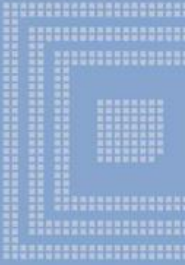




ASE GROUP



ASE Inc. 2016 Third Quarter Earnings Release

Oct. 27, 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)	Q3 / 2016	%	Q2 / 2016	%	Change
Net Revenues:					
Packaging	33,449	46.0%	30,178	48.2%	11%
Testing	7,231	9.9%	6,503	10.4%	11%
Direct Material	805	1.1%	759	1.2%	6%
EMS	31,174	42.8%	24,845	39.7%	25%
Others	125	0.2%	316	0.5%	-60%
Total Net Revenues	72,784	100.0%	62,601	100.0%	16%
Gross Profit	14,113	19.4%	12,255	19.6%	15%
Operating Income (Loss)	7,438	10.2%	5,931	9.5%	25%
Pretax Income (Loss)	6,875	9.4%	6,122	9.8%	12%
Income Tax Benefit (Expense)	(976)	-1.3%	(1,523)	-2.4%	
Noncontrolling Interest	(393)	-0.5%	(271)	-0.4%	
Net Income Attributable to Shareholders of the Parent	5,506	7.6%	4,328	6.9%	27%
Basic EPS (NT Dollar)	0.72		0.57		26%
Diluted EPS (NT Dollar)	0.64		0.47		36%
EBITDA	14,701	20.2%	13,977	22.3%	5%



Consolidated Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million)	Q3 / 2016	%	Q3 / 2015	%	Change
Net Revenues:					
Packaging	33,449	46.0%	29,575	40.6%	13%
Testing	7,231	9.9%	6,426	8.8%	13%
Direct Material	805	1.1%	762	1.0%	6%
EMS	31,174	42.8%	36,107	49.5%	-14%
Others	125	0.2%	0	-0.1%	
Total Net Revenues	72,784	100.0%	72,870	100.0%	0%
Gross Profit	14,113	19.4%	12,987	17.8%	9%
Operating Income (Loss)	7,438	10.2%	6,382	8.8%	17%
Pretax Income (Loss)	6,875	9.4%	7,810	10.7%	-12%
Income Tax Benefit (Expense)	(976)	-1.3%	(1,127)	-1.5%	
Noncontrolling Interest	(393)	-0.5%	(315)	-0.4%	
Net Income Attributable to Shareholders of the Parent	5,506	7.6%	6,368	8.7%	-14%
Basic EPS (NT Dollar)	0.72		0.83		-13%
Diluted EPS (NT Dollar)	0.64		0.69		-7%
EBITDA	14,701	20.2%	15,903	21.8%	-8%



IC ATM Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q3 / 2016	%	Q2 / 2016	%	Change
Net Revenues:					
Packaging	34,832	81.0%	31,180	81.0%	12%
Testing	7,232	16.8%	6,502	16.9%	11%
Direct Material	920	2.1%	801	2.1%	15%
Others	22	0.1%	21	0.1%	5%
Total Net Revenues	43,006	100.0%	38,504	100.0%	12%
Gross Profit	10,969	25.5%	9,561	24.8%	15%
Operating Income (Loss)	6,193	14.4%	4,957	12.9%	25%
Pretax Income (Loss)	6,319	14.7%	5,650	14.7%	12%
Income Tax Benefit (Expense)	(719)	-1.7%	(1,266)	-3.3%	
Noncontrolling Interest	(94)	-0.2%	(56)	-0.1%	
Net Income Attributable to Shareholders of the Parent	5,506	12.8%	4,328	11.2%	27%
EBITDA	12,635	29.4%	12,206	31.7%	4%



