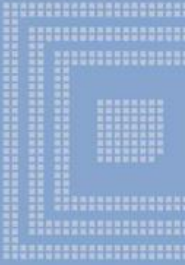




ASE GROUP



ASE Inc. 2016 Second Quarter Earnings Release

Tien Wu
Chief Operating Officer

Jul. 29, 2016

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 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 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 uncertainties as to whether we can complete the acquisition of 100% of Siliconware Precision Industries Co., Ltd. shares not otherwise owned by ASE; 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 2015 Annual Report on Form 20-F filed on April 29, 2016.



Business Recap and Outlook



◦ 2Q16 Summary

- Broad-based rebound in communication, consumer and automotive markets
- ASE Group revenue up by 0.4% QoQ, IC ATM revenue up 8.3% QoQ

◦ 3Q16 Outlook

- Strength driven by new product launch and seasonal demand
- Capacity increases by 5% and utilization increases by 5% sequentially

◦ Sequential growth on group consolidated level in 2H16

◦ SPIL transaction update



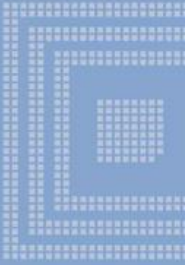
Thank You

www.aseglobal.com
ir@aseglobal.com





ASE GROUP



ASE Inc. 2016 Second Quarter Earnings Release

Jul. 29, 2016

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 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 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 uncertainties as to whether we can complete the acquisition of 100% of Siliconware Precision Industries Co., Ltd. shares not otherwise owned by ASE; 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 2015 Annual Report on Form 20-F filed on April 29, 2016.



Consolidated Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q2 / 2016	%	Q1 / 2016	%	Change
Net Revenues:					
Packaging	30,178	48.2%	28,036	45.0%	8%
Testing	6,503	10.4%	5,995	9.6%	8%
Direct Material	759	1.2%	892	1.4%	-15%
EMS	24,845	39.7%	24,749	39.7%	0%
Others	316	0.5%	2,699	4.3%	-88%
Total Net Revenues	62,601	100.0%	62,371	100.0%	0%
Gross Profit	12,255	19.6%	11,449	18.4%	7%
Operating Income (Loss)	5,931	9.5%	5,206	8.3%	14%
Pretax Income (Loss)	6,473	10.3%	5,656	9.1%	14%
Income Tax Benefit (Expense)	(1,523)	-2.4%	(1,318)	-2.1%	
Noncontrolling Interest	(271)	-0.4%	(175)	-0.3%	
Net Income Attributable to Shareholders of the Parent	4,679	7.5%	4,163	6.7%	12%
Basic EPS (NT Dollar)	0.61		0.54		13%
Diluted EPS (NT Dollar)	0.51		0.43		19%
EBITDA	13,977	22.3%	13,229	21.2%	6%



Consolidated Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million)	Q2 / 2016	%	Q2 / 2015	%	Change
Net Revenues:					
Packaging	30,178	48.2%	28,618	40.8%	5%
Testing	6,503	10.4%	6,231	8.9%	4%
Direct Material	759	1.2%	839	1.2%	-10%
EMS	24,845	39.7%	34,534	49.2%	-28%
Others	316	0.5%	0	-0.1%	
Total Net Revenues	62,601	100.0%	70,222	100.0%	-11%
Gross Profit	12,255	19.6%	11,566	16.5%	6%
Operating Income (Loss)	5,931	9.5%	5,409	7.7%	10%
Pretax Income (Loss)	6,473	10.3%	5,400	7.7%	20%
Income Tax Benefit (Expense)	(1,523)	-2.4%	(1,596)	-2.3%	
Noncontrolling Interest	(271)	-0.4%	(152)	-0.2%	
Net Income Attributable to Shareholders of the Parent	4,679	7.5%	3,652	5.2%	28%
Basic EPS (NT Dollar)	0.61		0.48		27%
Diluted EPS (NT Dollar)	0.51		0.43		19%
EBITDA	13,977	22.3%	13,369	19.0%	5%



