

ASE Inc. Q2 2013 Earnings Release

Presented by

Joseph Tung
Chief Financial Officer
July 26, 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)	Q2 / 2013	%	Q1 / 2013	%	Change
Net Revenues:					
IC Packaging	29,021	57.2%	24,903	51.7%	17%
Testing	6,505	12.8%	5,723	11.9%	14%
Direct Material	759	1.5%	679	1.4%	12%
EMS	14,186	27.9%	16,383	34.0%	-13%
Others	289	0.6%	502	1.0%	-42%
Total Net Revenues	50,760	100.0%	48,190	100.0%	5%
Gross Profit	10,432	20.6%	8,281	17.2%	26%
Operating Income(Loss)	5,400	10.6%	3,603	7.5%	50%
Pretax Income(Loss)	5,038	9.9%	3,159	6.6%	59%
Income Tax Benefit(Expense)	(1,127)	-2.2%	(803)	-1.7%	
Noncontrolling Interest	(91)	-0.2%	(125)	-0.3%	
Net Income Attributable to Shareholders of the Parent	3,820	7.5%	2,231	4.6%	71%
EPS¹	0.50		0.29		
EBITDA	12,190	24.0%	10,035	20.8%	21%

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)	Q2 / 2013	%	Q2 / 2012	%	Change
Net Revenues:					
IC Packaging	29,021	57.2%	26,106	56.9%	11%
Testing	6,505	12.8%	5,633	12.3%	15%
Direct Material	759	1.5%	733	1.6%	4%
EMS	14,186	27.9%	13,400	29.2%	6%
Others	289	0.6%	0	-0.1%	
Total Net Revenues	50,760	100.0%	45,872	100.0%	11%
Gross Profit	10,432	20.6%	8,852	19.3%	18%
Operating Income(Loss)	5,400	10.6%	4,143	9.0%	30%
Pretax Income(Loss)	5,038	9.9%	3,732	8.1%	35%
Income Tax Benefit(Expense)	(1,127)	-2.2%	(442)	-1.0%	
Noncontrolling Interest	(91)	-0.2%	(94)	-0.2%	
Net Income Attributable to Shareholders of the Parent	3,820	7.5%	3,196	7.0%	20%
EPS¹	0.50		0.42		
EBITDA	12,190	24.0%	10,007	21.8%	22%

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)	Q2 / 2013	%	Q1 / 2013	%	Change
Net Revenues:					
IC Packaging	29,031	80.0%	24,915	79.6%	17%
Testing	6,505	17.9%	5,723	18.3%	14%
Direct Material	759	2.1%	679	2.2%	12%
Total Net Revenues	36,295	100.0%	31,317	100.0%	16%
Gross Profit	8,719	24.0%	6,224	19.9%	40%
Operating Income(Loss)	4,807	13.2%	2,669	8.5%	80%
Pretax Income(Loss)	4,833	13.3%	2,776	8.9%	74%
Income Tax Benefit(Expense)	(975)	-2.7%	(506)	-1.6%	
Noncontrolling Interest	(38)	-0.1%	(39)	-0.1%	
Net Income Attributable to Shareholders of the Parent	3,820	10.5%	2,231	7.1%	71%
EPS¹	0.50		0.29		
EBITDA	11,107	30.6%	8,620	27.5%	29%

