

Maximum with Minimum

ASE Inc. 2007 Q2 Earnings Release

Presented by
Advanced
Semiconductor
Engineering, Inc.
8/3/2007

Safe Harbor Notice



This presentation 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; 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 2006 Annual Report on Form 20-F filed on June 25, 2007.

Consolidated Income Statement



2007 Q2 Sequential Comparison

(NT\$ Million except EPS)	<u>2007 Q2</u>	<u>%</u>	<u>2007 Q1</u>	<u>%</u>	<u>Change</u>
Net Revenues:					
IC Packaging	18,029	77.2%	16,283	77.2%	11%
Testing	4,724	20.2%	4,324	20.5%	9%
Others	609	2.6%	486	2.3%	25%
Total Net Revenues	23,362	100.0%	21,093	100.0%	11%
Gross Profit	6,404	27.4%	4,997	23.7%	28%
Operating Profit	3,888	16.6%	2,771	13.1%	40%
Pretax Income(Loss)	3,597	15.4%	2,270	10.8%	58%
Income Tax(Expense)	(866)	-3.7%	(320)	-1.5%	171%
Minority Interest	(156)	-0.7%	(289)	-1.4%	-46%
Net Income(Loss)	2,575	11.0%	1,661	7.9%	55%
EPS¹	0.52		0.36		44%
EBITDA	8,090	34.6%	6,616	31.4%	22%

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

Consolidated Income Statement



2007 Q2 YoY Comparison

(NT\$ Million except EPS)	2007 Q2	%	2006 Q2	%	Change
Net Revenues:					
IC Packaging	18,029	77.2%	19,955	75.9%	-10%
Testing	4,724	20.2%	5,700	21.7%	-17%
Others	609	2.6%	632	2.4%	-4%
Total Net Revenues	23,362	100.0%	26,287	100.0%	-11%
Gross Profit	6,404	27.4%	7,500	28.5%	-15%
Operating Profit	3,888	16.6%	5,446	20.7%	-29%
Pretax Income(Loss)	3,597	15.4%	8,592	32.7%	-58%
Income Tax(Expense)	(866)	-3.7%	8,157	31.0%	-111%
Minority Interest	(156)	-0.7%	(838)	-3.2%	-81%
Net Income(Loss)	2,575	11.0%	7,319	27.8%	-65%
EPS¹	0.52		1.58		-67%
EBITDA	8,090	34.6%	8,257	31.4%	-2%

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

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Consolidated Revenue & Margin Trend