IC ATM Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q2 / 2016	%	Q1 / 2016	%	Change
Net Revenues:					
Packaging	31,180	81.0%	28,597	80.5%	9%
Testing	6,502	16.9%	5,995	16.9%	8%
Direct Material	801	2.1%	931	2.6%	-14%
Others	21	0.1%	20	0.1%	5%
Total Net Revenues	38,504	100.0%	35,543	100.0%	8%
Gross Profit	9,561	24.8%	7,832	22.0%	22%
Operating Income (Loss)	4,957	12.9%	3,222	9.1%	54%
Pretax Income (Loss)	6,001	15.6%	4,746	13.4%	26%
Income Tax Benefit (Expense)	(1,266)	-3.3%	(529)	-1.5%	
Noncontrolling Interest	(56)	-0.1%	(54)	-0.2%	
Net Income Attributable to Shareholders of the Parent	4,679	12.2%	4,163	11.7%	12%
EBITDA	12,206	31.7%	10,580	29.8%	15%



IC ATM Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



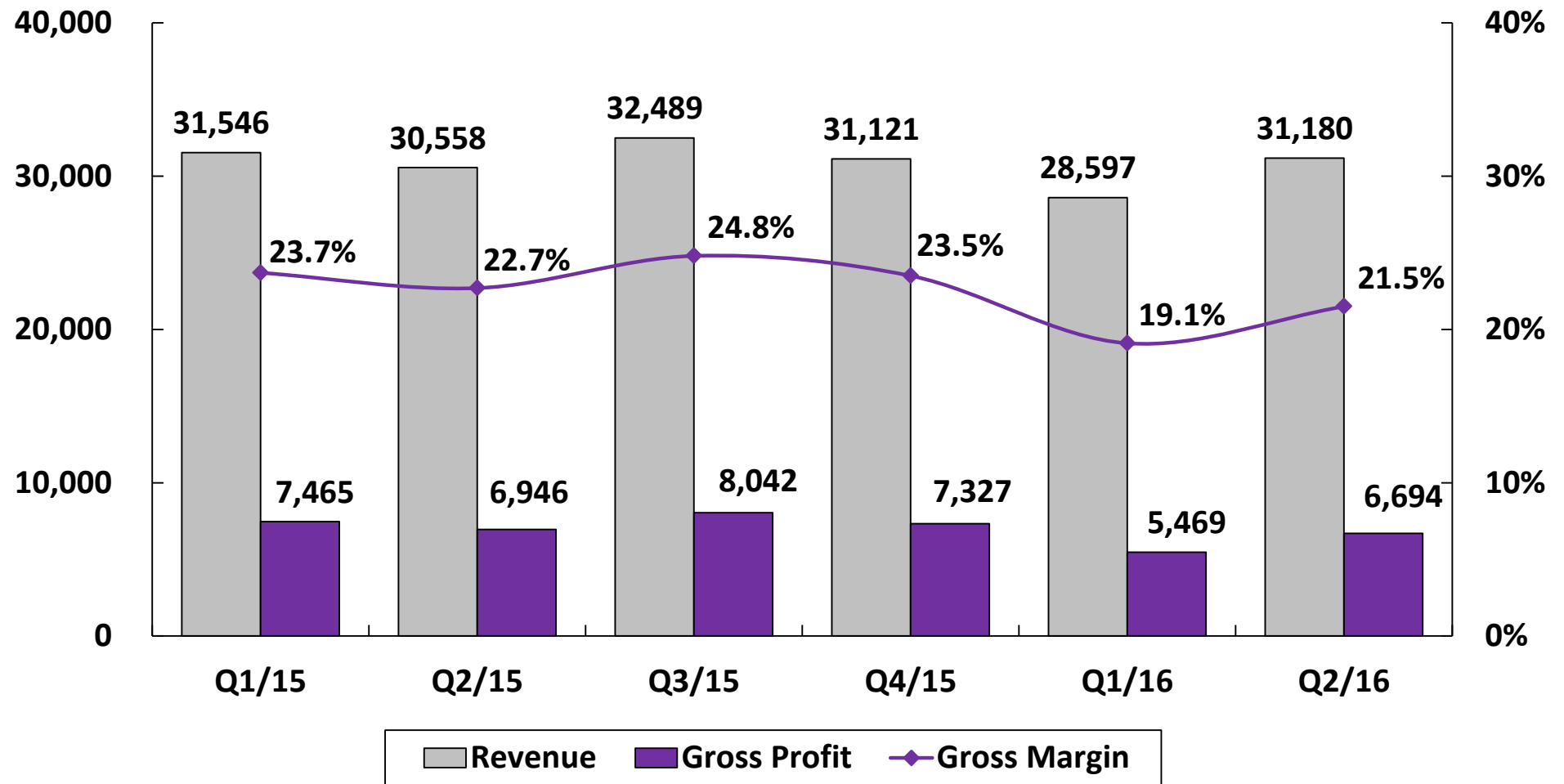
(NT\$ Million)	Q2 / 2016	%	Q2 / 2015	%	Change
Net Revenues:					
Packaging	31,180	81.0%	30,558	81.1%	2%
Testing	6,502	16.9%	6,230	16.5%	4%
Direct Material	801	2.1%	865	2.3%	-7%
Others	21	0.1%	18	0.0%	17%
Total Net Revenues	38,504	100.0%	37,671	100.0%	2%
Gross Profit	9,561	24.8%	9,504	25.2%	1%
Operating Income (Loss)	4,957	12.9%	5,101	13.5%	-3%
Pretax Income (Loss)	6,001	15.6%	5,229	13.9%	15%
Income Tax Benefit (Expense)	(1,266)	-3.3%	(1,537)	-4.1%	
Noncontrolling Interest	(56)	-0.1%	(40)	-0.1%	
Net Income Attributable to Shareholders of the Parent	4,679	12.2%	3,652	9.7%	28%
EBITDA	12,206	31.7%	11,620	30.8%	5%



