

ASE Inc.

Q3 2013

Earnings Release

Presented by

Joseph Tung
Chief Financial Officer
Oct. 30, 2013



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 presentation. 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 presentation. 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 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, including the recent global financial crisis; possible disruptions in commercial activities caused by natural or human-induced disasters; 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 2012 Annual Report on Form 20-F filed on April 24, 2013.



Consolidated Statement of Comprehensive Income

Quarterly Sequential Comparison
(unaudited)



(NT\$ Million except EPS)	Q3 / 2013	%	Q2 / 2013	%	Change
Net Revenues:					
IC Packaging	29,977	52.8%	29,021	57.2%	3%
Testing	6,279	11.1%	6,505	12.8%	-3%
Direct Material	767	1.4%	759	1.5%	1%
EMS	19,551	34.5%	14,186	27.9%	38%
Others	174	0.3%	289	0.6%	-40%
Total Net Revenues	56,748	100.0%	50,760	100.0%	12%
Gross Profit	11,587	20.4%	10,436	20.6%	11%
Operating Income(Loss)	6,099	10.7%	5,403	10.6%	13%
Pretax Income(Loss)	5,368	9.5%	5,038	9.9%	7%
Income Tax Benefit(Expense)	(822)	-1.4%	(1,127)	-2.2%	
Noncontrolling Interest	(116)	-0.2%	(91)	-0.2%	
Net Income Attributable to Shareholders of the Parent	4,430	7.8%	3,820	7.5%	16%
EPS¹	0.57		0.50		
EBITDA	12,567	22.1%	12,175	24.0%	3%

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)	Q3 / 2013	%	Q3 / 2012	%	Change
Net Revenues:					
IC Packaging	29,977	52.8%	27,164	55.4%	10%
Testing	6,279	11.1%	5,911	12.1%	6%
Direct Material	767	1.4%	799	1.6%	-4%
EMS	19,551	34.5%	15,117	30.9%	29%
Others	174	0.3%	0	-0.1%	
Total Net Revenues	56,748	100.0%	48,991	100.0%	16%
Gross Profit	11,587	20.4%	9,612	19.6%	21%
Operating Income(Loss)	6,099	10.7%	4,795	9.8%	27%
Pretax Income(Loss)	5,368	9.5%	4,464	9.1%	20%
Income Tax Benefit(Expense)	(822)	-1.4%	(866)	-1.8%	
Noncontrolling Interest	(116)	-0.2%	(147)	-0.3%	
Net Income Attributable to Shareholders of the Parent	4,430	7.8%	3,451	7.0%	28%
EPS¹	0.57		0.46		
EBITDA	12,567	22.1%	10,880	22.2%	16%

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)	Q3 / 2013	%	Q2 / 2013	%	Change
Net Revenues:					
IC Packaging	30,764	81.4%	29,031	80.0%	6%
Testing	6,279	16.6%	6,505	17.9%	-3%
Direct Material	767	2.0%	759	2.1%	1%
Total Net Revenues	37,810	100.0%	36,295	100.0%	4%
Gross Profit	9,646	25.5%	8,723	24.0%	11%
Operating Income(Loss)	5,383	14.2%	4,810	13.3%	12%
Pretax Income(Loss)	5,134	13.6%	4,833	13.3%	6%
Income Tax Benefit(Expense)	(661)	-1.7%	(975)	-2.7%	
Noncontrolling Interest	(43)	-0.1%	(38)	-0.1%	
Net Income Attributable to Shareholders of the Parent	4,430	11.7%	3,820	10.5%	16%
EPS¹	0.57		0.50		
EBITDA	11,371	30.1%	11,095	30.6%	2%

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



IC ATM Statement of Comprehensive Income



Quarterly Year-over-Year Comparison
(unaudited)