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



IC ATM Statement of Comprehensive Income



Quarterly Year-over-Year Comparison

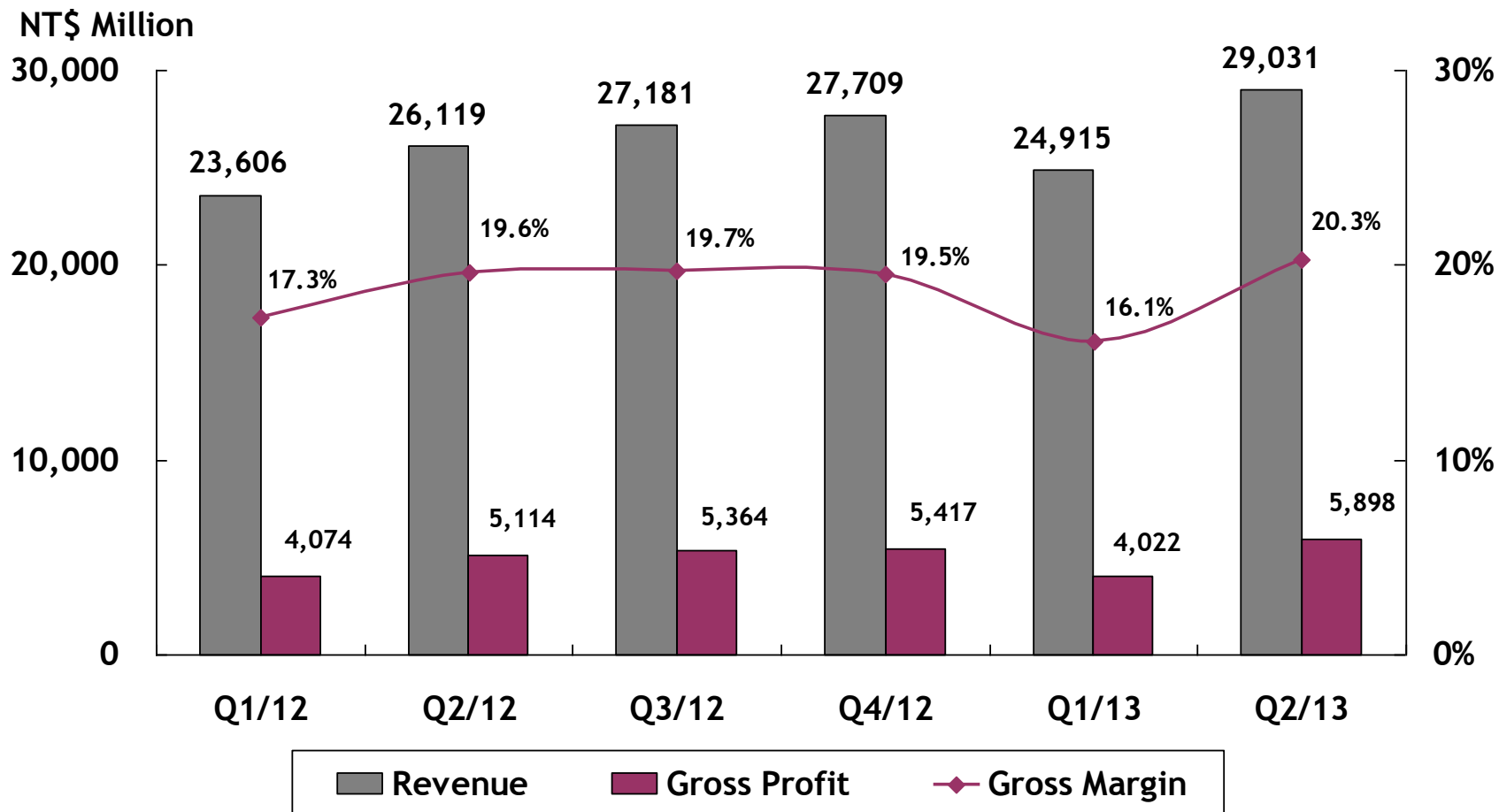
(unaudited)

(NT\$ Million except EPS)	Q2 / 2013	%	Q2 / 2012	%	Change
Net Revenues:					
IC Packaging	29,031	80.0%	26,119	80.4%	11%
Testing	6,505	17.9%	5,633	17.3%	15%
Direct Material	759	2.1%	733	2.3%	4%
Total Net Revenues	36,295	100.0%	32,485	100.0%	12%
Gross Profit	8,719	24.0%	7,249	22.3%	20%
Operating Income(Loss)	4,807	13.2%	3,639	11.2%	32%
Pretax Income(Loss)	4,833	13.3%	3,534	10.9%	37%
Income Tax Benefit(Expense)	(975)	-2.7%	(311)	-1.0%	
Noncontrolling Interest	(38)	-0.1%	(27)	-0.1%	
Net Income Attributable to Shareholders of the Parent	3,820	10.5%	3,196	9.8%	20%
EPS¹	0.50		0.42		
EBITDA	11,107	30.6%	9,122	28.1%	22%

