

# ASE Inc. 2006 Q2 Earnings Release

Presented by  
Advanced  
Semiconductor  
Engineering, Inc.  
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# Consolidated Income Statement



## 2006 Q2 Sequential Comparison

(NT\$ Million except EPS)	2006 Q2	%	2006 Q1	%	Change
<b>Net Revenues:</b>					
IC Packaging	18,701	71.1%	17,831	71.8%	5%
Testing	5,700	21.7%	5,123	20.6%	11%
Module Assembly	1,254	4.8%	1,475	5.9%	-15%
Others	632	2.4%	408	1.6%	55%
<b>Total Net Revenues</b>	<b>26,287</b>	<b>100.0%</b>	<b>24,837</b>	<b>100.0%</b>	<b>6%</b>
<b>Gross Profit</b>	<b>7,492</b>	<b>28.5%</b>	<b>6,635</b>	<b>26.7%</b>	<b>13%</b>
<b>Operating Profit</b>	<b>5,440</b>	<b>20.7%</b>	<b>4,685</b>	<b>18.9%</b>	<b>16%</b>
<b>Pretax Income(Loss)</b>	<b>8,592</b>	<b>32.7%</b>	<b>4,083</b>	<b>16.4%</b>	<b>110%</b>
<b>Income Tax(Expense)</b>	<b>(435)</b>	<b>-1.7%</b>	<b>(18)</b>	<b>-0.1%</b>	
<b>Income(Loss) from Discontinuing</b>					
Operations	0	0.0%	0	0.0%	
<b>Cumulative Effect of Change in</b>					
Accounting Principle	0	0.0%	(457)	-1.8%	
<b>Minority Interest</b>	<b>(838)</b>	<b>-3.2%</b>	<b>(426)</b>	<b>-1.7%</b>	
<b>Net Income(Loss)</b>	<b>7,319</b>	<b>27.8%</b>	<b>3,182</b>	<b>12.8%</b>	<b>130%</b>
<b>EPS<sup>1</sup></b>	<b>1.58</b>		<b>0.69</b>		<b>129%</b>
<b>EBITDA<sup>2</sup></b>	<b>8,257</b>	<b>31.4%</b>	<b>7,953</b>	<b>32.0%</b>	<b>4%</b>

<sup>1</sup> All EPS figures are based on fully diluted number of shares

<sup>2</sup> EBITDA number has been adjusted for fire loss and insurance income

# Consolidated Income Statement



## 2006 Q2 YoY Comparison

(NT\$ Million except EPS)	2006 Q2	%	2005 Q2	%	Change
<b>Net Revenues:</b>					
IC Packaging	18,701	71.1%	12,693	70.6%	47%
Testing	5,700	21.7%	3,752	20.9%	52%
Module Assembly	1,254	4.8%	1,452	8.1%	-14%
Others	632	2.4%	91	0.5%	595%
<b>Total Net Revenues</b>	<b>26,287</b>	<b>100.0%</b>	<b>17,988</b>	<b>100.0%</b>	<b>46%</b>
Gross Profit	7,492	28.5%	2,055	11.4%	265%
Operating Profit	5,440	20.7%	(175)	-1.0%	
Pretax Income(Loss)	8,592	32.7%	(10,133)	-56.3%	
Income Tax(Expense)	(435)	-1.7%	(21)	-0.1%	
<b>Income(Loss) from Discontinuing Operations</b>	<b>0</b>	<b>0.0%</b>	<b>59</b>	<b>0.3%</b>	
<b>Cumulative Effect of Change in Accounting Principle</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	
Minority Interest	(838)	-3.2%	1,001	5.6%	-184%
<b>Net Income(Loss)</b>	<b>7,319</b>	<b>27.8%</b>	<b>(9,094)</b>	<b>-50.6%</b>	
EPS <sup>1</sup>	1.58	0.0%	(2.08)	0.0%	
EBITDA <sup>2</sup>	8,257	31.4%	2,736	15.2%	202%

<sup>1</sup> All EPS figures are based on fully diluted number of shares

<sup>2</sup> EBITDA number has been adjusted for fire loss and insurance income

# Consolidated Income Statement



## 2006 1H Sequential Comparison

(NT\$ Million except EPS)	2006 1H	%	2005 2H	%	Change
<b>Net Revenues:</b>					
IC Packaging	36,532	71.5%	33,995	70.5%	7%
Testing	10,823	21.2%	9,677	20.1%	12%
Module Assembly	2,729	5.3%	3,949	8.2%	-31%
Others	1,040	2.0%	604	1.3%	72%
<b>Total Net Revenues</b>	<b>51,124</b>	<b>100.0%</b>	<b>48,225</b>	<b>100.0%</b>	<b>6%</b>
<b>Gross Profit</b>	<b>14,127</b>	<b>27.6%</b>	<b>10,643</b>	<b>22.1%</b>	<b>33%</b>
<b>Operating Profit</b>	<b>10,125</b>	<b>19.8%</b>	<b>6,206</b>	<b>12.9%</b>	<b>63%</b>
<b>Pretax Income(Loss)</b>	<b>12,674</b>	<b>24.8%</b>	<b>4,990</b>	<b>10.3%</b>	<b>154%</b>
<b>Income Tax(Expense)</b>	<b>(453)</b>	<b>-0.9%</b>	<b>(6)</b>	<b>0.0%</b>	
<b>Income(Loss) from Discontinuing Operations</b>	<b>0</b>	<b>0.0%</b>	<b>272</b>	<b>0.6%</b>	
<b>Cumulative Effect of Change in Accounting Principle</b>	<b>(457)</b>	<b>-0.9%</b>	<b>0</b>	<b>0.0%</b>	
<b>Minority Interest</b>	<b>(1,263)</b>	<b>-2.5%</b>	<b>(725)</b>	<b>-1.5%</b>	
<b>Net Income(Loss)</b>	<b>10,501</b>	<b>20.5%</b>	<b>4,531</b>	<b>9.4%</b>	<b>132%</b>
<b>EPS<sup>1</sup></b>	<b>2.27</b>		<b>1.05</b>		<b>116%</b>
<b>EBITDA<sup>2</sup></b>	<b>16,209</b>	<b>31.7%</b>	<b>13,653</b>	<b>28.3%</b>	<b>19%</b>