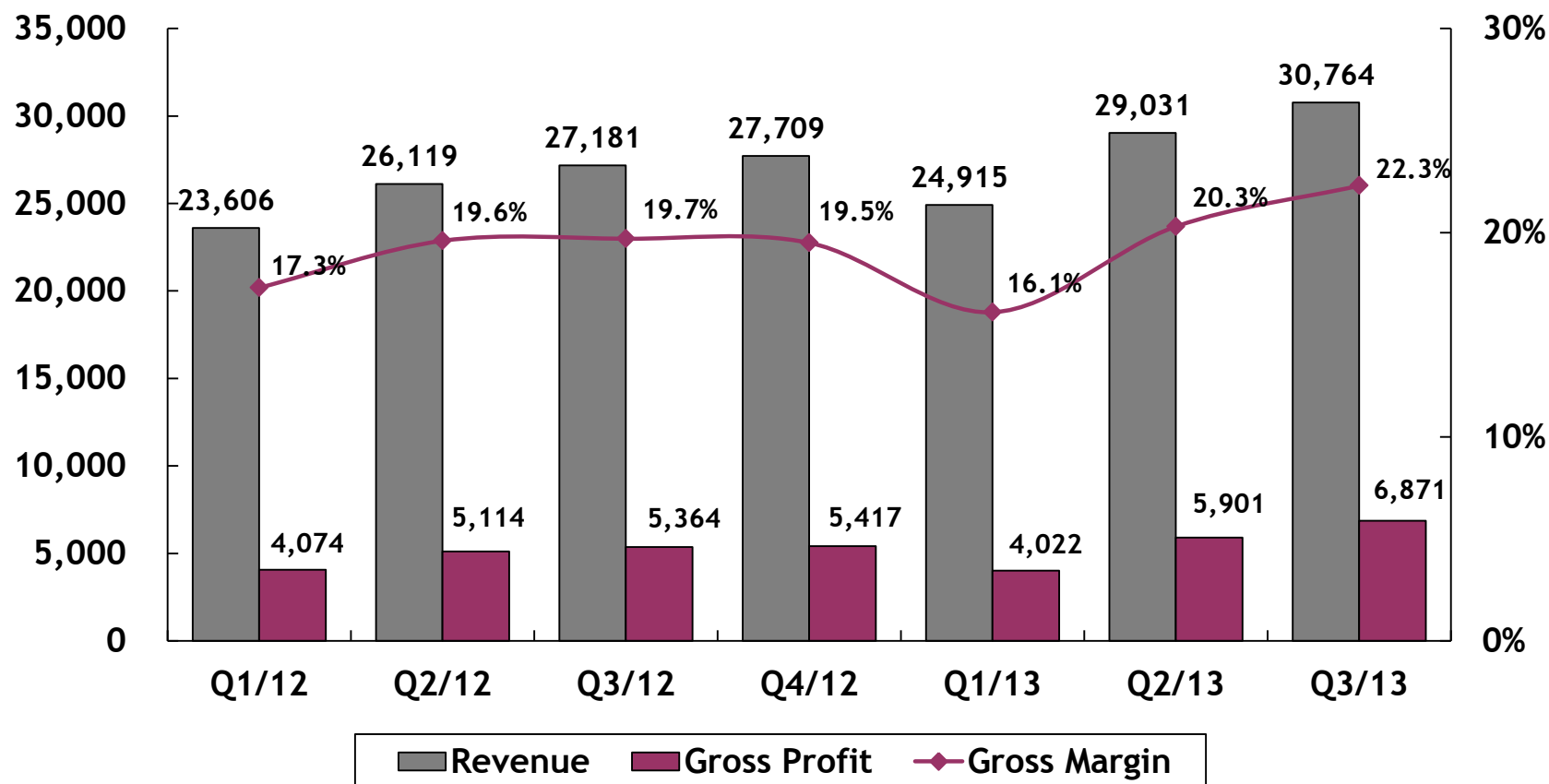
(NT\$ Million except EPS)	Q3 / 2013	%	Q3 / 2012	%	Change
Net Revenues:					
IC Packaging	30,764	81.4%	27,181	80.2%	13%
Testing	6,279	16.6%	5,911	17.4%	6%
Direct Material	767	2.0%	799	2.4%	-4%
Total Net Revenues	37,810	100.0%	33,891	100.0%	12%
Gross Profit	9,646	25.5%	7,708	22.7%	25%
Operating Income(Loss)	5,383	14.2%	3,992	11.8%	35%
Pretax Income(Loss)	5,134	13.6%	4,204	12.4%	22%
Income Tax Benefit(Expense)	(661)	-1.7%	(704)	-2.1%	
Noncontrolling Interest	(43)	-0.1%	(49)	-0.1%	
Net Income Attributable to Shareholders of the Parent	4,430	11.7%	3,451	10.2%	28%
EPS¹	0.57		0.46		
EBITDA	11,371	30.1%	9,612	28.4%	18%