Packaging Operations

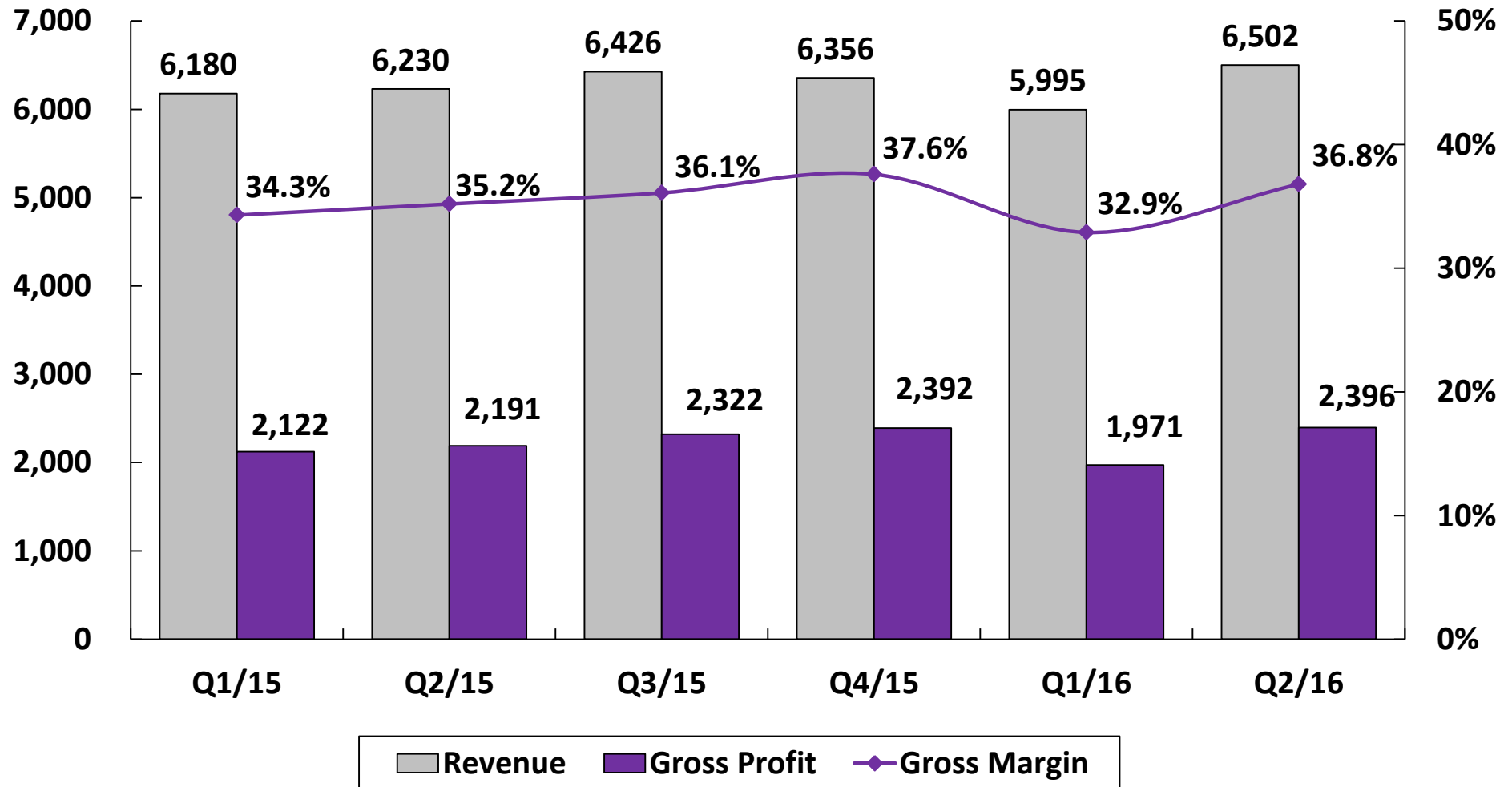


NT\$ Million



Testing Operations