<sup>1</sup> All EPS figures are based on fully diluted number of shares

<sup>2</sup> EBITDA number has been adjusted for fire loss and insurance income

# Consolidated Income Statement



## 2006 1H YoY Comparison

(NT\$ Million except EPS)	2006 1H	%	2005 1H	%	Change
<b>Net Revenues:</b>					
IC Packaging	36,532	71.5%	25,448	71.1%	44%
Testing	10,823	21.2%	7,445	20.8%	45%
Module Assembly	2,729	5.3%	2,631	7.3%	4%
Others	1,040	2.0%	287	0.8%	262%
<b>Total Net Revenues</b>	<b>51,124</b>	<b>100.0%</b>	<b>35,811</b>	<b>100.0%</b>	<b>43%</b>
<b>Gross Profit</b>	<b>14,127</b>	<b>27.6%</b>	<b>3,876</b>	<b>10.8%</b>	<b>264%</b>
<b>Operating Profit</b>	<b>10,125</b>	<b>19.8%</b>	<b>(386)</b>	<b>-1.1%</b>	
<b>Pretax Income(Loss)</b>	<b>12,674</b>	<b>24.8%</b>	<b>(10,664)</b>	<b>-29.8%</b>	
<b>Income Tax(Expense)</b>	<b>(453)</b>	<b>-0.9%</b>	<b>125</b>	<b>0.3%</b>	
<b>Income(Loss) from Discontinuing Operations</b>	<b>0</b>	<b>0.0%</b>	<b>82</b>	<b>0.2%</b>	
<b>Cumulative Effect of Change in Accounting Principle</b>	<b>(457)</b>	<b>-0.9%</b>	<b>0</b>	<b>0.0%</b>	
<b>Minority Interest</b>	<b>(1,263)</b>	<b>-2.5%</b>	<b>1,235</b>	<b>3.4%</b>	
<b>Net Income(Loss)</b>	<b>10,501</b>	<b>20.5%</b>	<b>(9,222)</b>	<b>-25.8%</b>	
<b>EPS<sup>1</sup></b>	<b>2.27</b>		<b>(2.11)</b>		
<b>EBITDA<sup>2</sup></b>	<b>16,209</b>	<b>31.7%</b>	<b>6,678</b>	<b>18.6%</b>	<b>143%</b>