NT\$ Million

30,000

20,000

10,000

0

40%

30%

20%

10%

0%

Q1/06

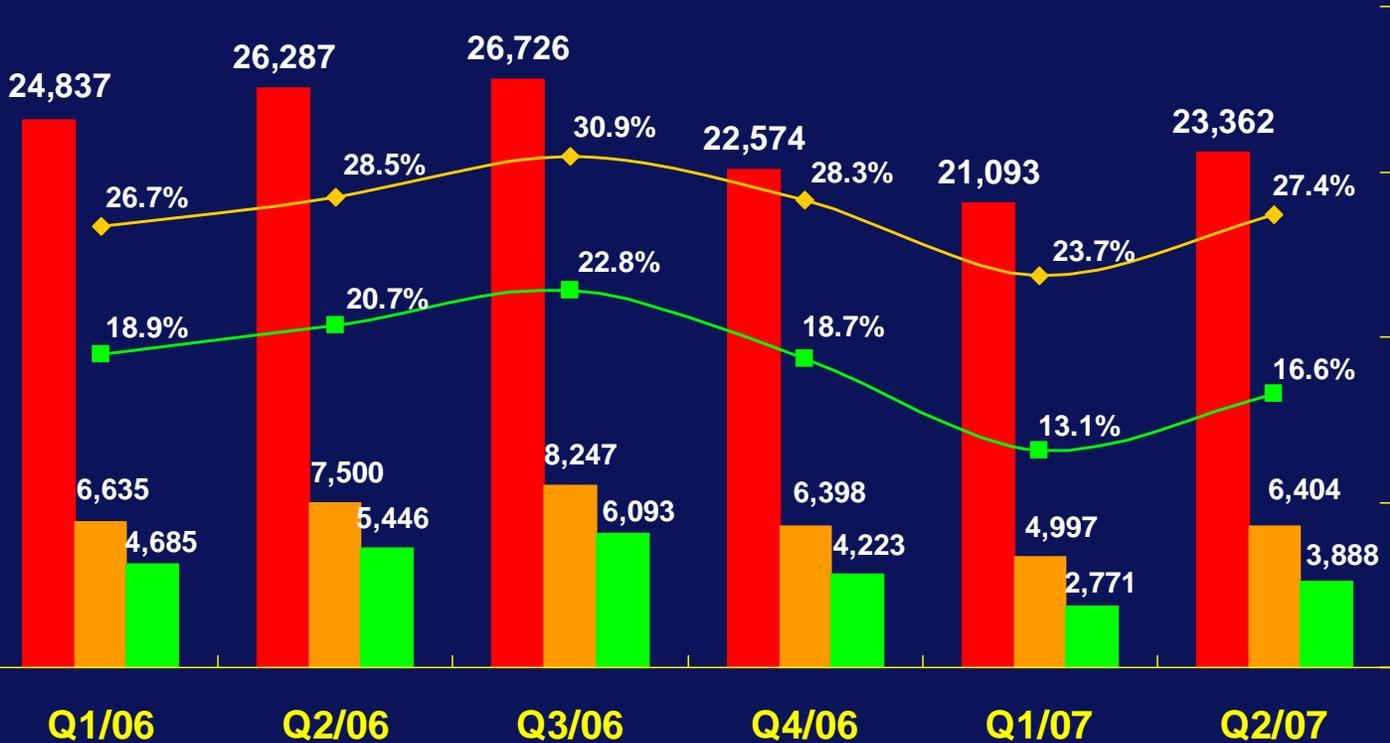
Q2/06

Q3/06

Q4/06

Q1/07

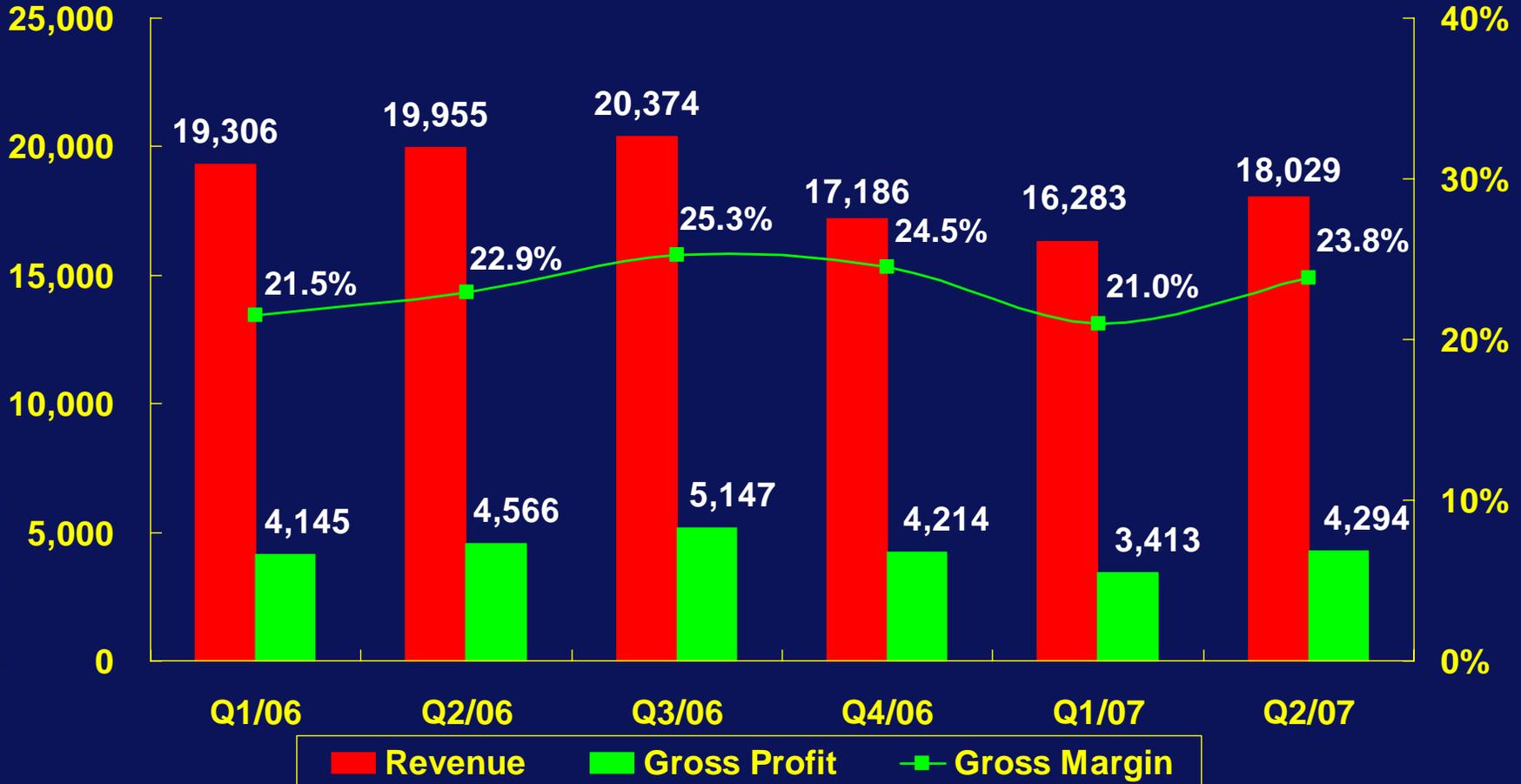
Q2/07



IC Packaging Operations



NT\$ Million



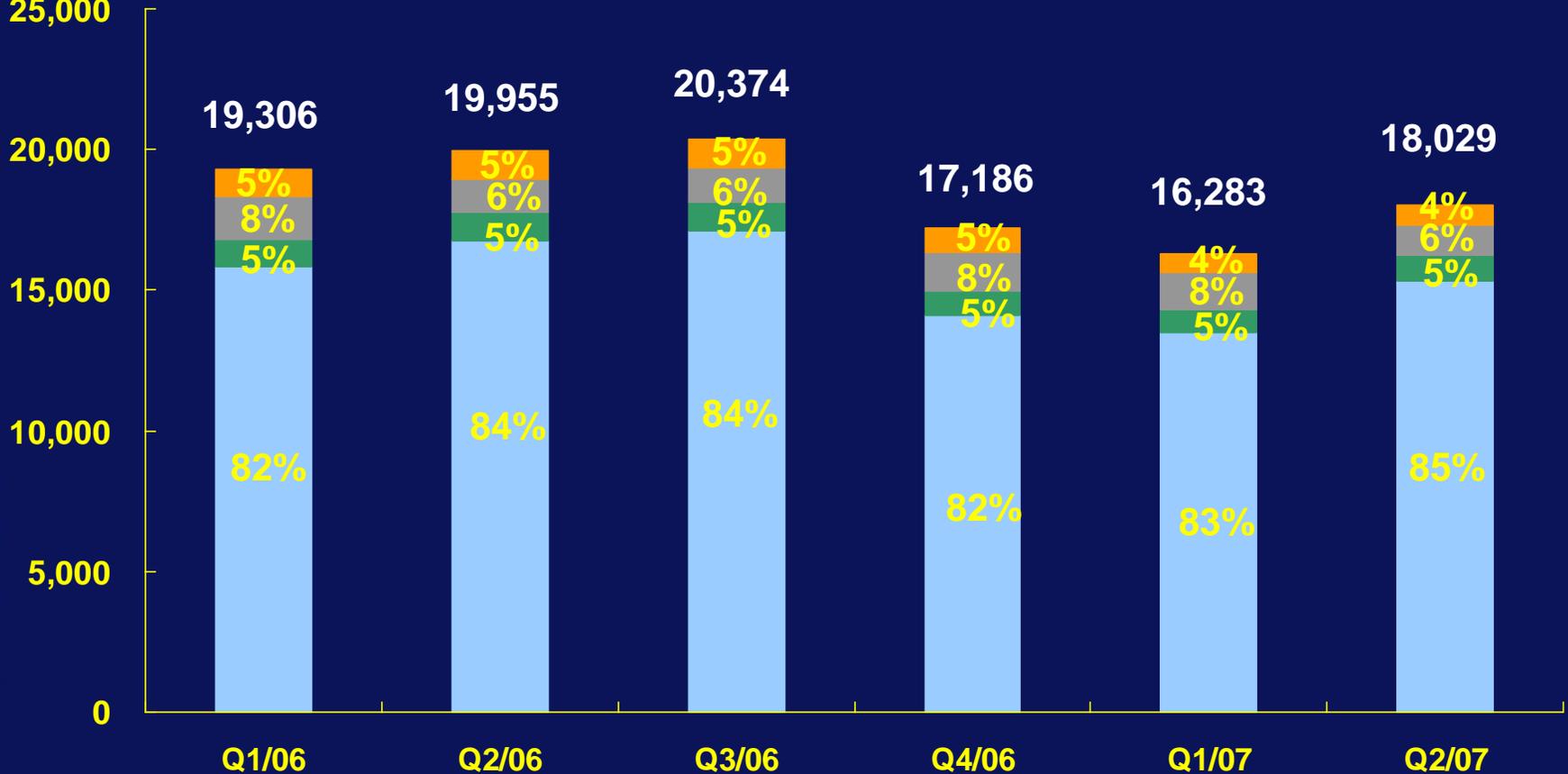