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

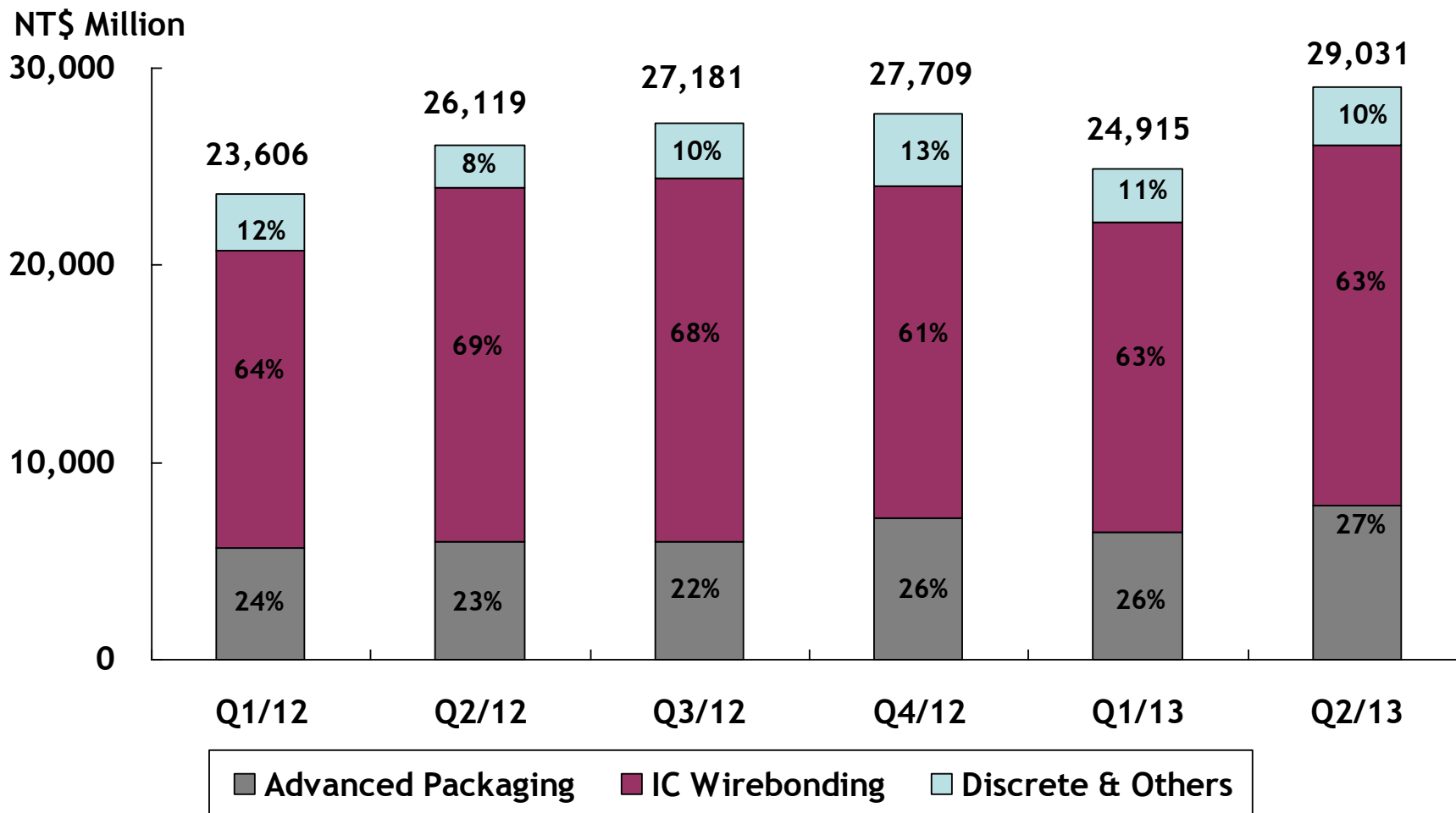


Packaging Operations

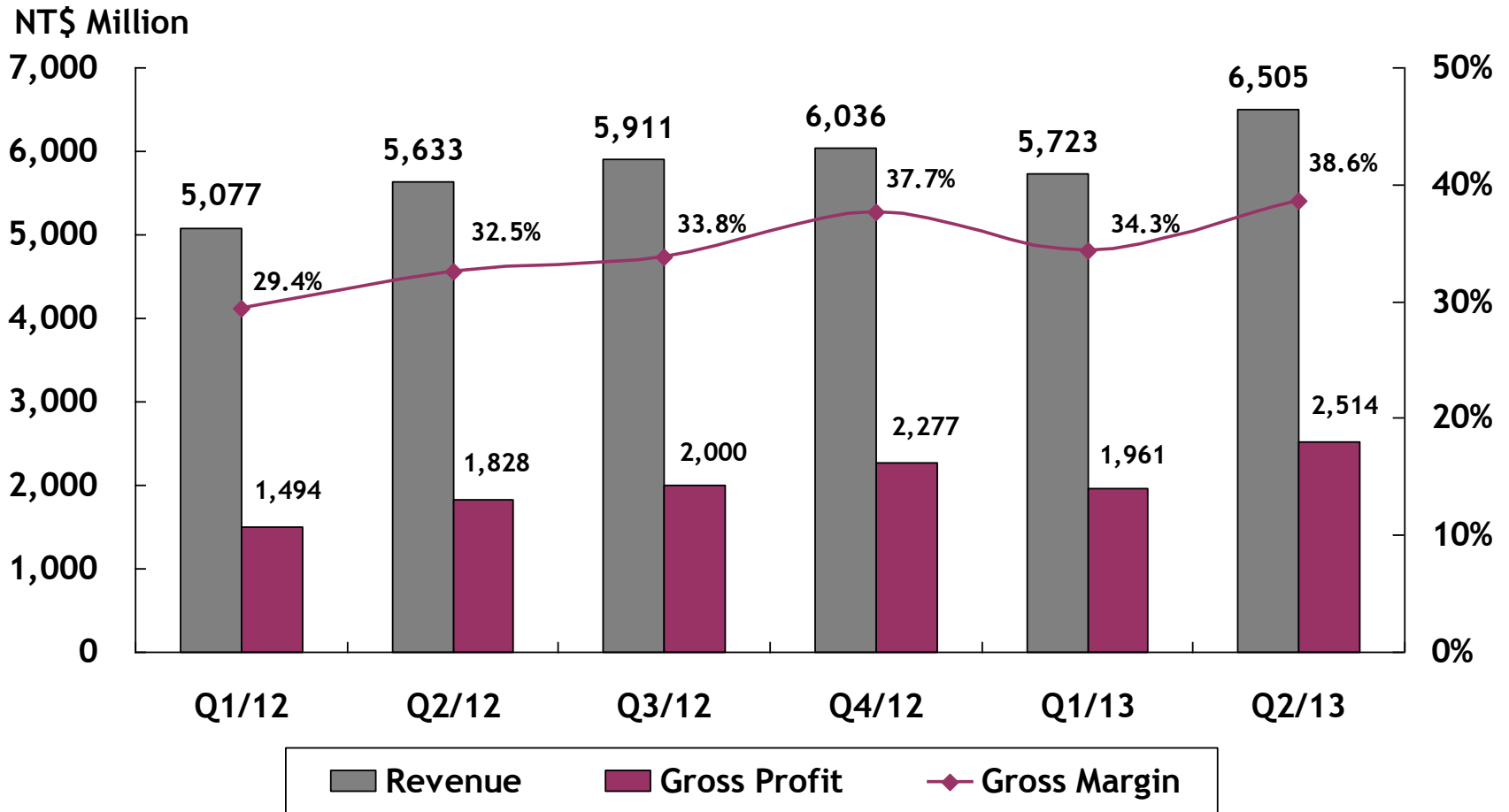


Packaging Operations

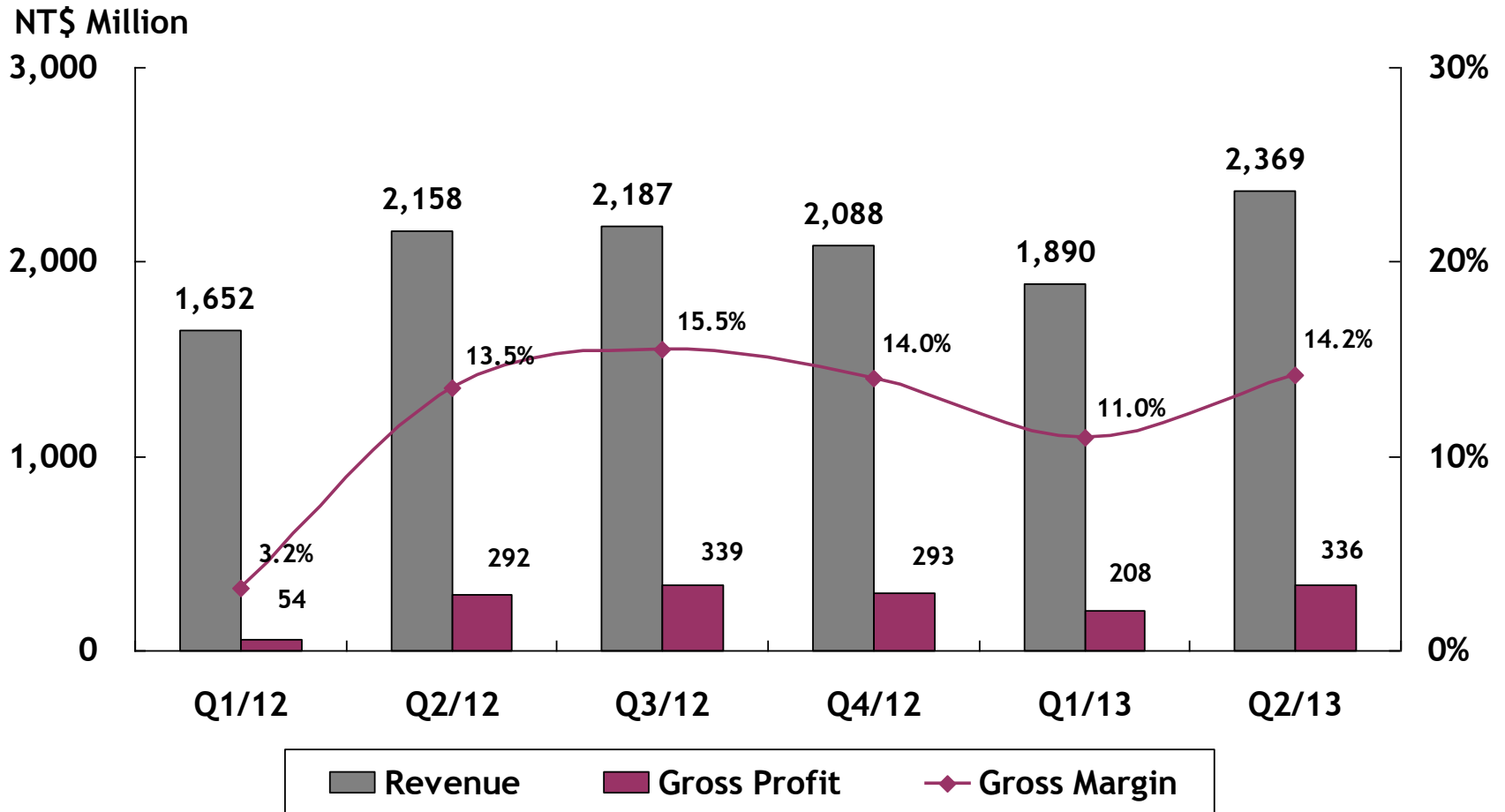