IC ATM Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



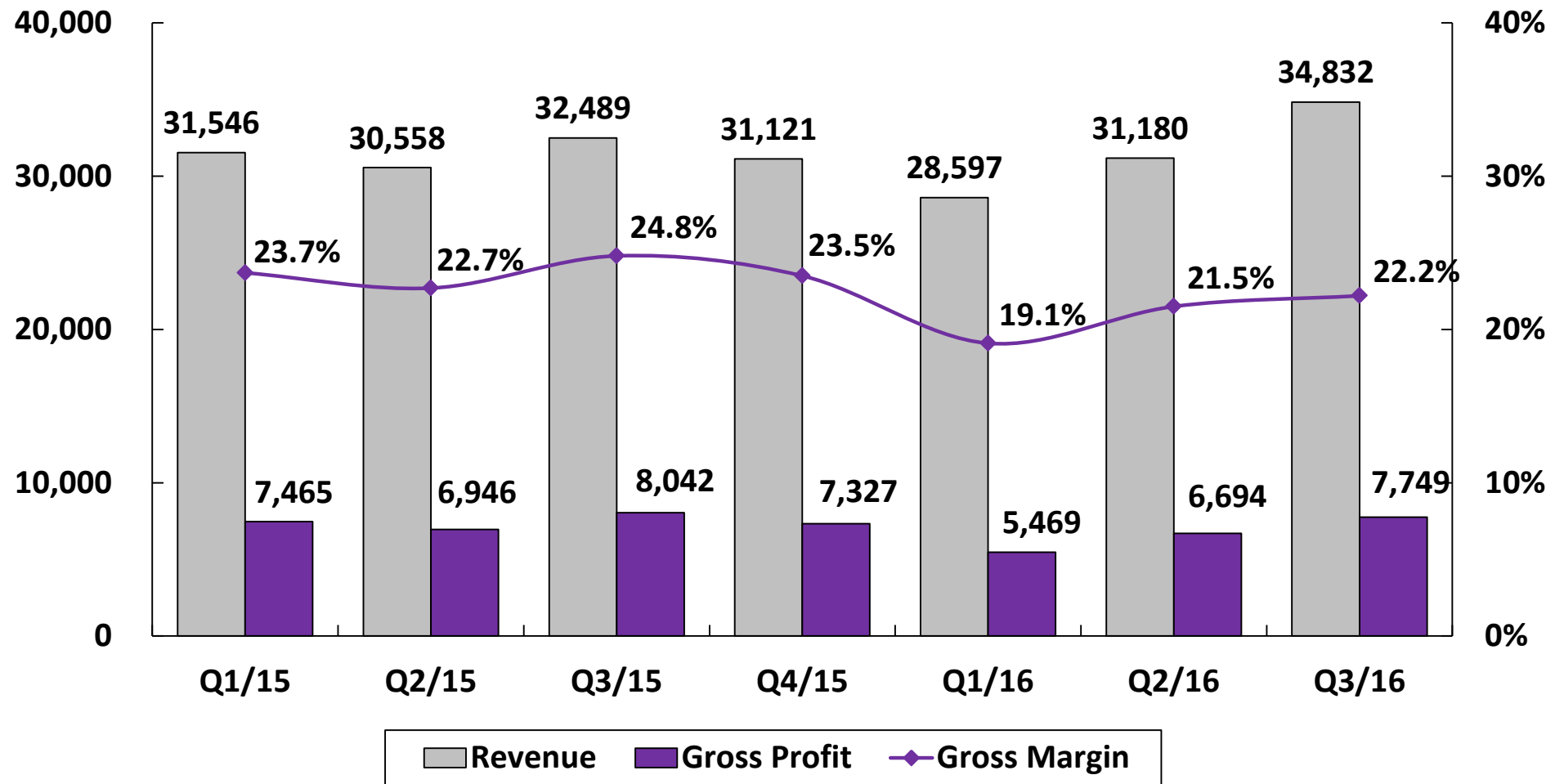
(NT\$ Million)	Q3 / 2016	%	Q3 / 2015	%	Change
Net Revenues:					
Packaging	34,832	81.0%	32,489	81.5%	7%
Testing	7,232	16.8%	6,426	16.1%	13%
Direct Material	920	2.1%	928	2.3%	-1%
Others	22	0.1%	19	0.0%	16%
Total Net Revenues	43,006	100.0%	39,862	100.0%	8%
Gross Profit	10,969	25.5%	10,651	26.7%	3%
Operating Income (Loss)	6,193	14.4%	5,644	14.2%	10%
Pretax Income (Loss)	6,319	14.7%	7,433	18.6%	-15%
Income Tax Benefit (Expense)	(719)	-1.7%	(1,016)	-2.5%	
Noncontrolling Interest	(94)	-0.2%	(49)	-0.1%	
Net Income Attributable to Shareholders of the Parent	5,506	12.8%	6,368	16.0%	-14%
EBITDA	12,635	29.4%	14,898	37.4%	-15%