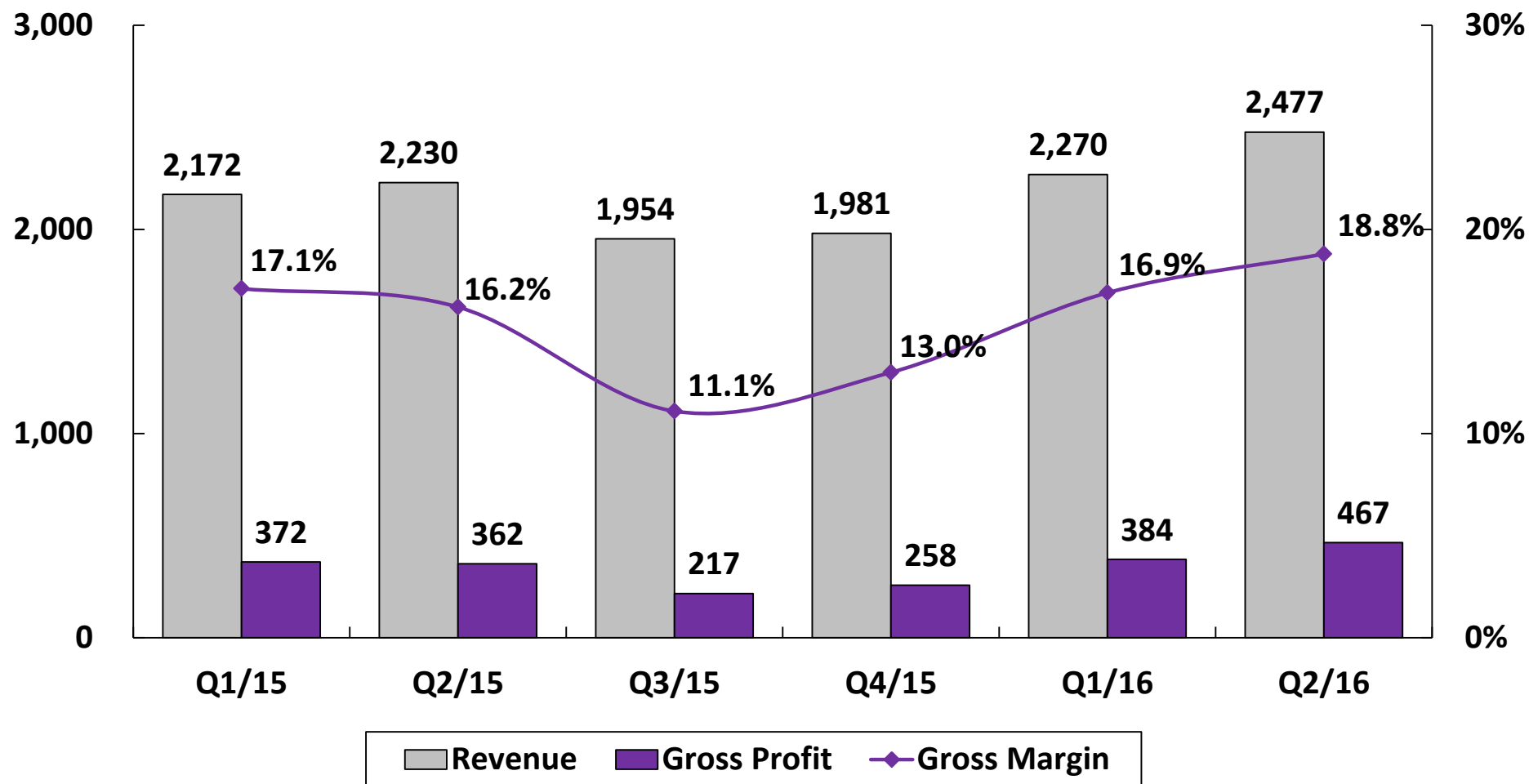
NT\$ Million



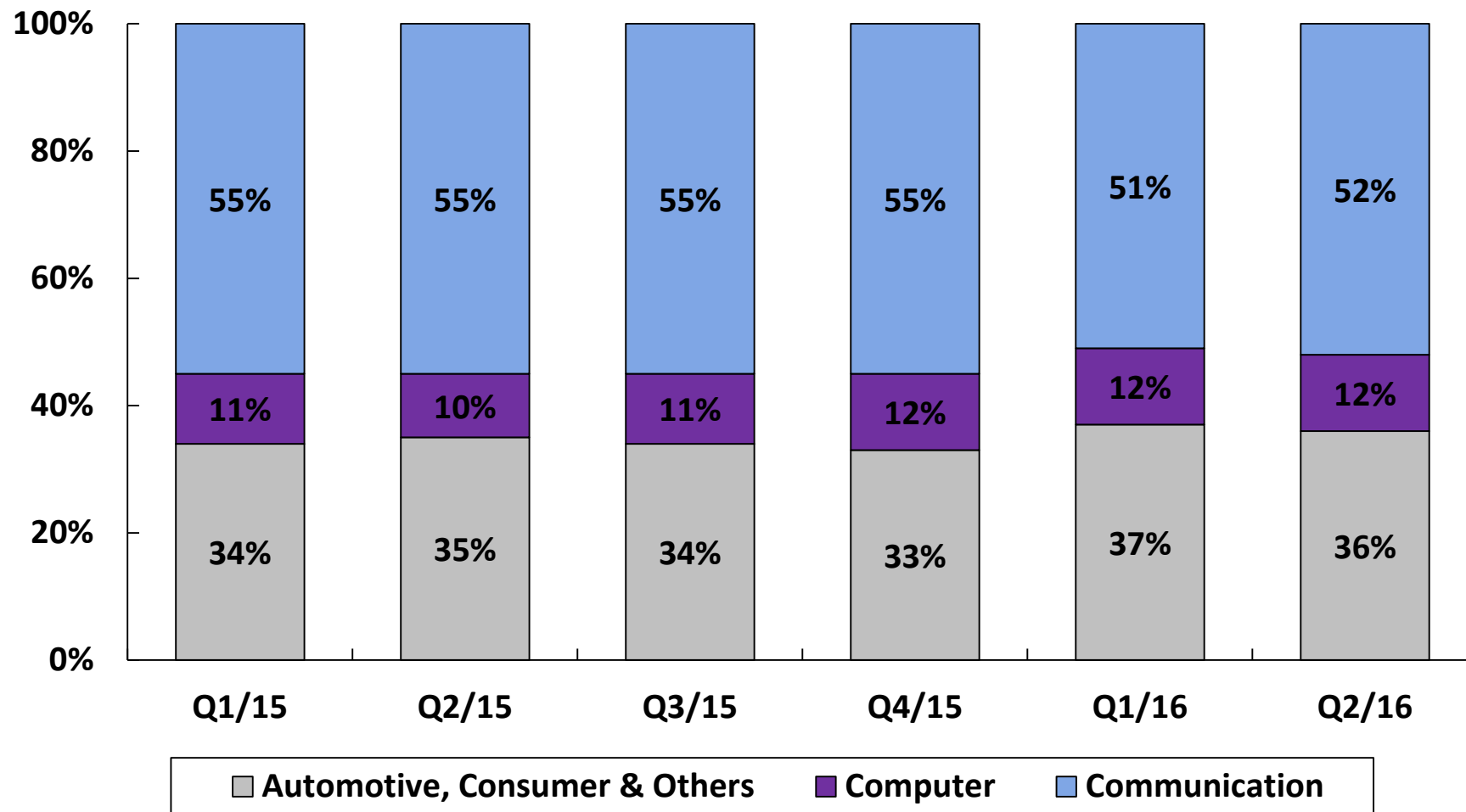