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



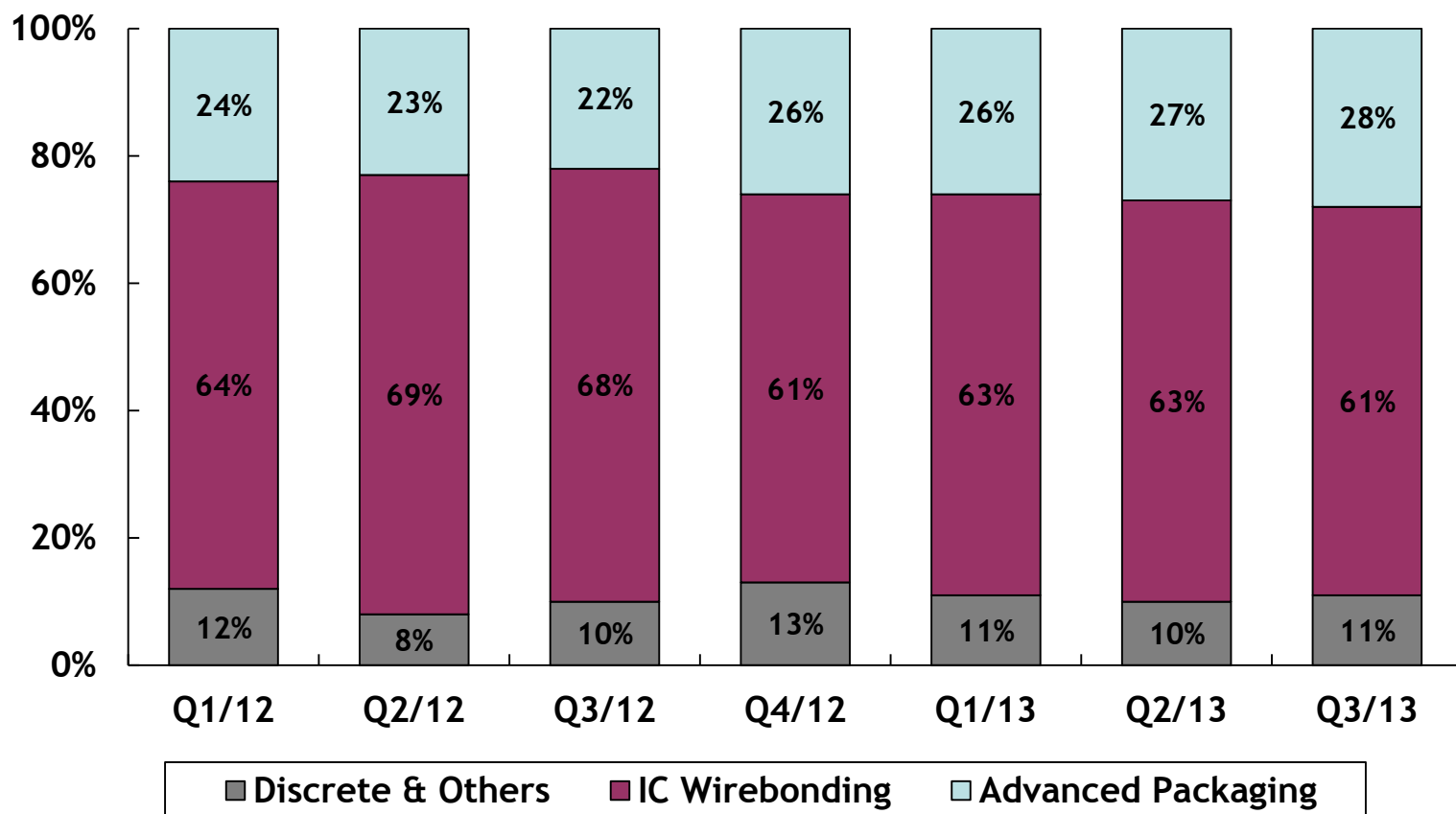
Packaging Operations

NT\$ Million