Package Revenue Breakdown



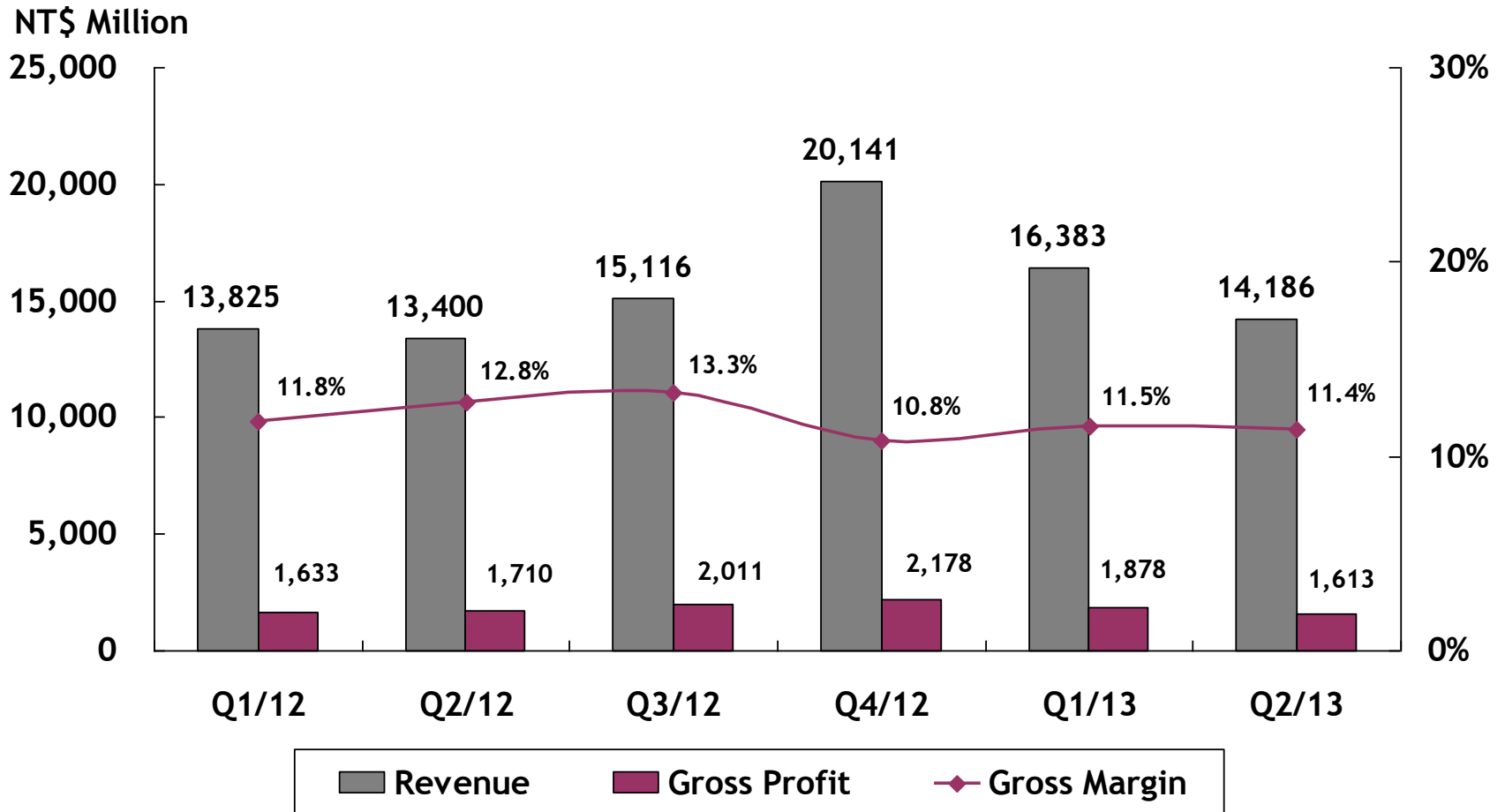
Testing Operations



Material Operations

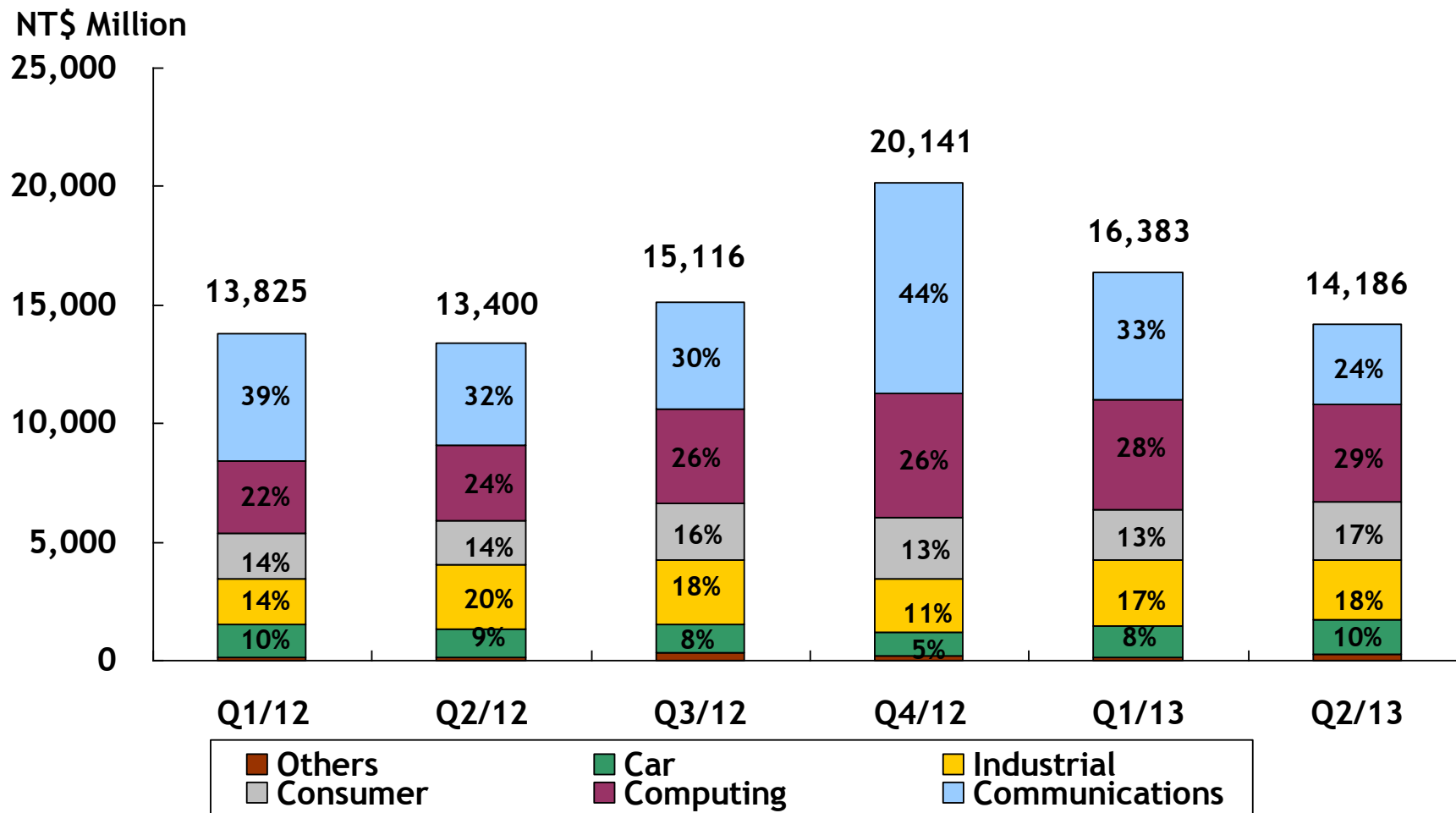


EMS Operations



EMS Operations

EMS Revenue Breakdown