Material Operations



NT\$ Million



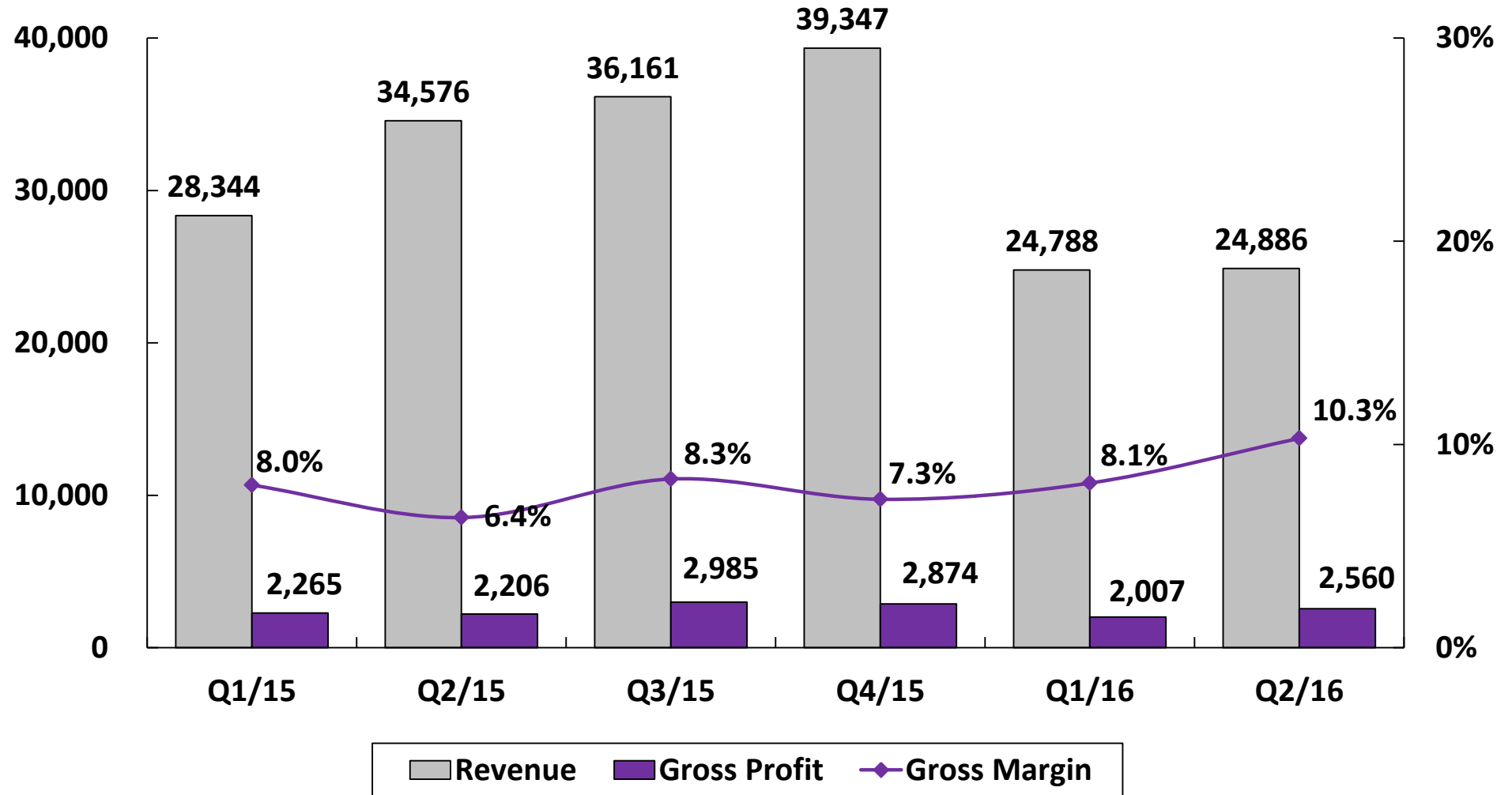