Packaging Operations



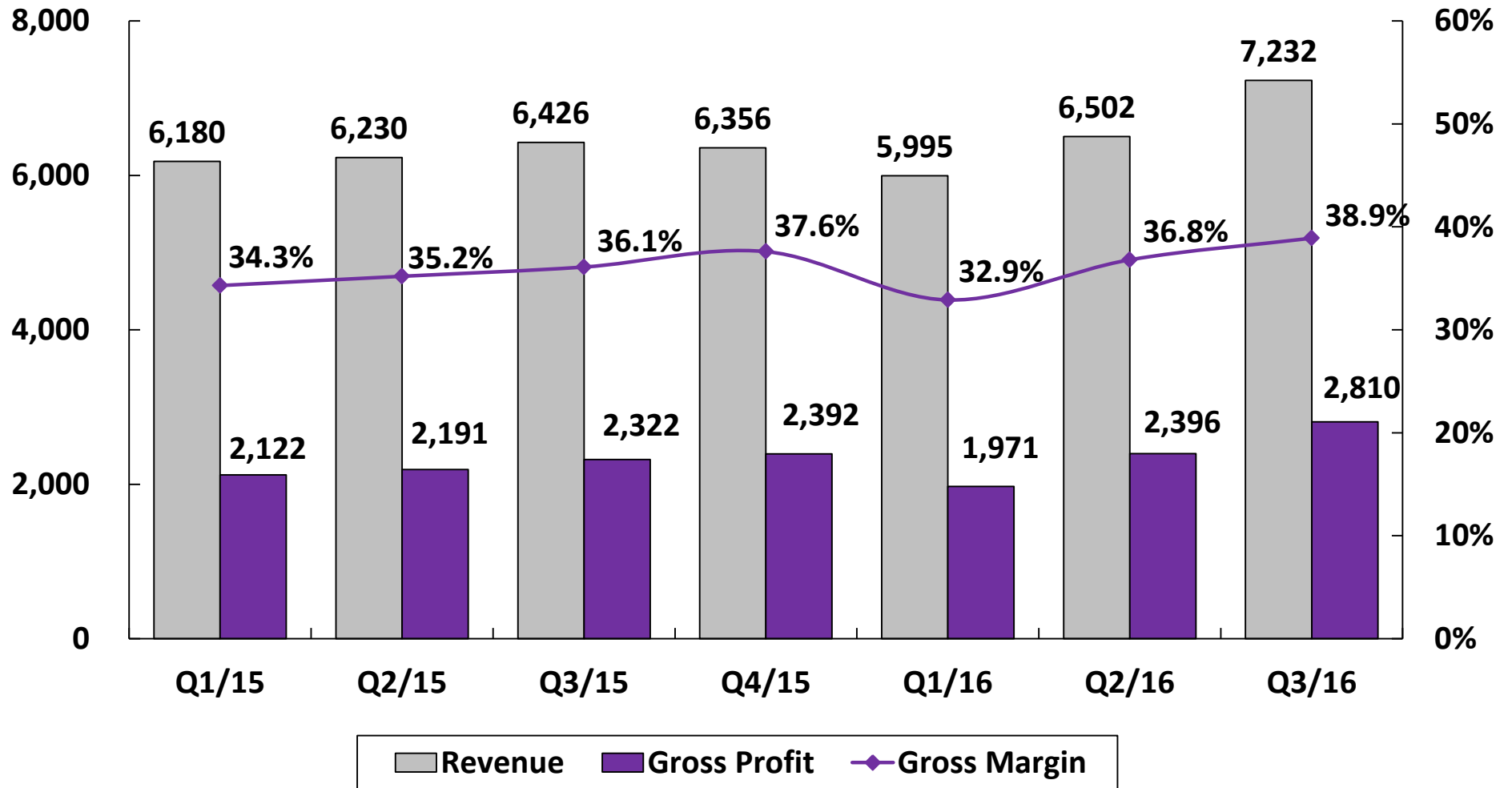
NT\$ Million



Testing Operations