<sup>1</sup> All EPS figures are based on fully diluted number of shares

<sup>2</sup> EBITDA number has been adjusted for fire loss and insurance income

# Consolidated Revenue & Margin Trend



NT\$ Million

30,000

20,000

10,000

0

40%

30%

20%

10%

0%

-10%

Q1/05

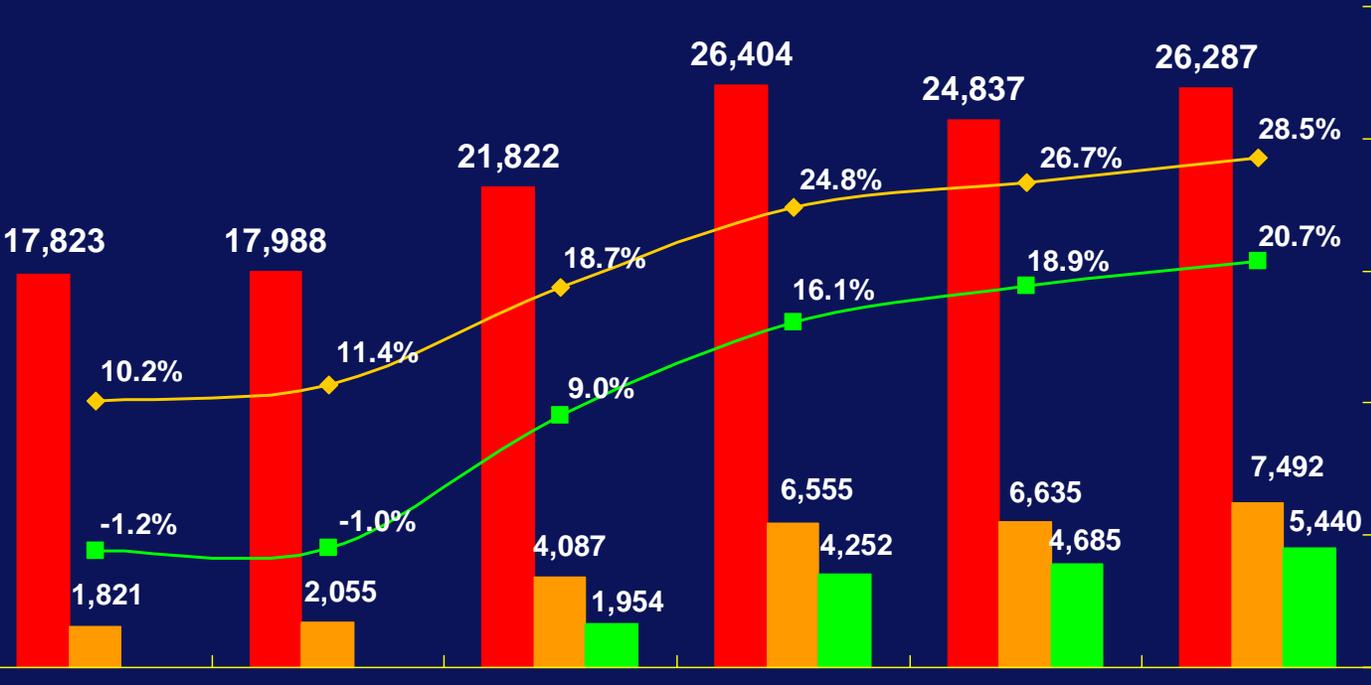
Q2/05

Q3/05

Q4/05

Q1/06