IC Packaging Operations

Package Revenue Breakdown



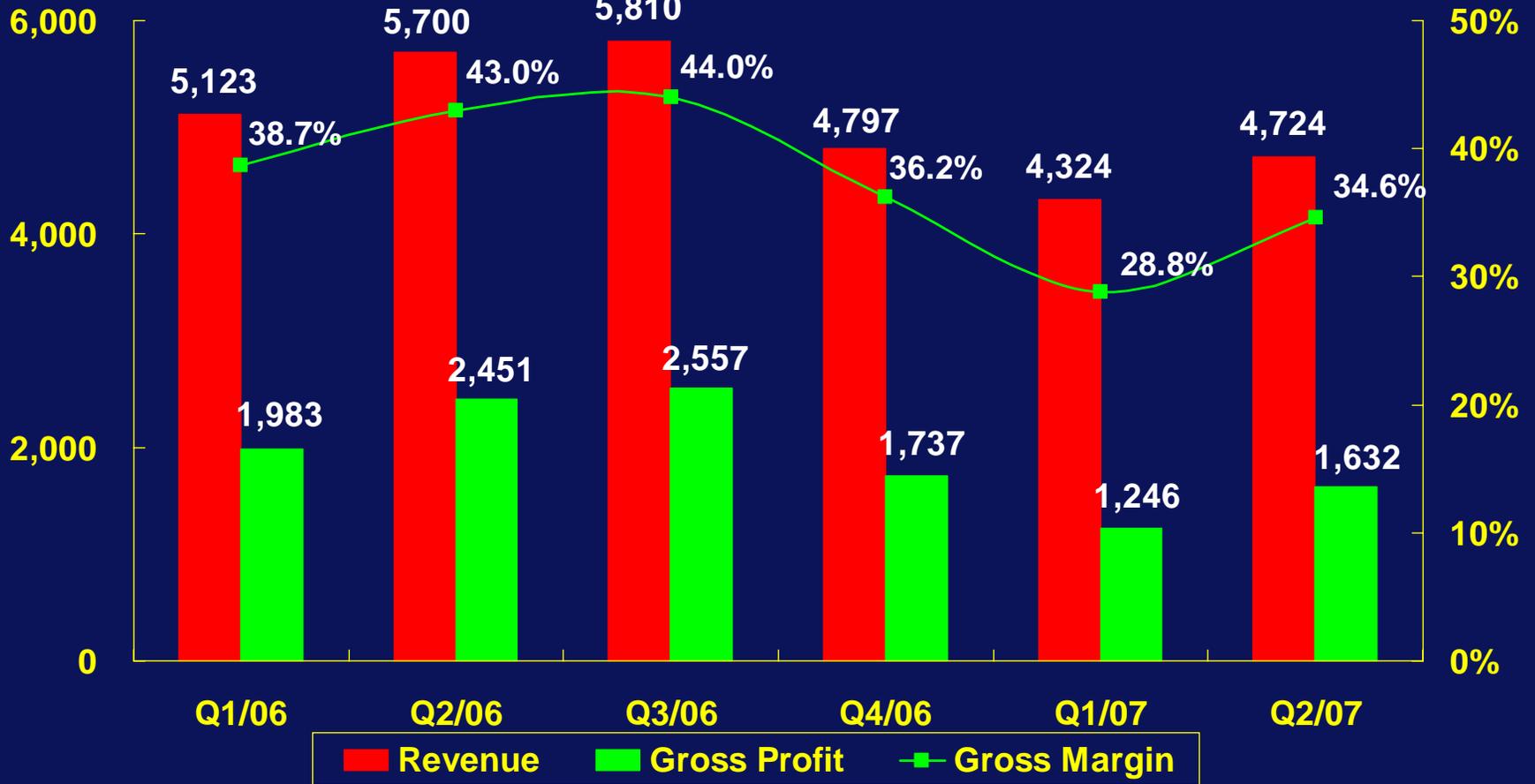
NT\$ Million



Testing Operations



NT\$ Million





Testing Operations

Test Revenue Breakdown

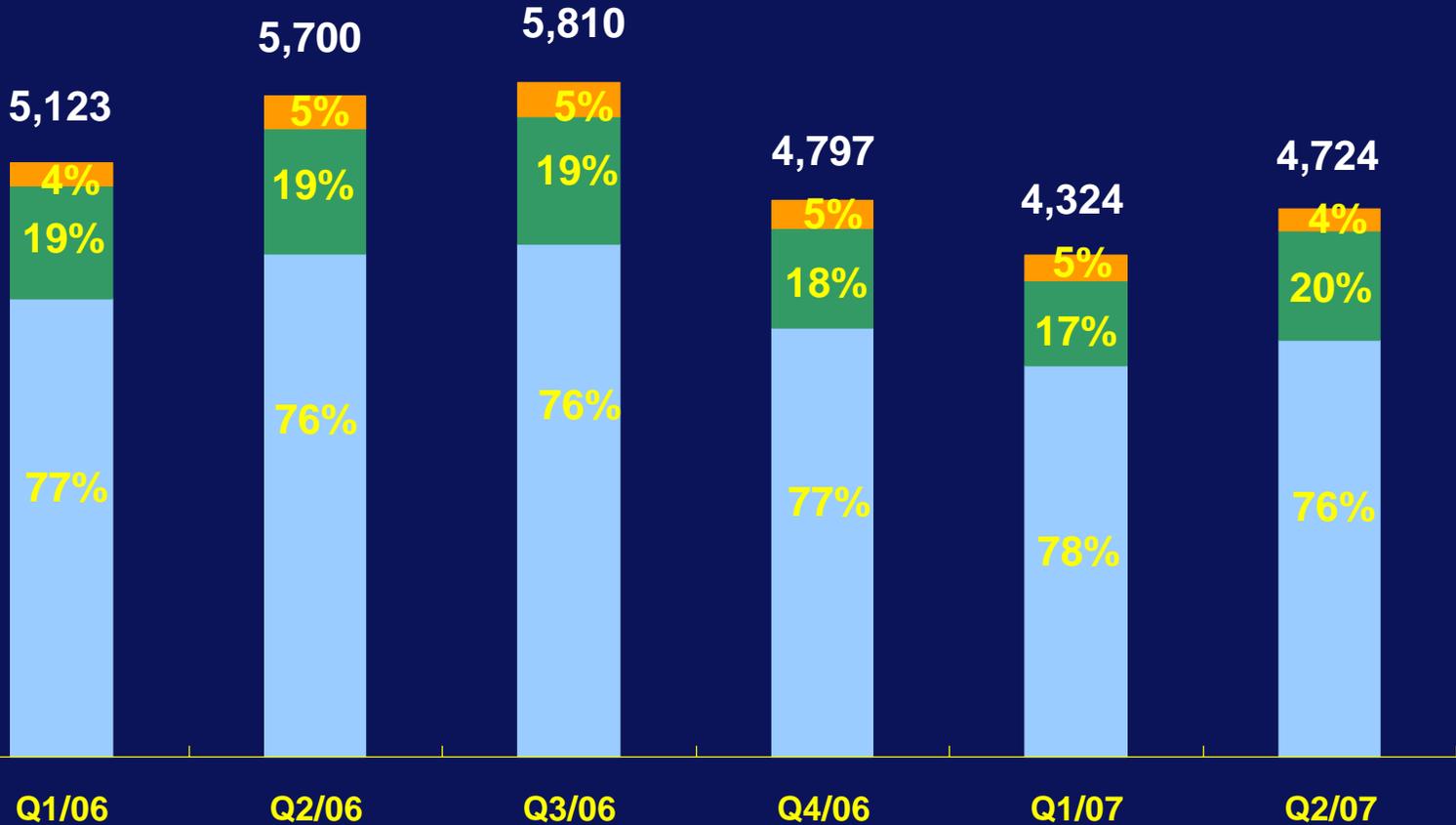
NT\$ Million

6,000

4,000

2,000