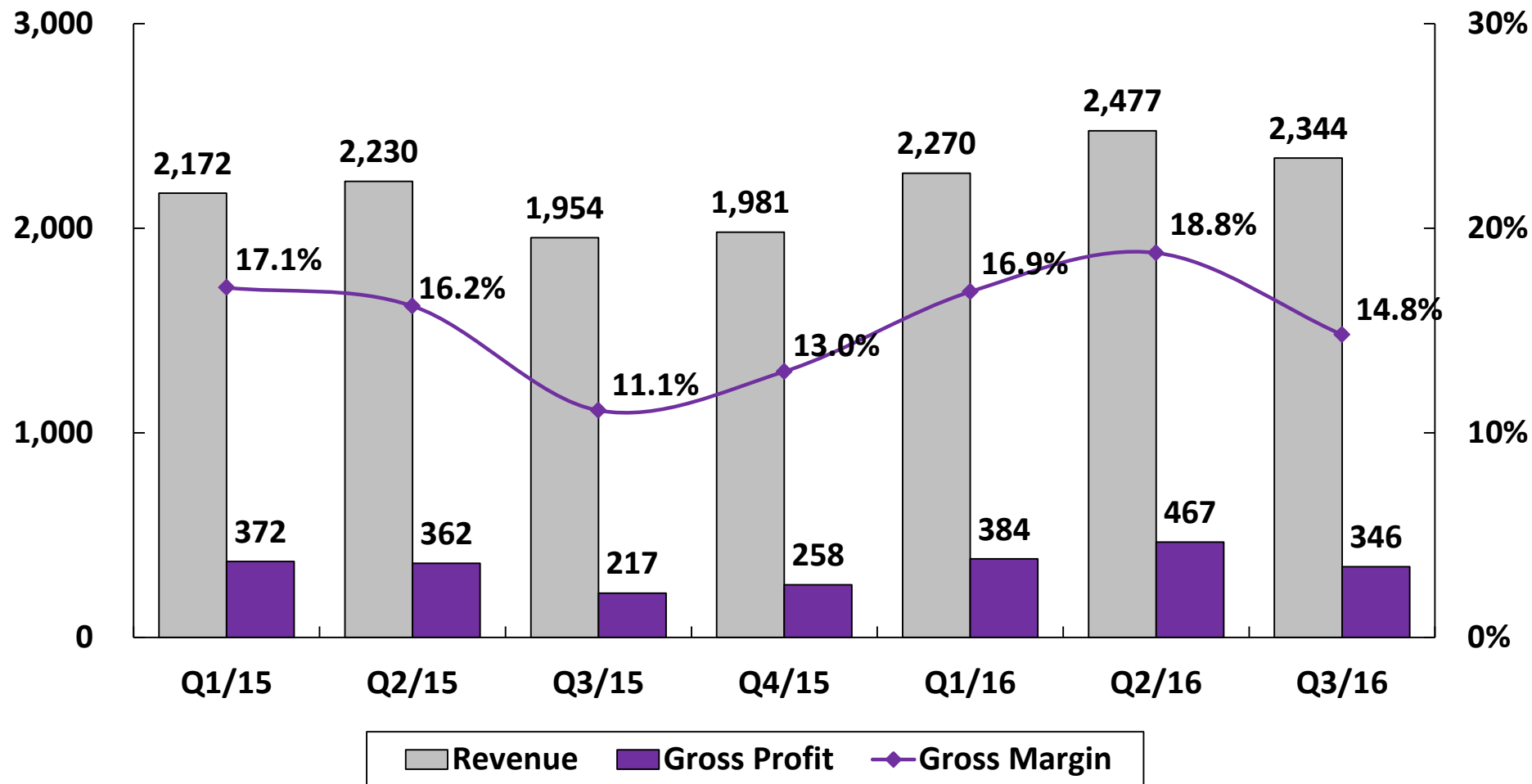


NT\$ Million

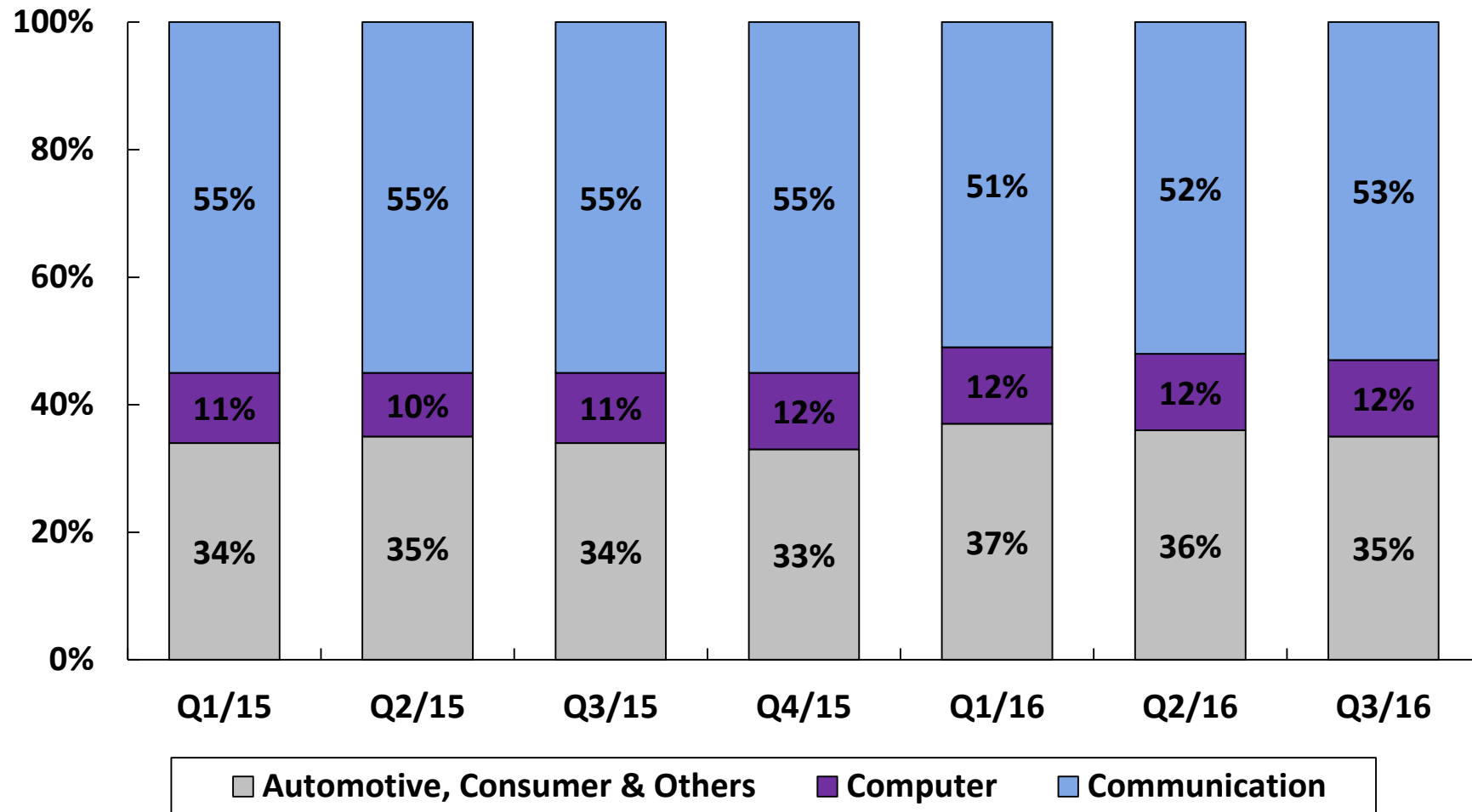