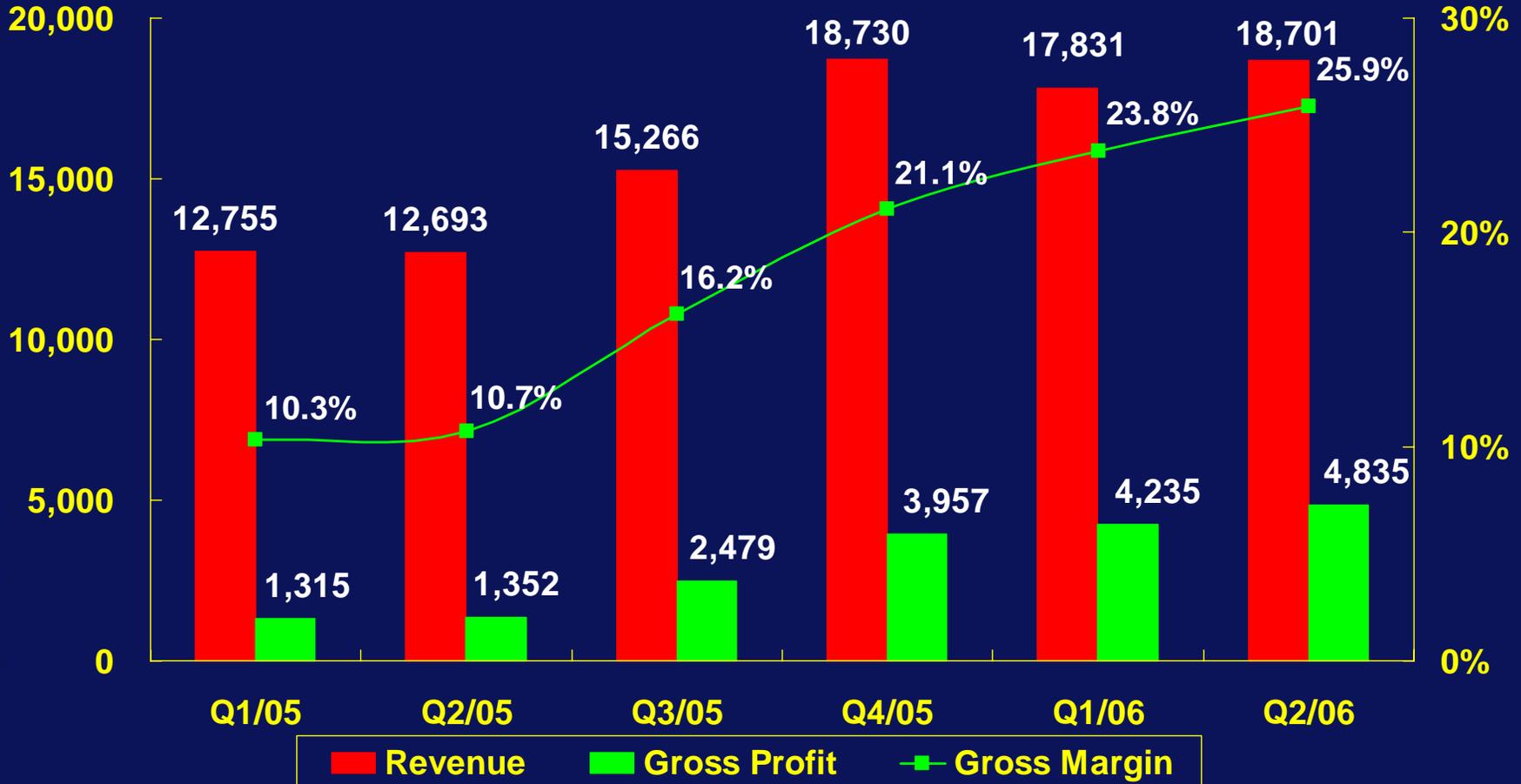
Q2/06



# IC Packaging Operations



NT\$ Million

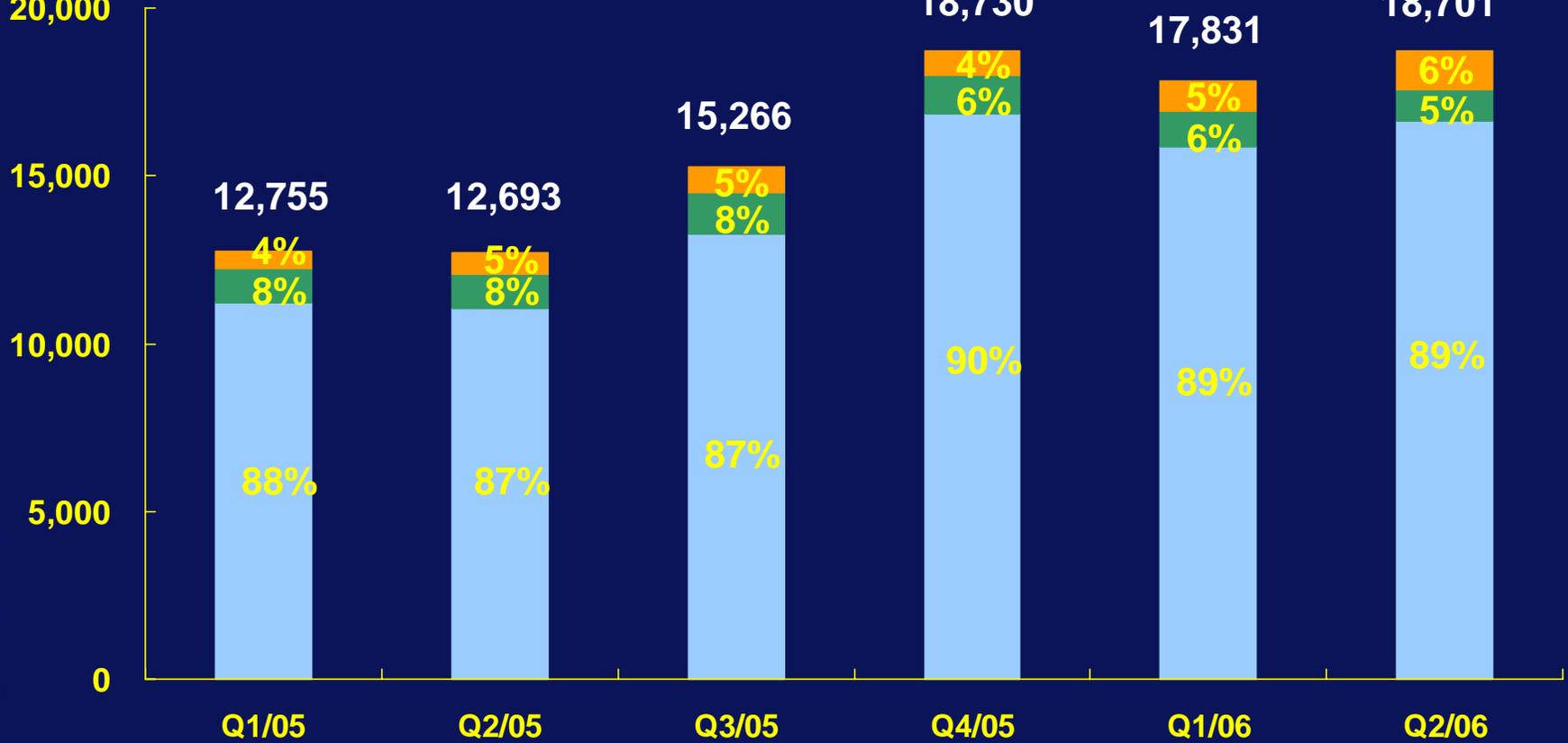




# IC Packaging Operations

## Package Revenue Breakdown

NT\$ Million



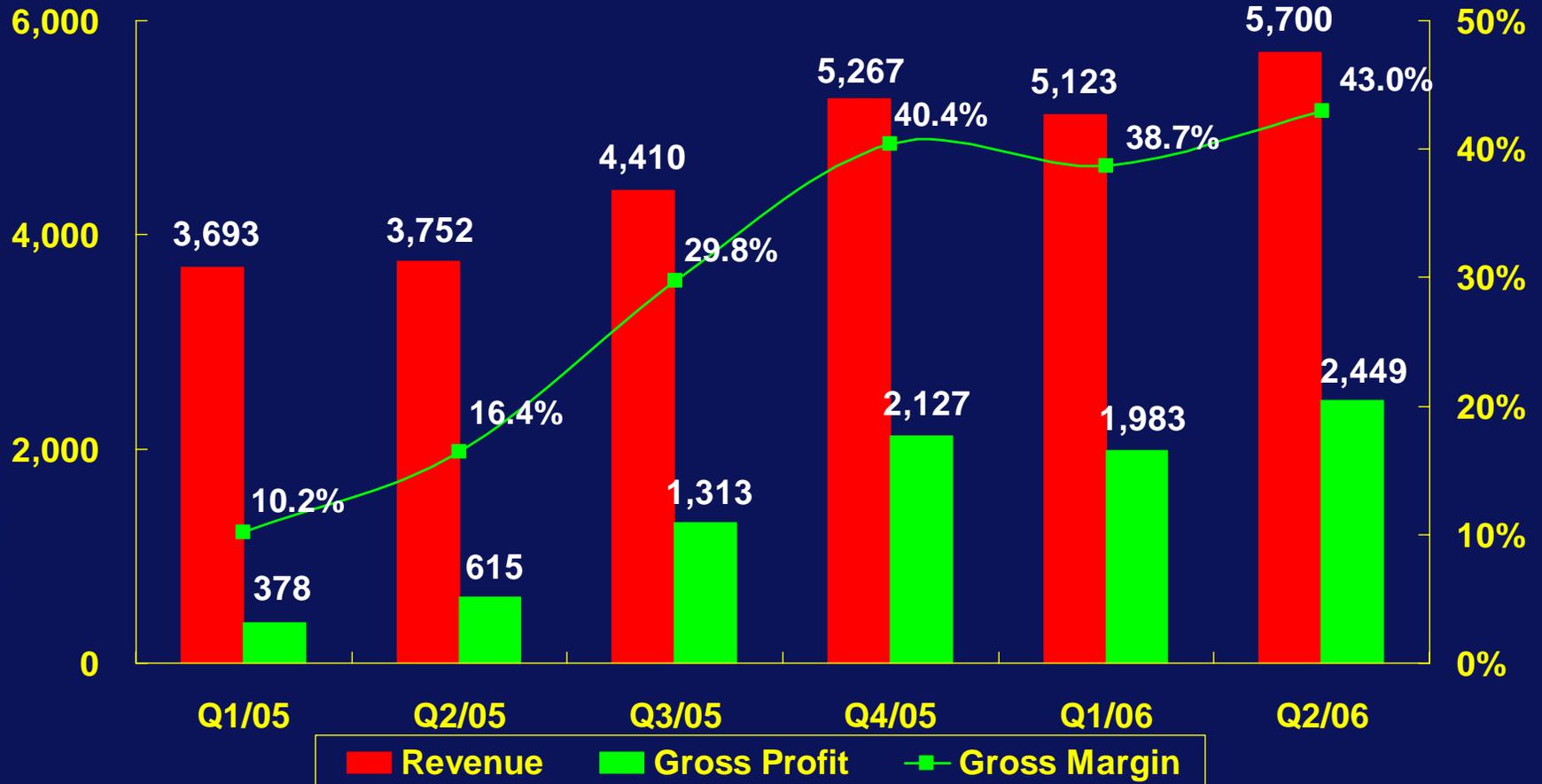
- Others
- Traditional Leadframe Based Packages
- Advanced Substrate & Leadframe Based Packages