0



Final Test

Wafer Sort

Engineering Test

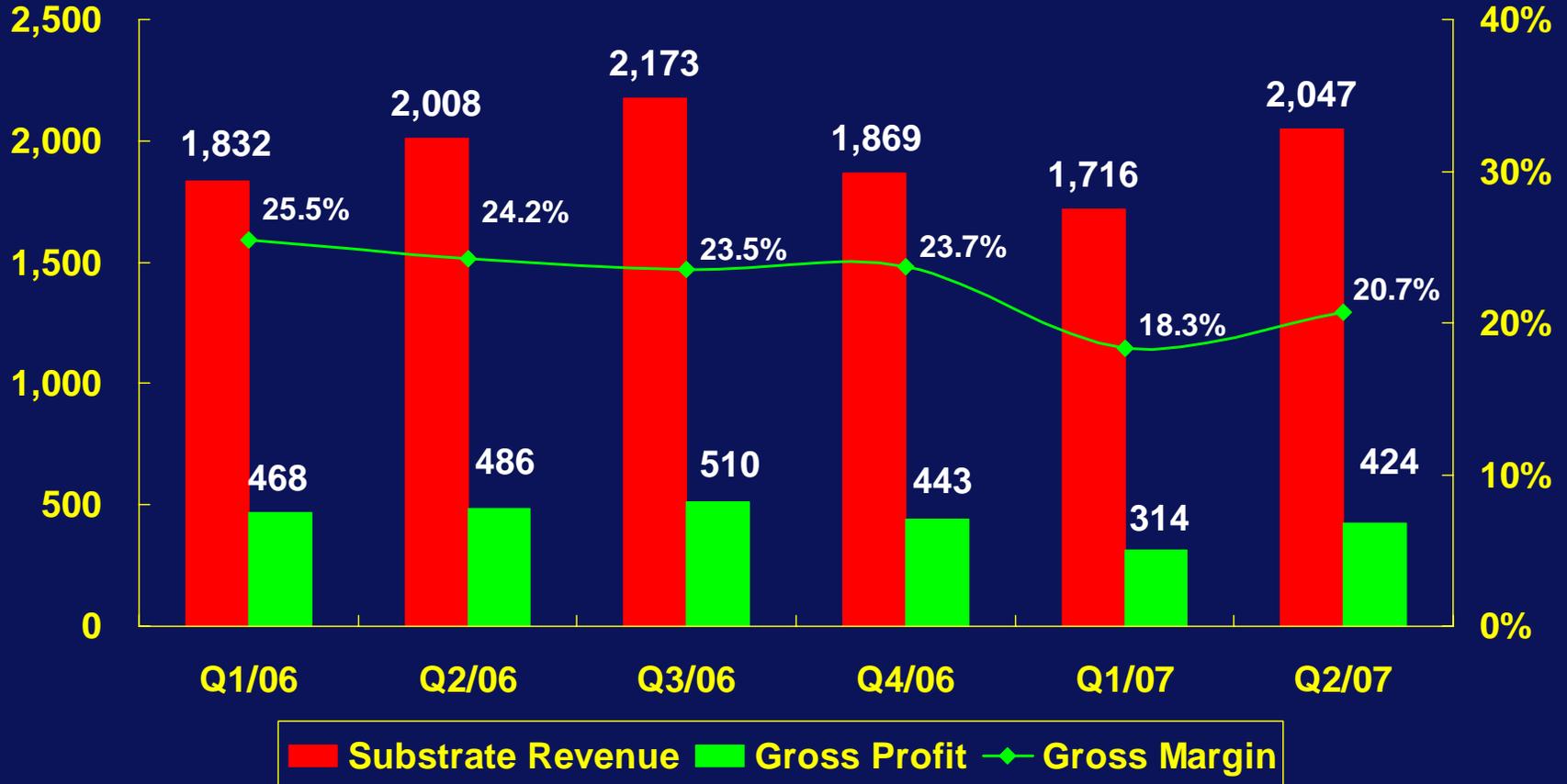
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Material Operations



NT\$ Million



Selective Balance Sheet Information



(NT\$ Million)	<u>Jun. 30, 2007</u>	<u>Mar. 31, 2007</u>	<u>Change</u>
Cash and Cash Equivalent	13,294	14,008	-5.1%
Financial Assets - current	13,389	12,704	5.4%
Financial Assets - non current	4,802	5,659	-15.1%
Total Assets	142,263	143,568	-0.9%
ST Bank Debt - Revolving Credit	4,966	5,477	-9.3%
- Current Portion of LT Debt	2,425	2,603	-6.8%
Bonds Payable within 1 year	0	1,375	
LT Bank Debt	22,034	23,957	-8.0%
LT Bonds Payable	9,271	8,208	13.0%
Total Net Worth (Including minority interest)	75,539	80,066	-5.7%
Quarterly EBITDA	8,090	6,616	22.3%
Current Ratio	1.54	1.72	
Leverage Ratio	0.16	0.19	