Material Operations

NT\$ Million



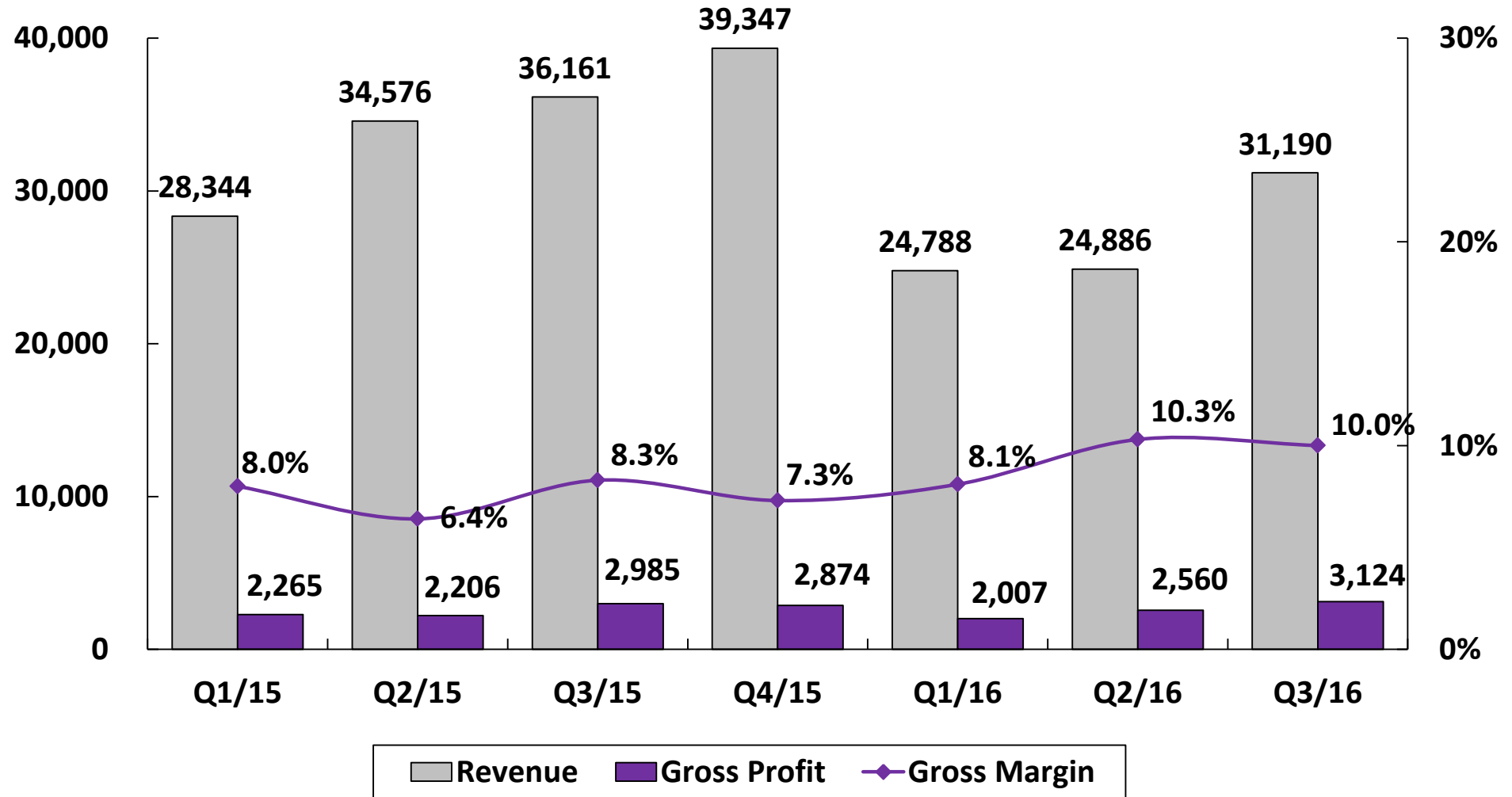