# Testing Operations



NT\$ Million

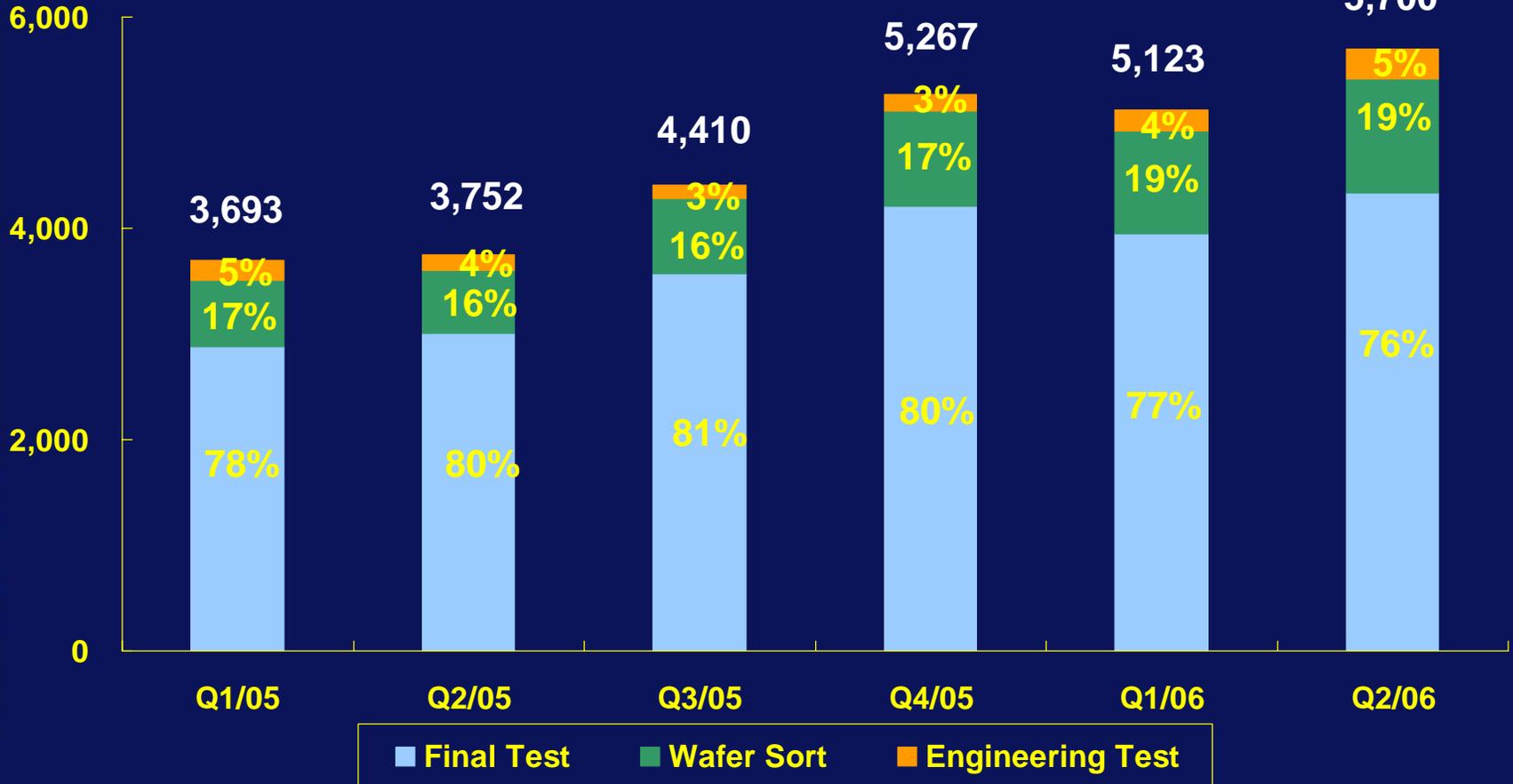




# Testing Operations

## Test Revenue Breakdown

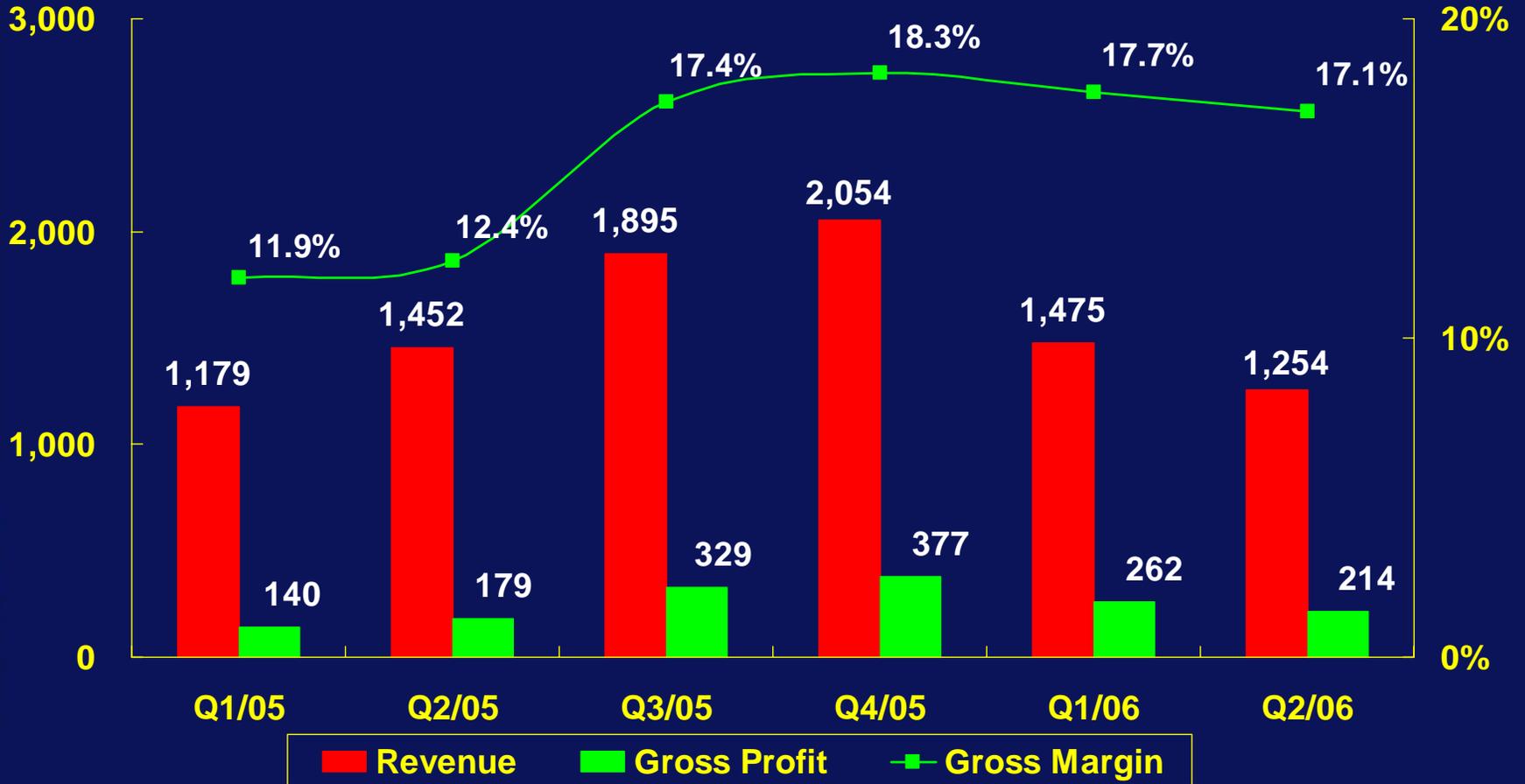
NT\$ Million



# Module Assembly Operations



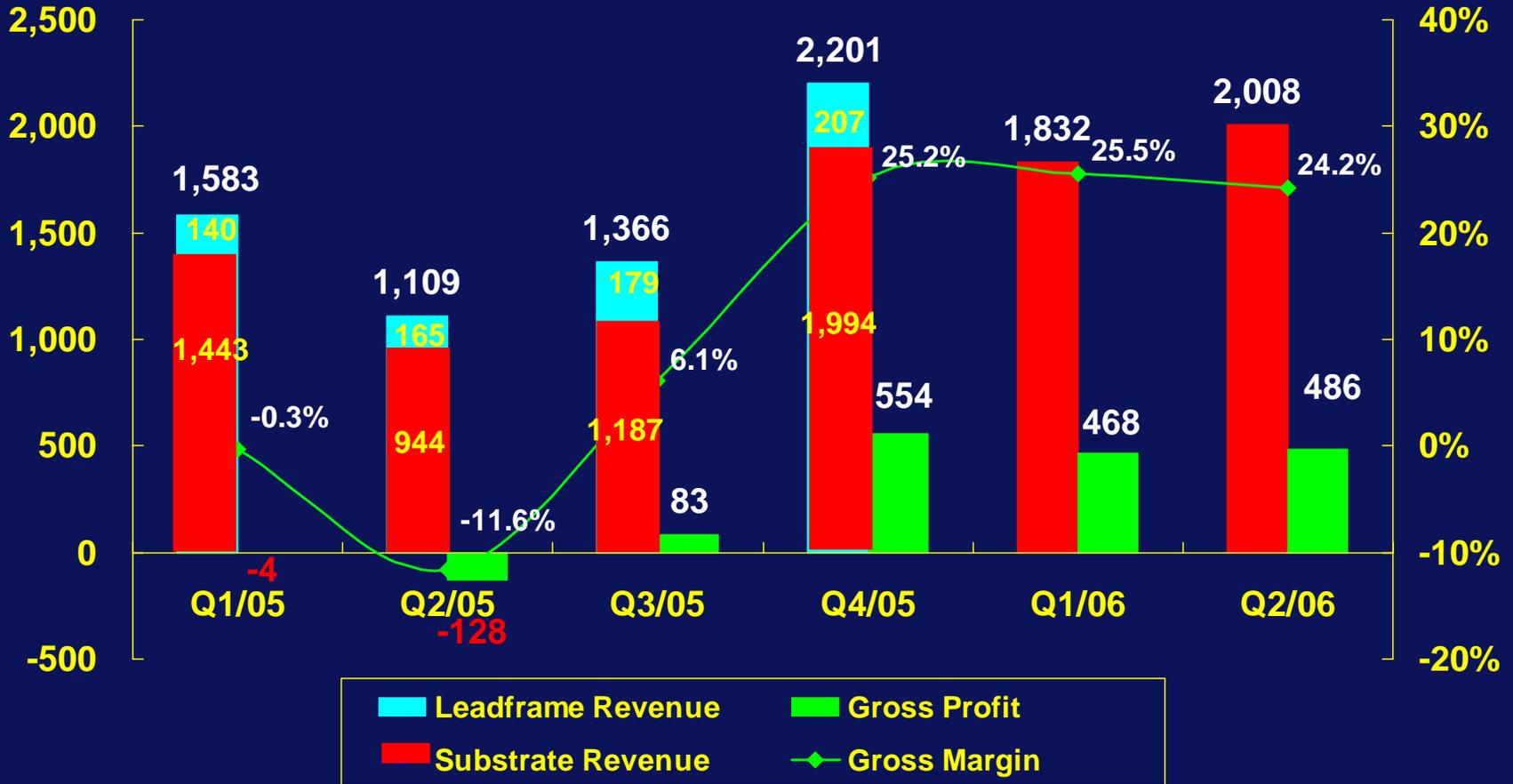
NT\$ Million



# Material Operations



NT\$ Million



# Selective Balance Sheet Information



(NT\$ Million)	<u>Jun. 30, 2006</u>	<u>Mar. 31, 2006</u>	<u>Change</u>