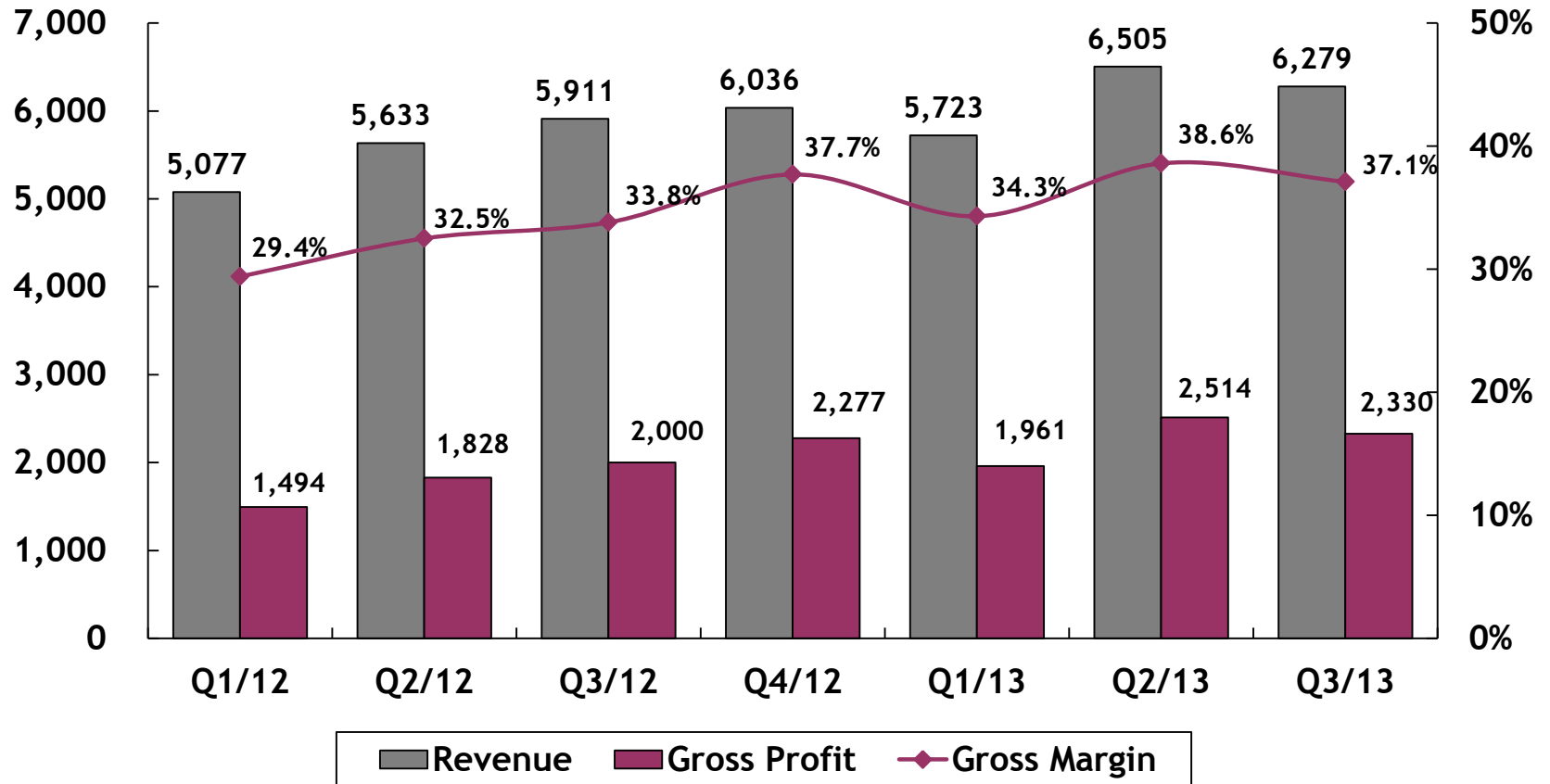
Packaging Operations

Package Revenue Breakdown



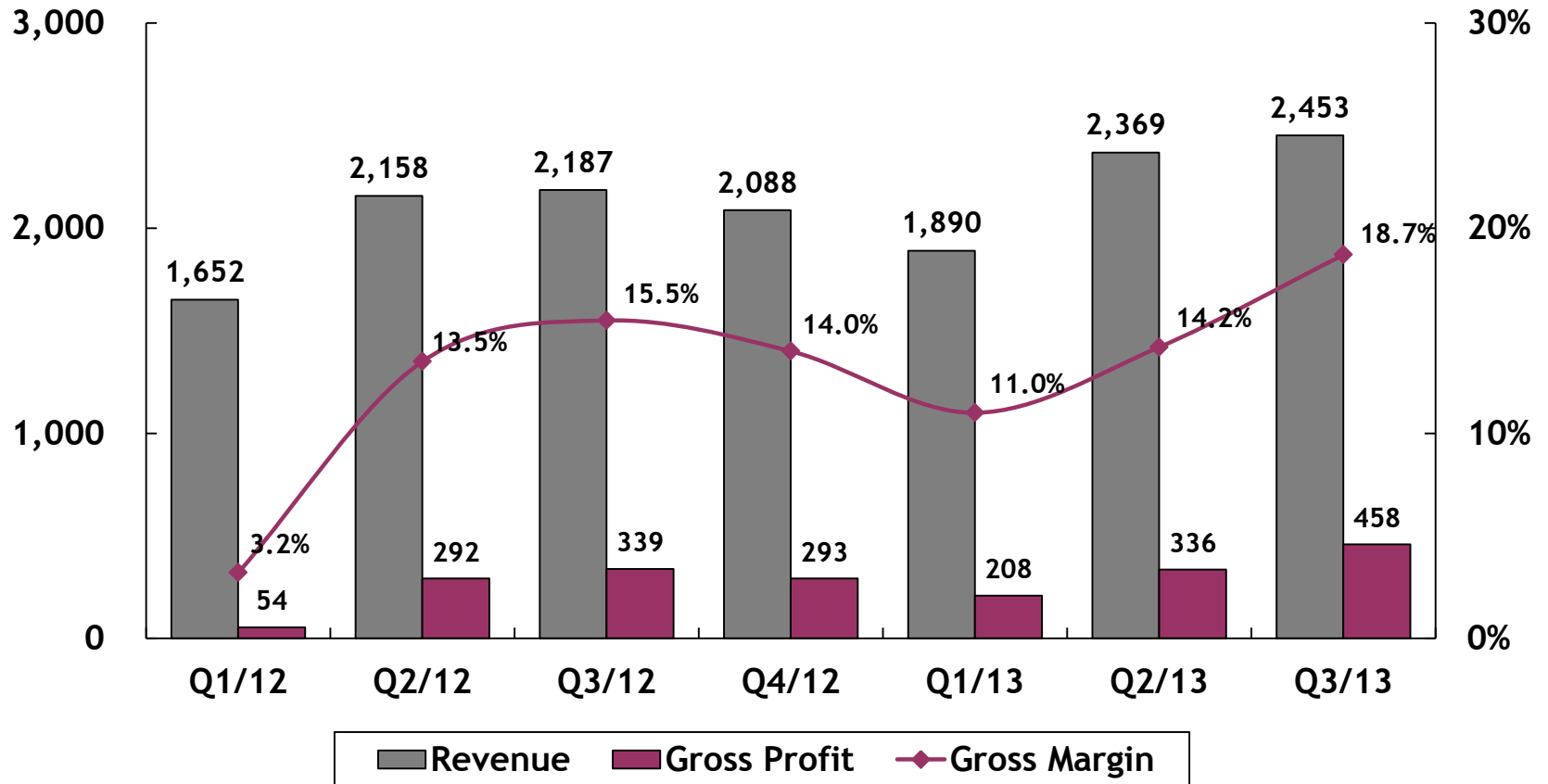