Selective Balance Sheet Information

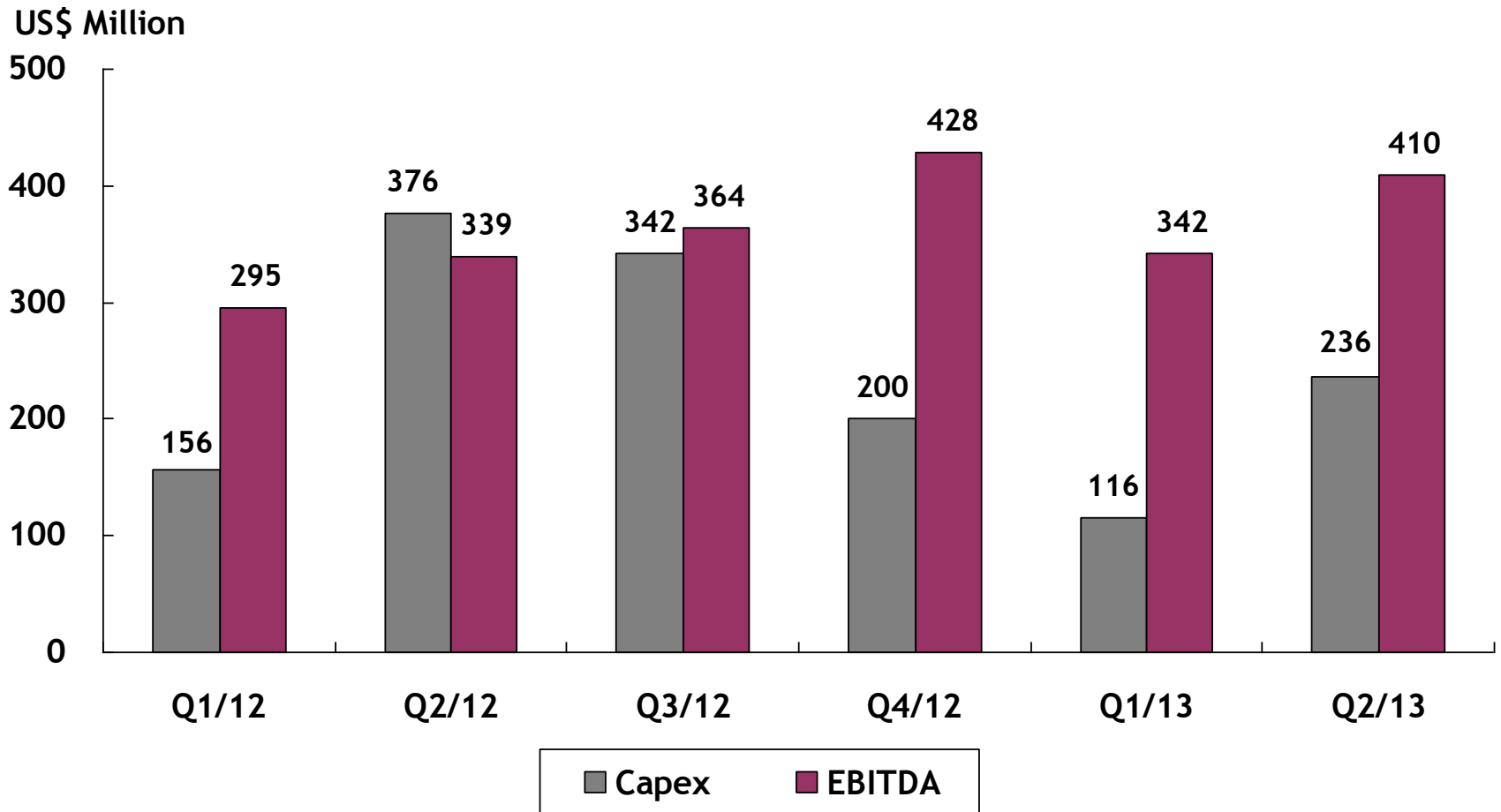
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(NT\$ Million)	Jun. 30, 2013	Mar. 31, 2013	Change
Cash and Cash Equivalent	25,740	21,276	21.0%
Financial Assets - current	4,576	6,093	-24.9%
Investments - non current	2,325	2,416	-3.8%
Total Assets	255,225	246,984	3.3%
ST Bank Debt - Revolving Credit	35,914	33,937	5.8%
- Current Portion of LT Debt	2,494	3,177	-21.5%
LT Bank Debt	45,174	45,298	-0.3%
Total Net Worth (Including noncontrolling interest)	112,720	115,682	-2.6%
Quarterly EBITDA	12,190	10,035	21.5%
Current Ratio	1.14	1.23	
Net Debt to Equity	0.47	0.48	