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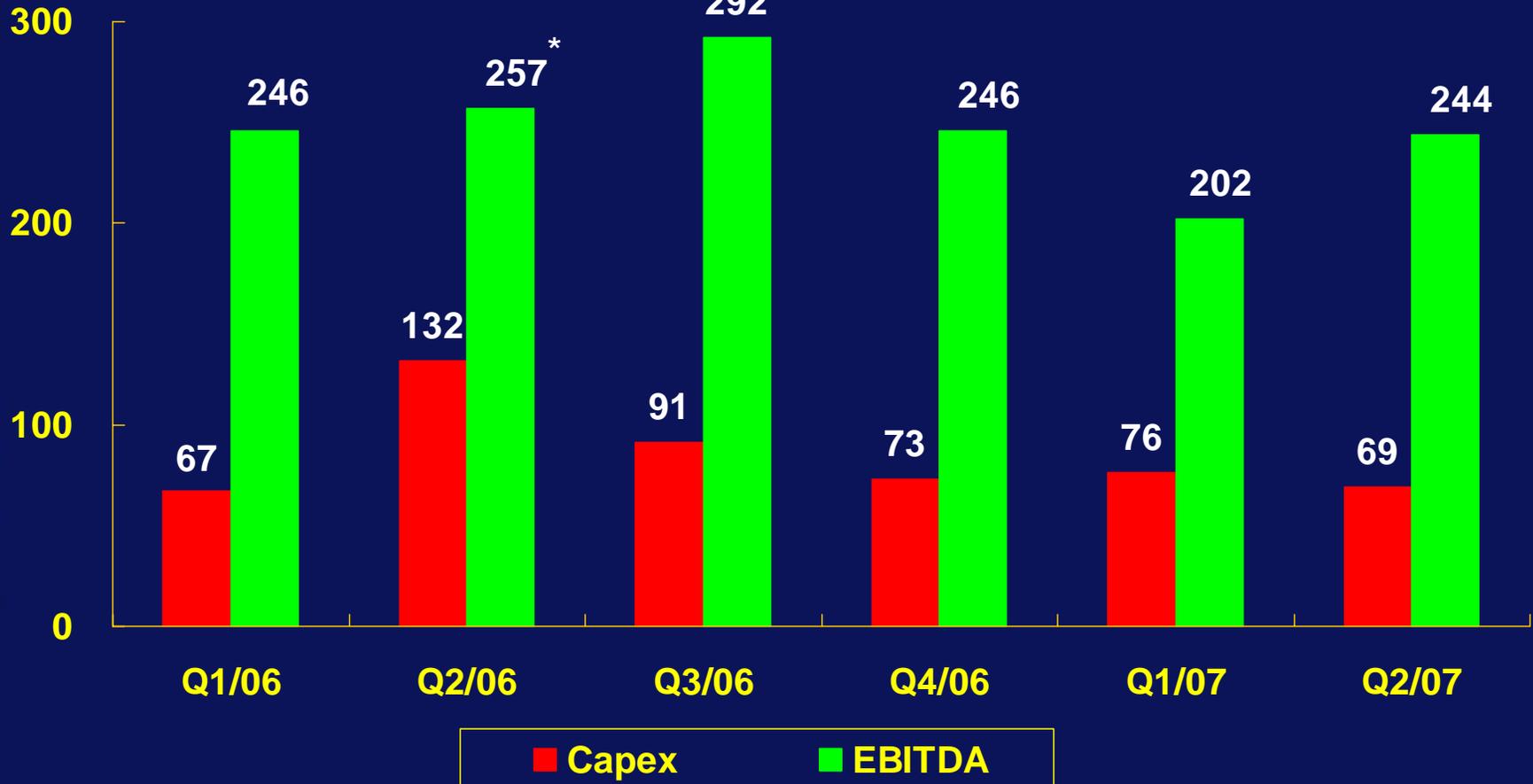