Testing Operations

NT\$ Million

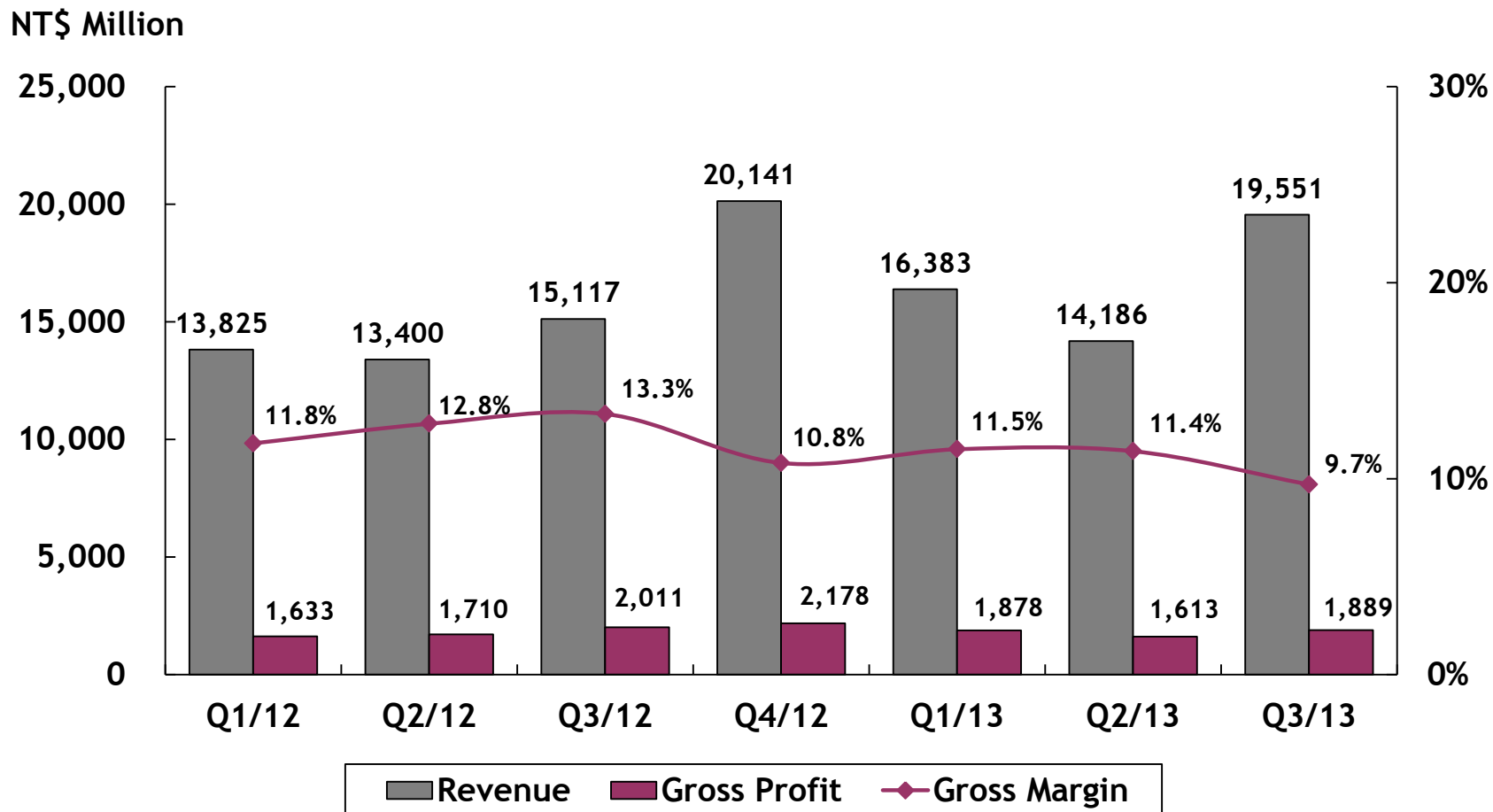


Material Operations

NT\$ Million