IC ATM Revenue by Application



EMS Operations

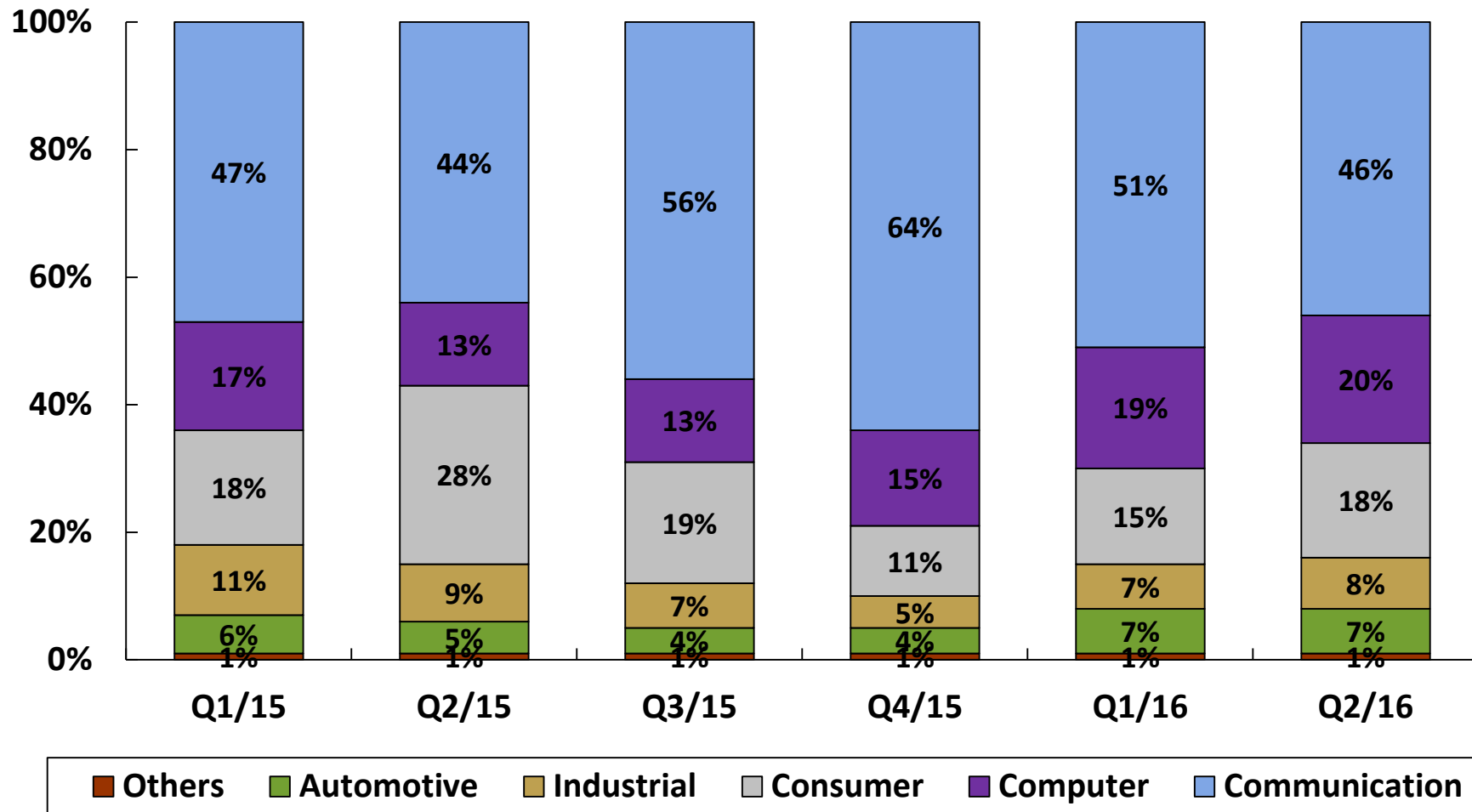


NT\$ Million



EMS Operations

EMS Revenue Breakdown



Key Balance Sheet Items & Indices

(unaudited)



