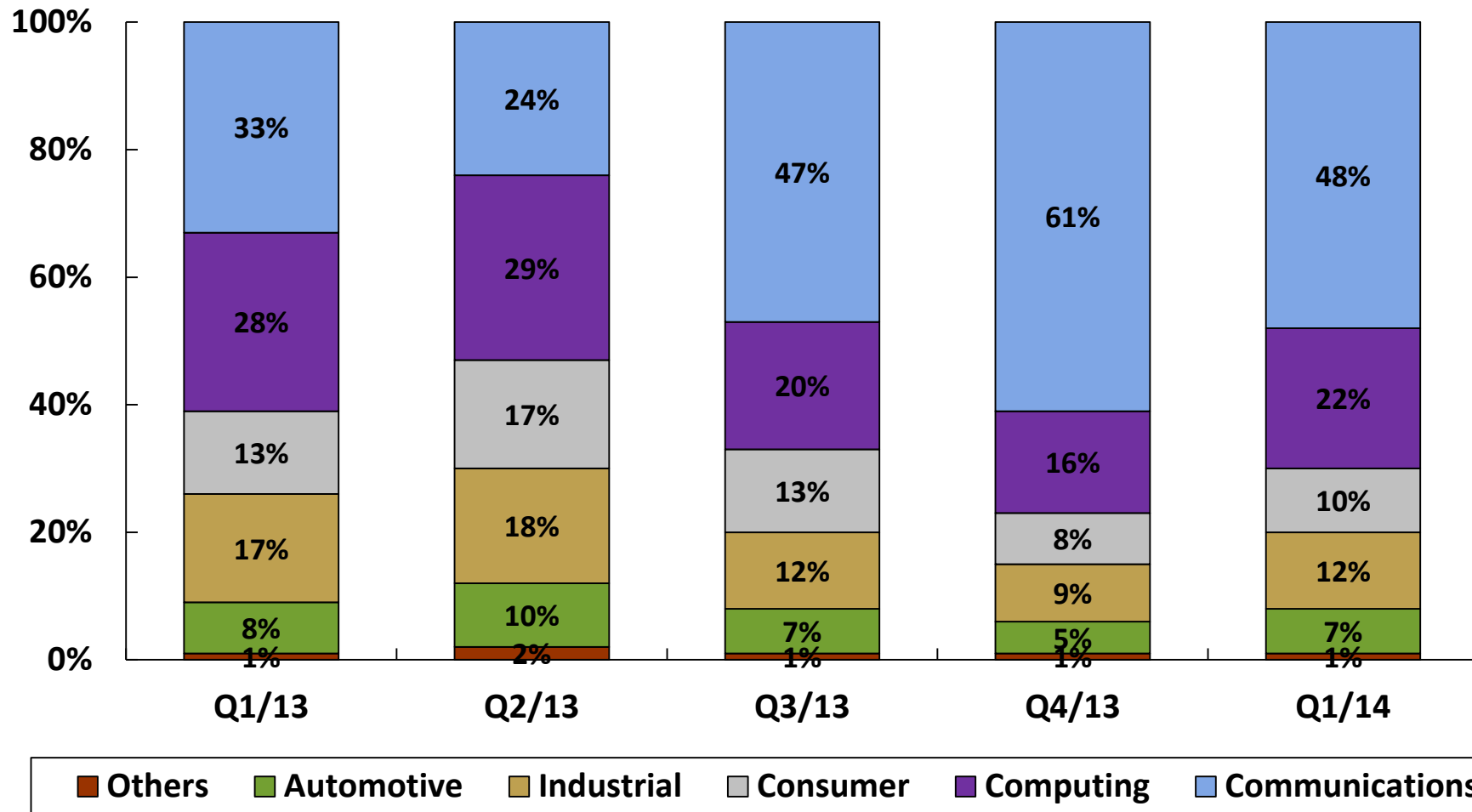


NT\$ Million



EMS Operations

EMS Revenue Breakdown



Selective Balance Sheet Information

(unaudited)