IC ATM Revenue by Application



EMS Operations

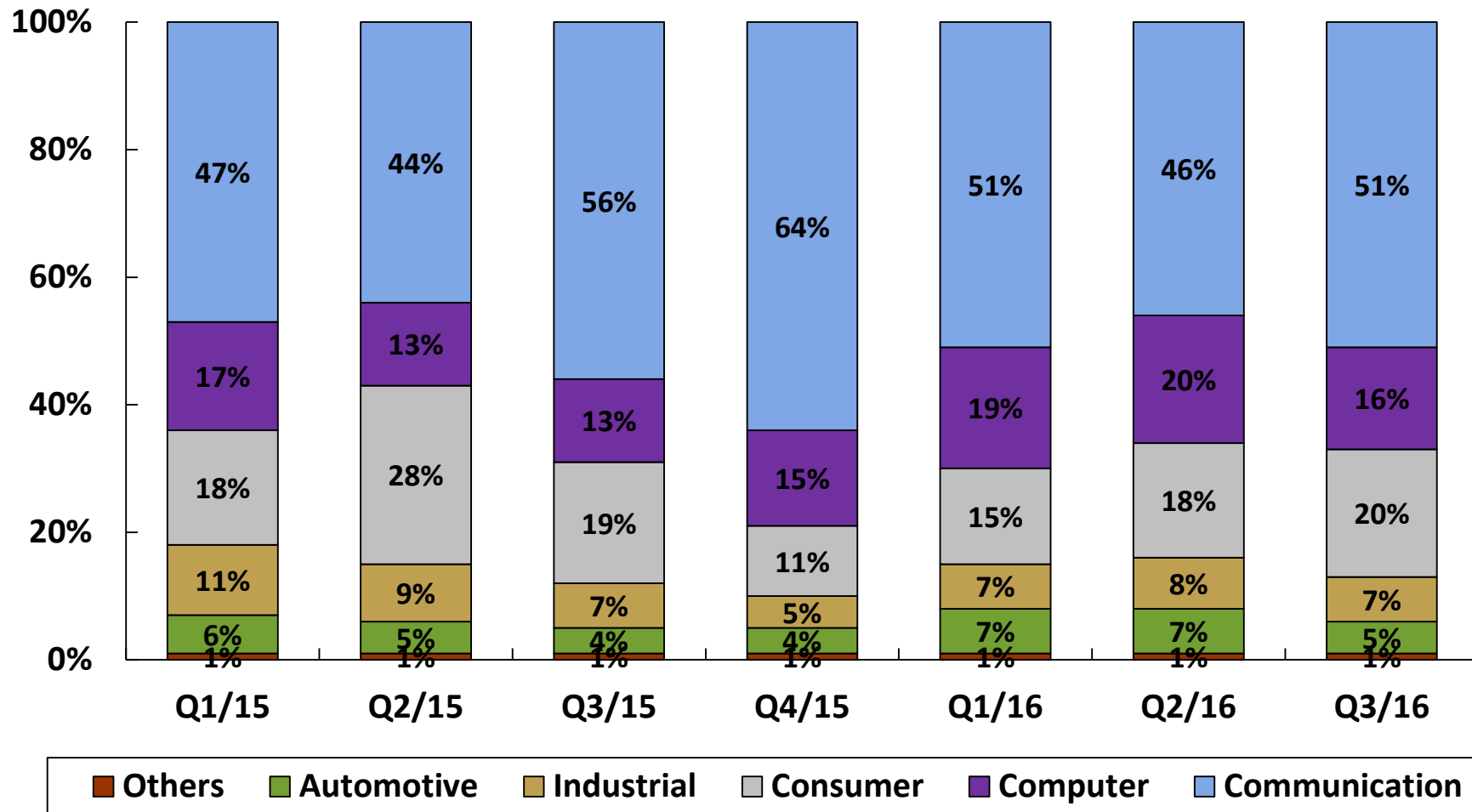


NT\$ Million



EMS Operations

EMS Revenue Breakdown



Key Balance Sheet Items & Indices

(unaudited)