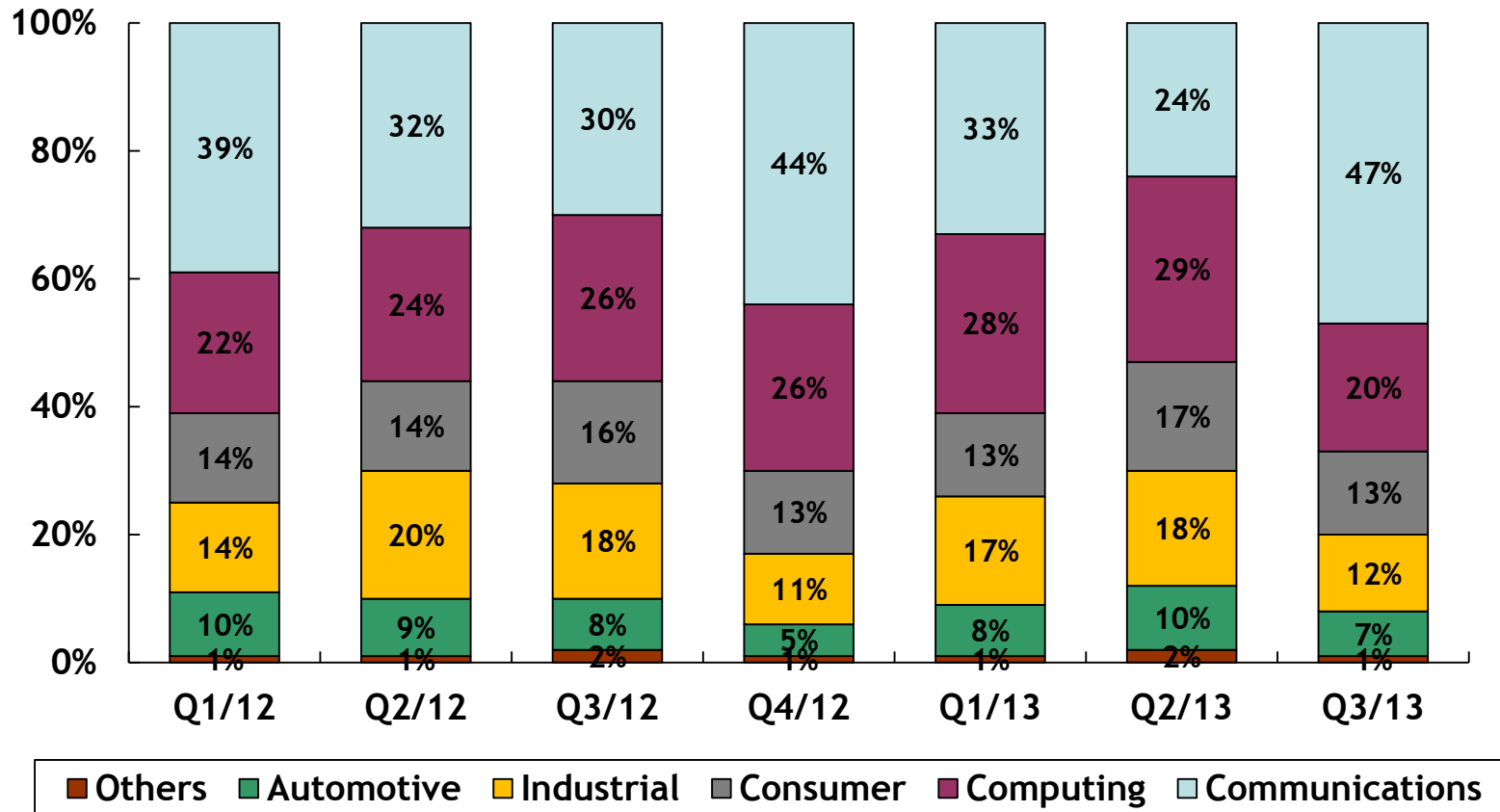


EMS Operations



EMS Operations

EMS Revenue Breakdown



Selective Balance Sheet Information

(unaudited)