Capital Expenditure v.s. EBITDA



2006 Full Year Capex: US\$363 million

US\$ Million



*: EBITDA number has been adjusted for fire loss and insurance income



Top Ten Customers

2007 Q2

ASE Group

BROADCOM

CAMBRIDGE

FREESCALE

MEDIA TEK

NEC

POWERCHIP

QUALCOMM

RFMD

VIA

ZORAN

Top 5

Top 10

27% of Total Sales

44% of Total Sales

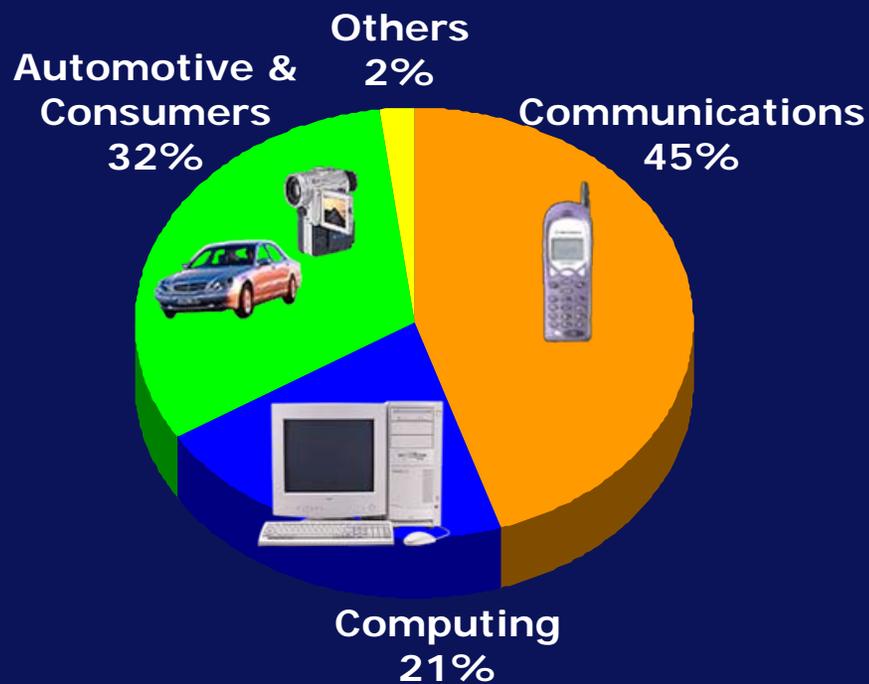
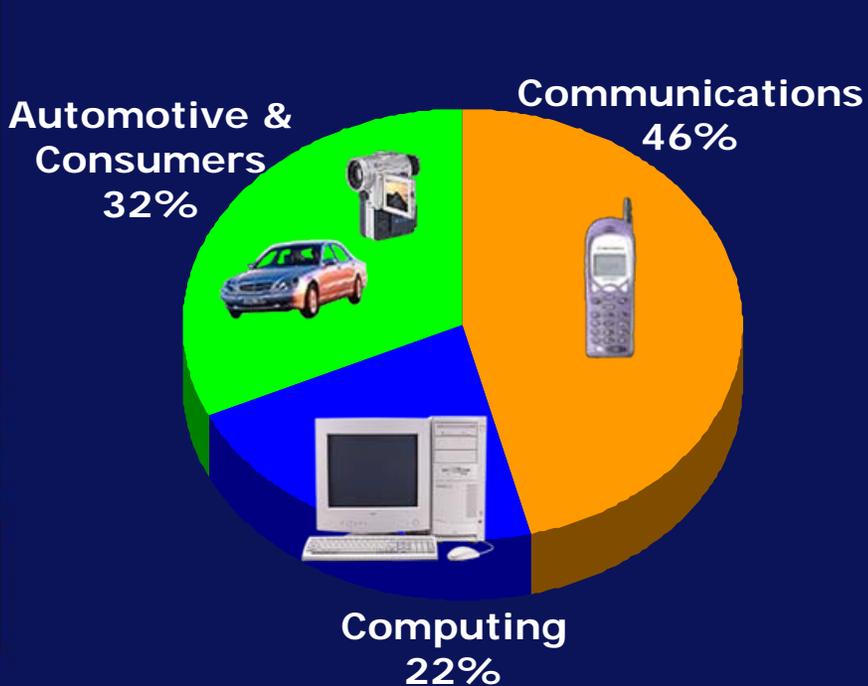


Market Segment Exposure



2007 Q2

2007 Q1



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Guidance for 2007 Q3



- > Revenue: up around 15% sequentially
- > Gross margin: around 29%
- > 2007 full year Capex: US\$350 to US\$400 million

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

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