Cash and Cash Equivalent	17,038	10,261	66.0%
Financial Assets - current	5,322	6,895	-22.8%
Financial Assets - non current	5,238	5,138	1.9%
<b>Total Assets</b>	<b>141,290</b>	<b>129,574</b>	<b>9.0%</b>
ST Bank Debt - Revolving Credit	5,482	5,327	2.9%
- Current Portion of LT Debt	3,512	4,586	-23.4%
Bonds Payable within 1 year		0	
LT Bank Debt	31,640	30,944	2.2%
LT Bonds Payable	9,404	9,342	0.7%
<b>Total Net Worth</b> (Including minority interest)	<b>67,358</b>	<b>58,814</b>	<b>14.5%</b>
<b>Quarterly EBITDA*</b>	<b>8,257</b>	<b>7,953</b>	<b>3.8%</b>
<b>Current Ratio</b>	<b>1.71</b>	<b>1.63</b>	
<b>Leverage Ratio</b>	<b>0.41</b>	<b>0.56</b>	

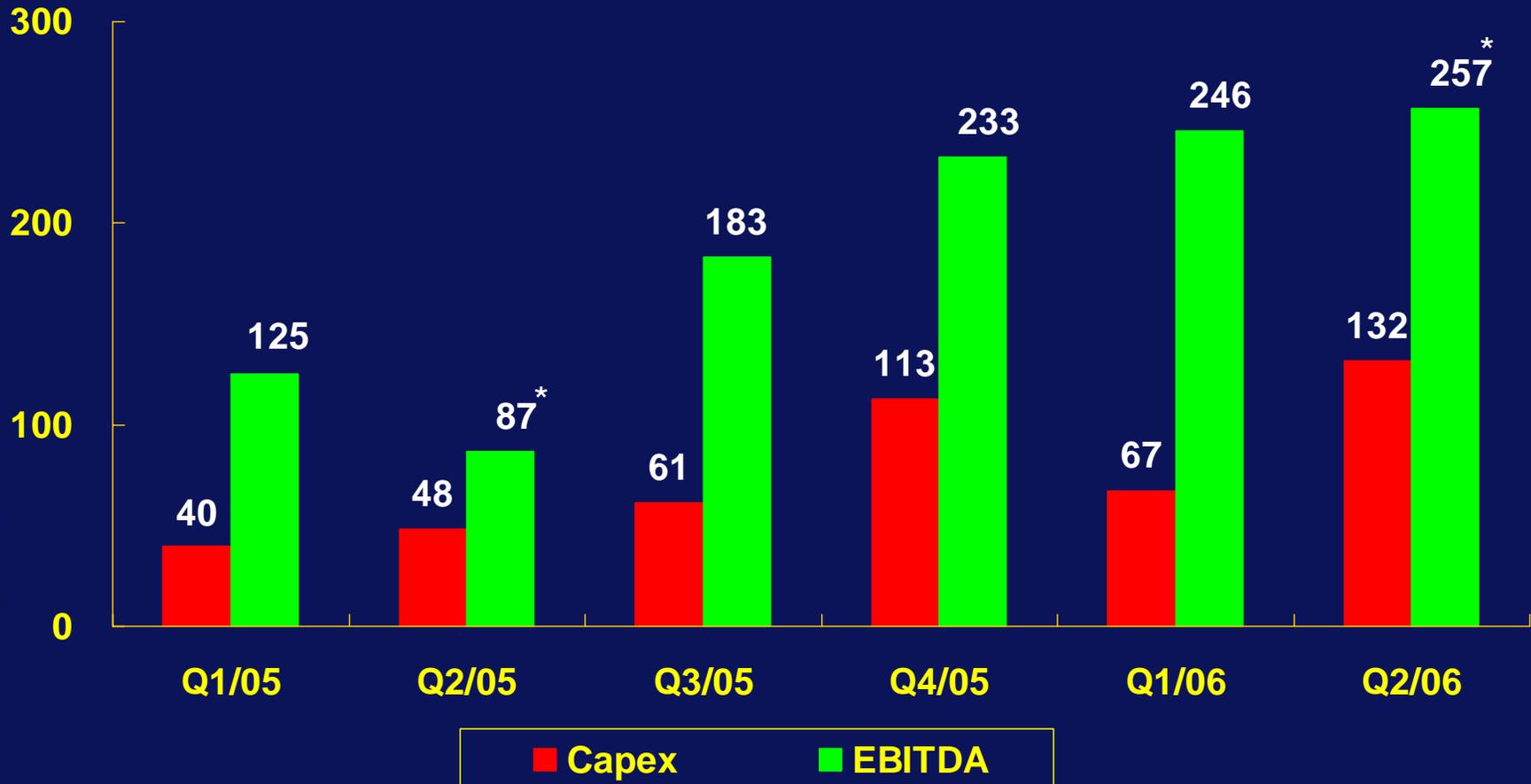
\*: EBITDA number has been adjusted for fire loss and insurance income