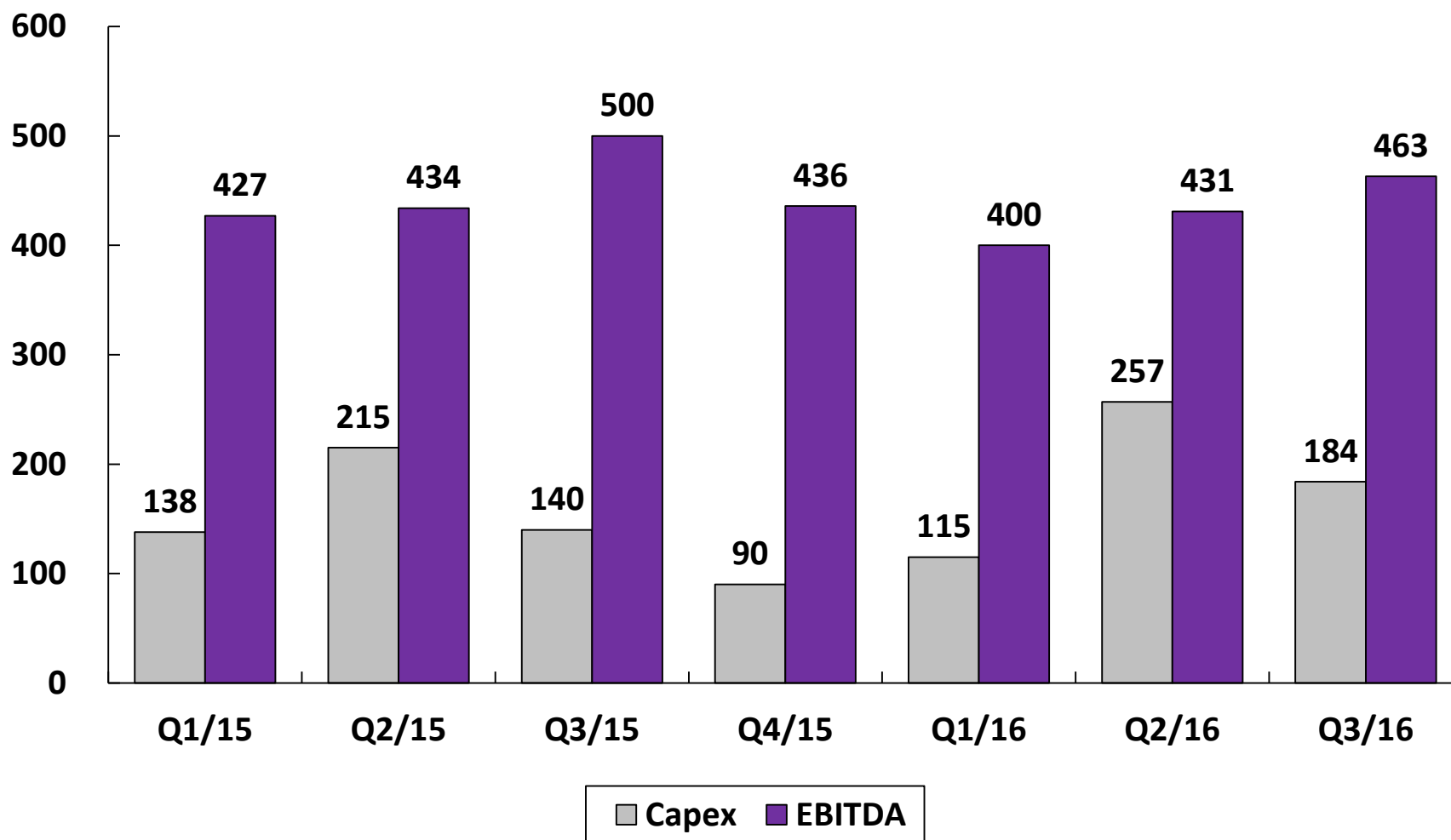
(NT\$ Million)	Sep. 30, 2016	Jun. 30, 2016	Change
Cash and cash equivalent	37,661	36,873	2.1%
Financial assets - current	1,931	3,588	-46.2%
Financial assets - non current & investments - equity method	51,975	49,543	4.9%
Property, plant & equipment	145,209	147,650	-1.7%
Total assets	360,628	354,029	1.9%
Short-term borrowings & short-term bills payable	33,007	18,319	80.2%
Current portion of bonds payable	9,385	22,550	-58.4%
Current portion of long-term borrowings & capital lease obligations	6,384	5,229	22.1%
Bonds payable	26,872	24,652	9.0%
Long-term borrowings & capital lease obligations	44,255	39,664	11.6%
Total equity (Including non-controlling interest)	161,218	159,316	1.2%
Quarterly EBITDA	14,701	13,977	5.2%
Current ratio	1.21	1.13	
Net debt to equity	0.50	0.44	



Machinery & Equipment Capital Expenditure vs. EBITDA



US\$ Million



Fourth Quarter 2016 Outlook



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

- IC ATM capacity should be flat quarter over quarter;**
- IC ATM blended utilization rate should decrease 0-5% sequentially;**
- IC ATM gross margin should be similar with prior quarter;**
- EMS business capacity should be flat quarter over quarter; blended utilization rate should increase 10-15% quarter over quarter;**
- EMS gross margin should be consistent with our gross margin during the first half of 2016.**



Thank You

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