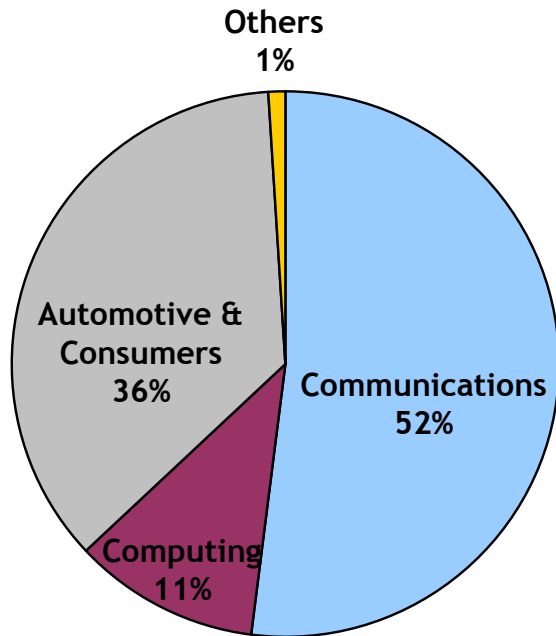


Capital Expenditure & EBITDA

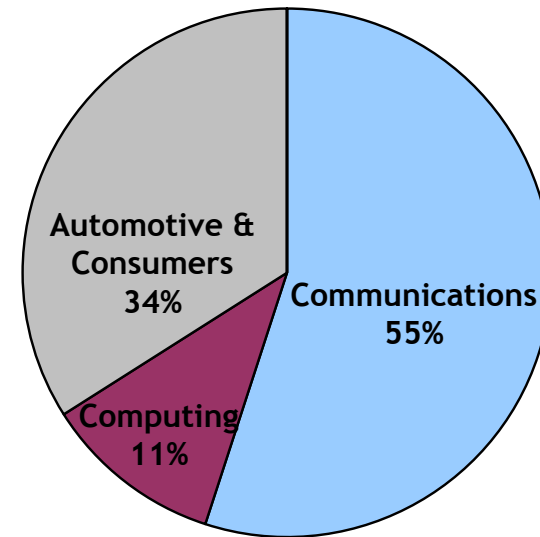


IC ATM Market Segment Exposure

Q1 / 2013



Q2 / 2013



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

- Our IC-ATM revenue to grow between 1% to 5% and our EMS business to grow in excess of 25%.
- Our IC-ATM gross profit margin should be flattish to slightly up while our EMS business gross margin should soften by 0.6-0.9 percentage points.
- Our capital expenditure for full year 2013 will be US\$700 million to US\$750 million, subject to adjustments in line with market condition.



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