# Capital Expenditure v.s. EBITDA



2005 Full Year Capex: US\$262 millions  
2006 1st Half Capex: US\$199 millions

US\$ Million



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



# Top Ten Customers

2006 Q2

**ASE Group**

**ATI**

**CAMBRIDGE**

**FREESCALE**

**IEE**

**MICROSOFT**

**NEC**

**QUALCOMM**

**RFMD**

**STM**

**VIA**

**Top 5**

**Top 10**

**27% of Total Sales**

**44% of Total Sales**

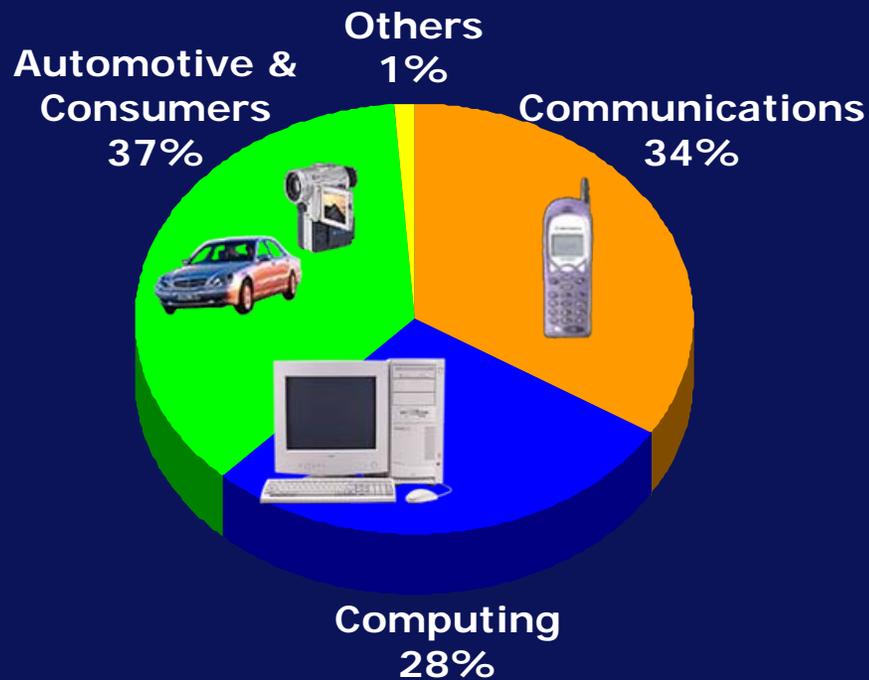
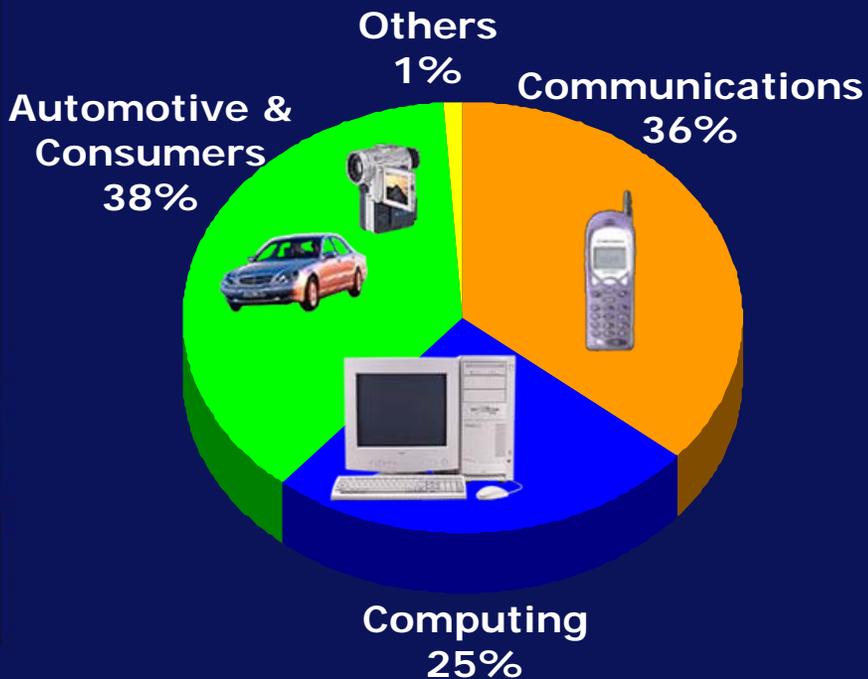


# Market Segment Exposure



2006 Q2

2006 Q1



Maximum with Minimum

# Guidance for 2006 Q3



- > Revenue: up low single digit percentage
- > Gross margin: slightly improve
- > 2006 full year Capex: US\$350 million

Maximum with Minimum





**For more information regarding  
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