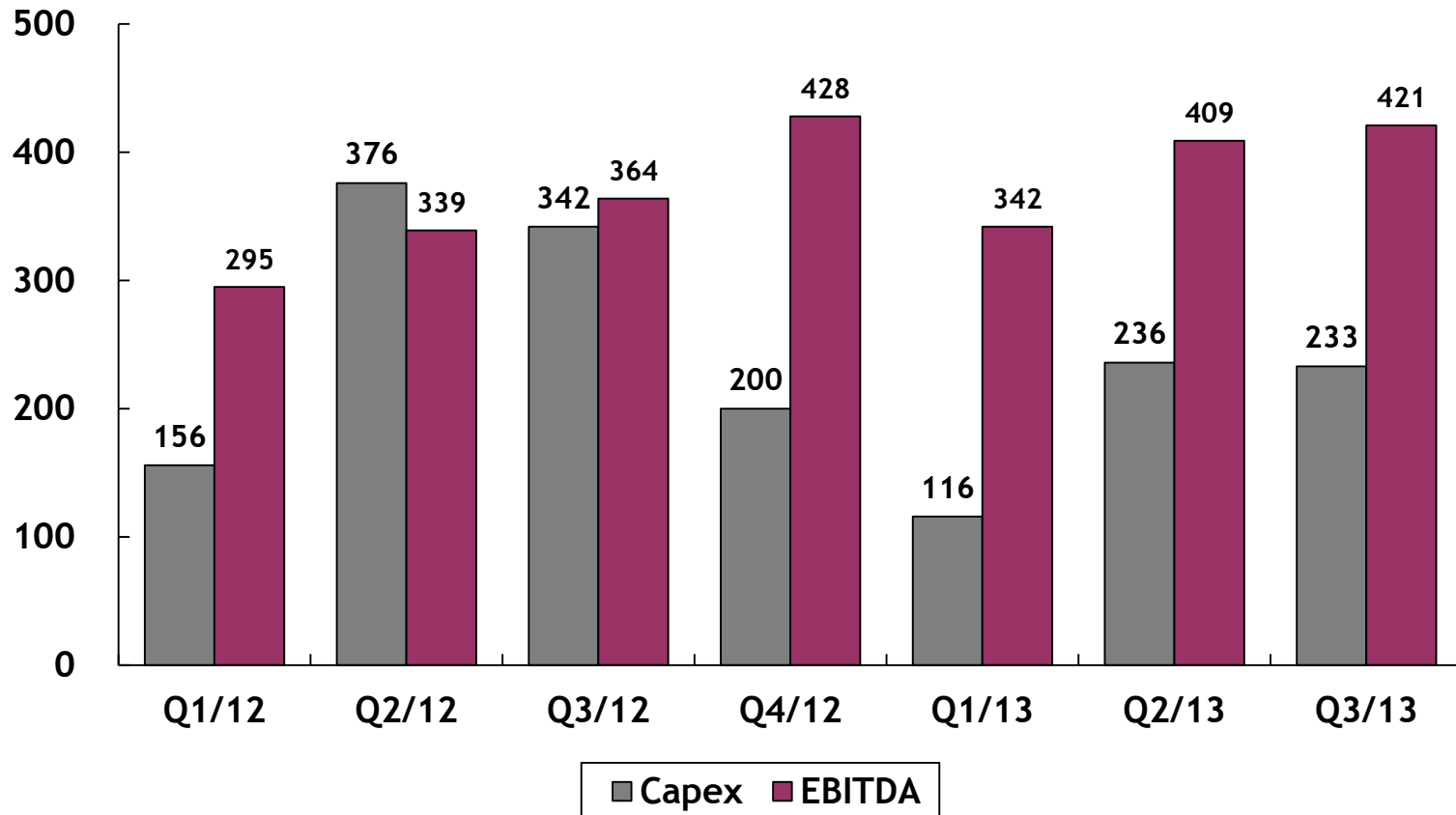


(NT\$ Million)	Sept. 30, 2013	Jun. 30, 2013	Change
Cash and Cash Equivalent	40,295	25,740	56.5%
Financial Assets - current	3,234	4,576	-29.3%
Investments - non current	2,388	2,325	2.7%
Total Assets	276,036	255,225	8.2%
ST Bank Debt - Revolving Credit	42,617	35,914	18.7%
- Current Portion of LT Debt	4,646	2,494	86.3%
LT Bank Debt	52,891	45,174	17.1%
Total Net Worth (Including noncontrolling interest)	120,094	112,720	6.5%
Quarterly EBITDA	12,567	12,175	3.2%
Current Ratio	1.29	1.14	
Net Debt to Equity	0.47	0.47	