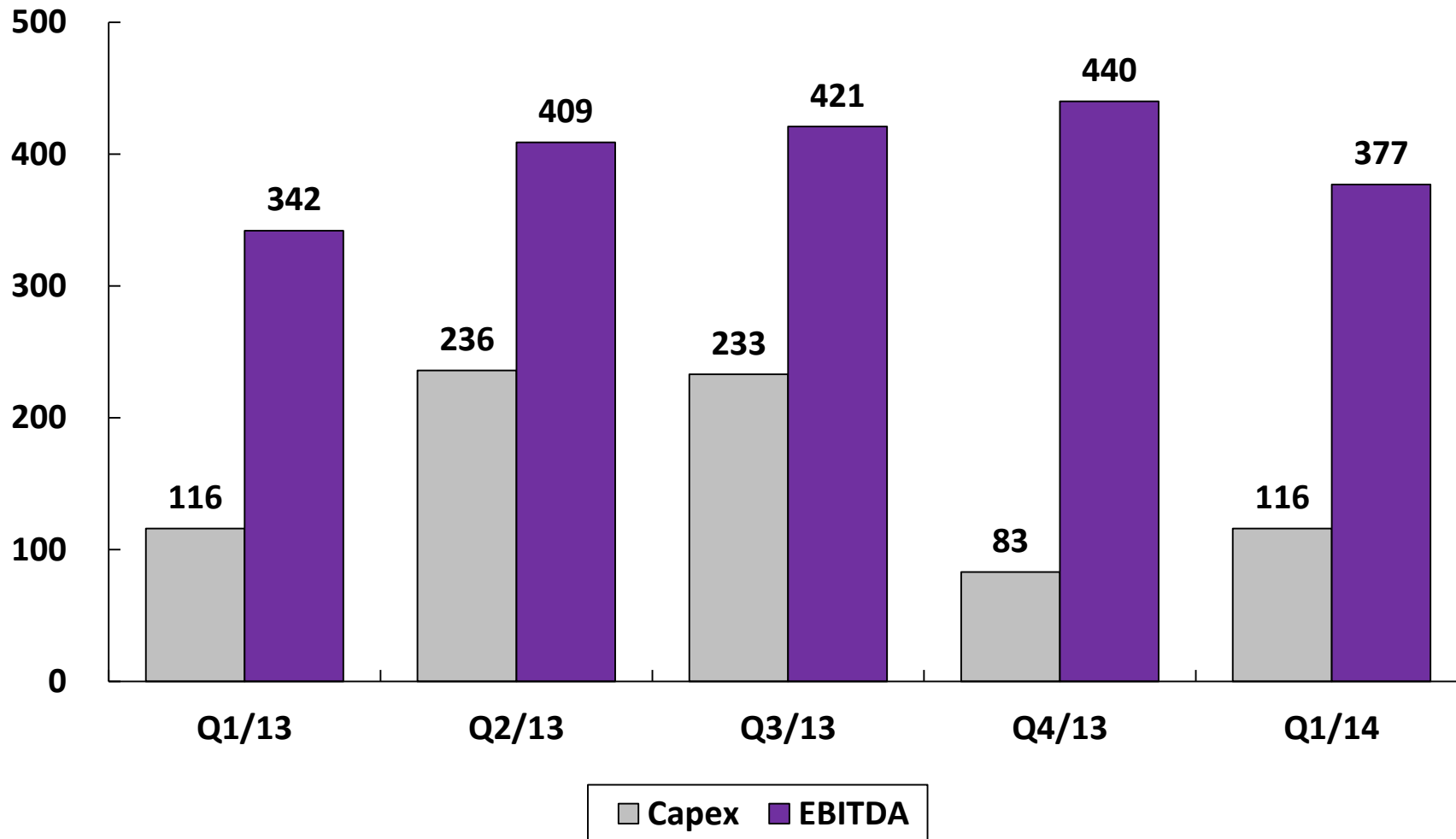


| (NT\$ Million) | Mar. 31, 2014 | Dec. 31, 2013 | Change |
|-------------------------------------|----------------|----------------|--------------|
| Cash and Cash Equivalent | 43,577 | 45,026 | -3.2% |
| Financial Assets - current | 5,289 | 5,141 | 2.9% |
| Investments - non current | 2,609 | 2,357 | 10.7% |
| Total Assets | 279,821 | 286,814 | -2.4% |
| | | | |
| ST Bank Debt - Revolving Credit | 33,854 | 44,618 | -24.1% |
| - Current Portion of LT Debt | 5,782 | 6,017 | -3.9% |
| LT Bank Debt | 49,989 | 50,166 | -0.4% |
| Total Net Worth | | | |
| (Including noncontrolling interest) | 133,001 | 127,165 | 4.6% |
| | | | |
| Quarterly EBITDA | 11,363 | 12,958 | -12.3% |
| | | | |
| Current Ratio | 1.44 | 1.31 | |
| Net Debt to Equity | 0.31 | 0.40 | |