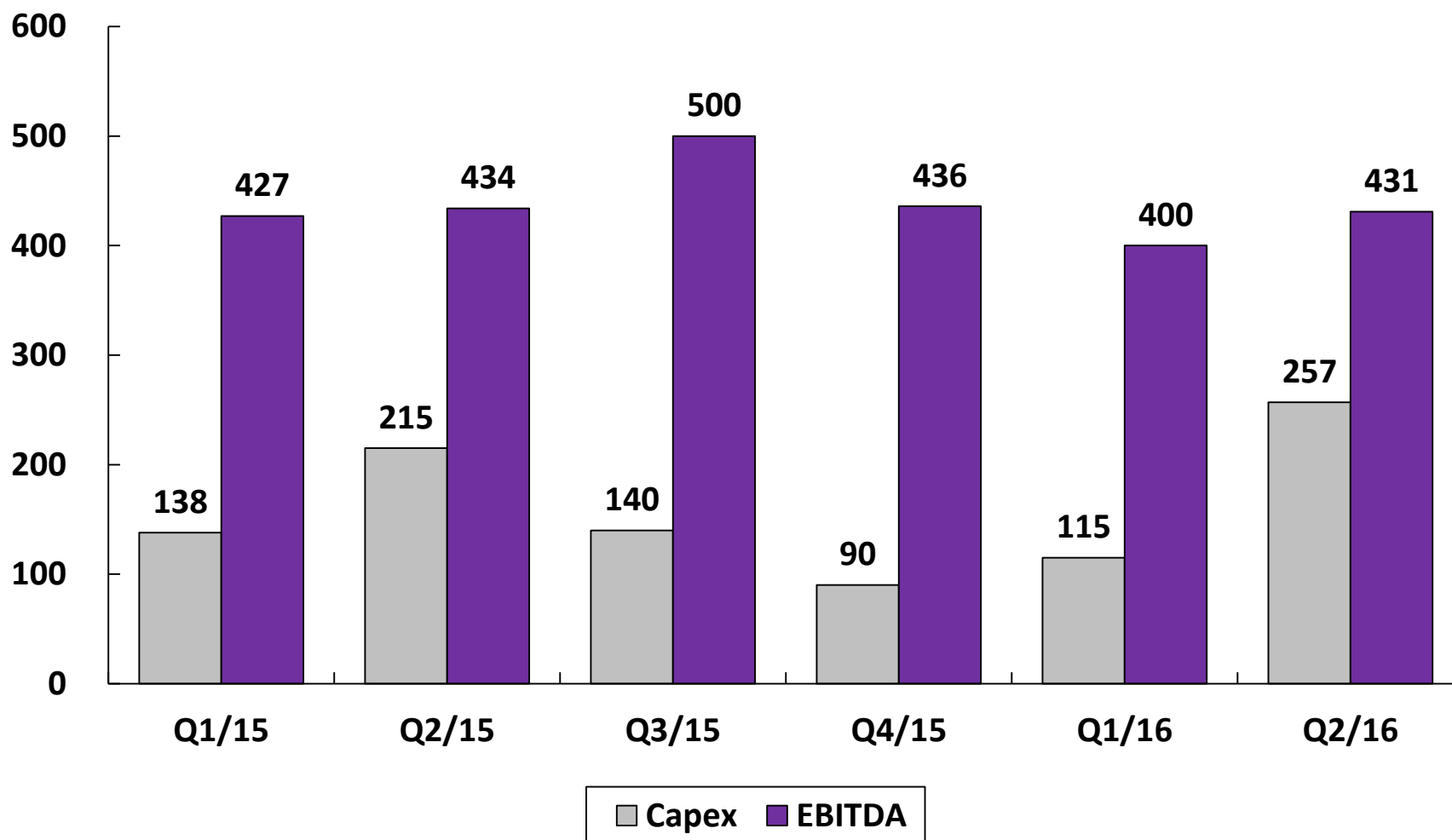
(NT\$ Million)	Jun. 30, 2016	Mar. 31, 2016	Change
Cash and cash equivalent	36,873	45,070	-18.2%
Financial assets - current	3,588	4,358	-17.7%
Financial assets - non current & investments - equity method	50,457	52,340	-3.6%
Property, plant & equipment	147,650	147,234	0.3%
Total assets	354,942	356,490	-0.4%
Short-term borrowings & short-term bills payable	18,319	34,154	-46.4%
Current portion of bonds payable	22,550	14,482	55.7%
Current portion of long-term borrowings & capital lease obligations	5,229	1,356	285.6%
Bonds payable	24,652	32,582	-24.3%
Long-term borrowings & capital lease obligations	39,664	36,089	9.9%
Total equity (Including non-controlling interest)	160,229	168,737	-5.0%
Quarterly EBITDA	13,977	13,229	5.7%
Current ratio	1.13	1.25	
Net debt to equity	0.44	0.41	



Machinery & Equipment Capital Expenditure vs. EBITDA



US\$ Million

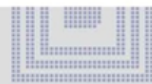


Third Quarter 2016 Outlook



Based on our current business outlook and exchange rate assumptions, management projects overall performance for the third quarter of 2016 to be as follows:

- IC ATM capacity will increase 5% sequentially;**
- IC ATM utilization rate will also increase 5% sequentially;**
- IC ATM gross margin should be around 4Q15 levels;**
- EMS business should approach 2Q15 levels;**
- EMS gross margin should approach 1Q16 levels.**



Thank You

www.aseglobal.com
ir@aseglobal.com