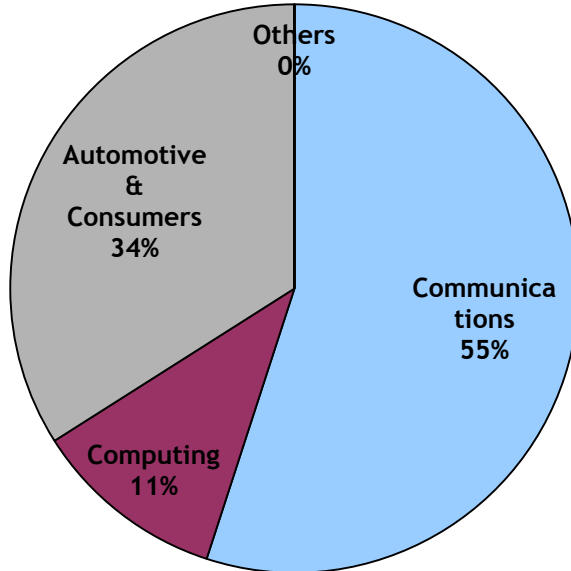
Capital Expenditure & EBITDA

US\$ Million

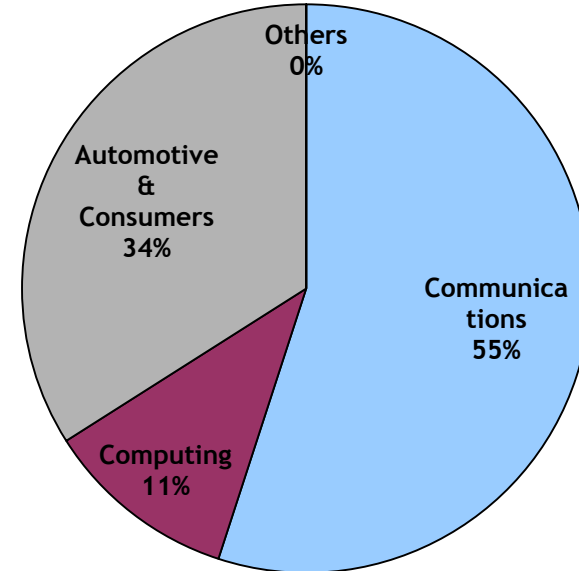


IC ATM Market Segment Exposure

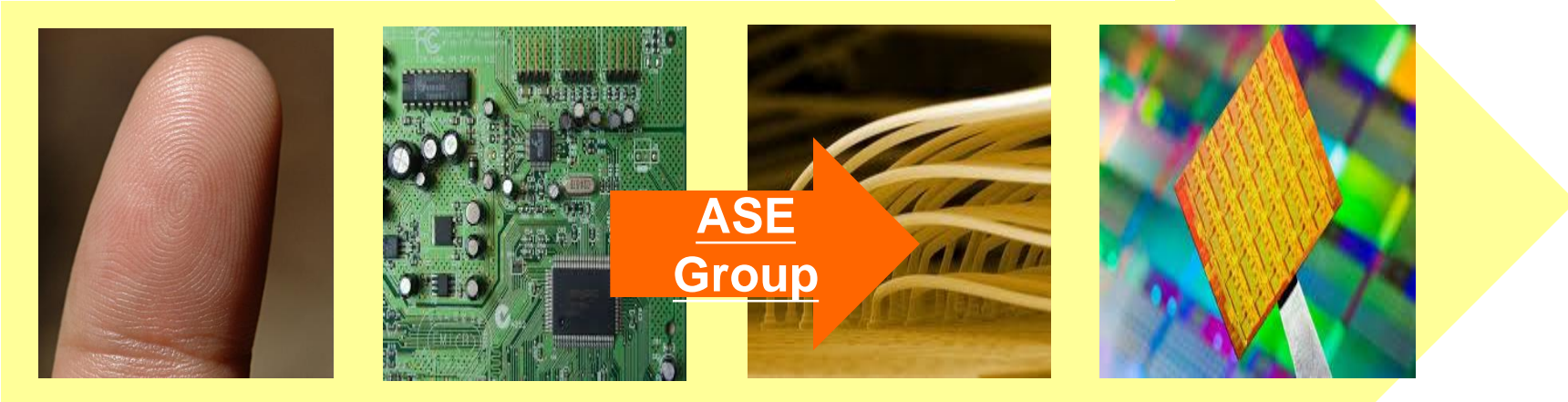
Q2/2013



Q3/2013



Trend of Miniaturization



Scale	<u>10⁻² meter</u>	<u>10⁻³ meter</u>	<u>10⁻⁶ meter</u>	<u>10⁻⁹ meter</u>
Example	Fingertip	Pencil Tip	Bacterium	Molecule



Based on our current business outlook and exchange rate assumption, management projects overall performance for the fourth quarter of 2013 to be as follows:

- Our IC-ATM revenue should decline 0% to 3% and our EMS business to grow in excess of 25%;
- Our consolidated gross profit margin is expected to be between 18% and 19%;
- Our capital expenditure for full year 2013 will be around US\$700 million, subject to adjustments in line with market condition.



For more information regarding ASE Group

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