Capital Expenditure & EBITDA

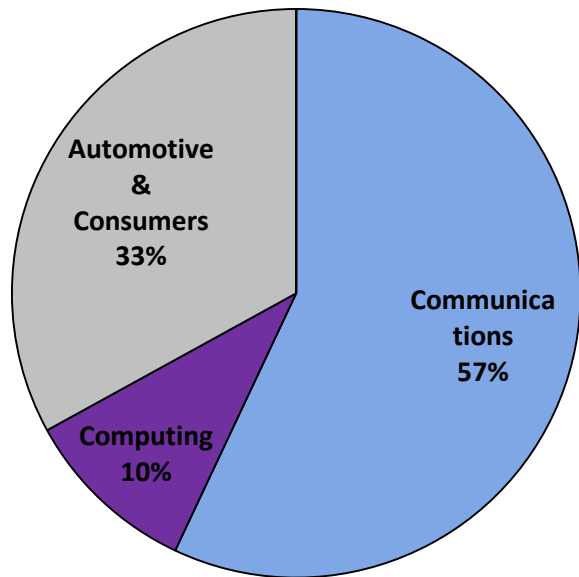


US\$ Million

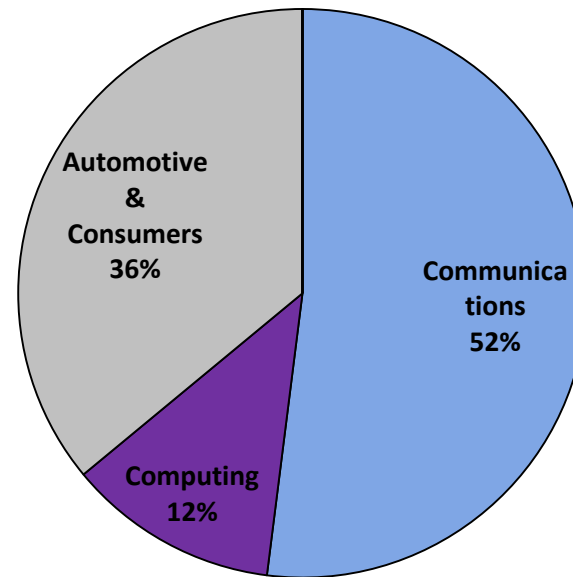


IC ATM Market Segment Exposure

Q4/2013



Q1/2014



Q2/2014 Guidance



Based on our current business outlook and exchange rate assumption, management projects overall performance for the second quarter of 2014 to be as follows:

- Our IC-ATM revenues should approach Q4 levels and our EMS revenues should be flat to slightly down;
- Our consolidated gross profit margin is expected to be ahead of Q4 levels, in excess of 20%;
- Our capital expenditure for full year 2014 should increase by US\$200 million to US\$250 million, subject to adjustments in line with market condition.

Thank You

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