



Acquisition of UTC

April 13, 2004

***Creating a Worldwide Leading Test-Centric Group and
one of the Largest Independent Memory Service Providers***



Creating a World Class MSLP/ Memory Powerhouse

- The right timing – Industry poised for growth
- The Combination of UTAC and UTC will create a first class test-centric group and one of the largest independent memory service providers
- Strong customer/ business fit – Deepen penetration into strong memory customers such as Hynix and add strong flash business through Sandisk
- Strong geographic fit – UTC’s operations are in Taiwan, a key market for assembly and test
- Excellent product fit – Leverage UTC’s presence in Taiwan as launch pad for Mixed Signal and Logic (MSLP) business and accelerate growth of UTC’s assembly business through UTAC’s mass manufacturing expertise
- Access to UTC’s strong technology base in packaging and higher growth potential from UTC’s new entry in assembly
- Economies of scale due to significantly larger company
- Attractive Valuation

Transaction Summary

Consideration	All stock transaction Fixed exchange ratio of 1.6 UTAC shares for every UTC share UTAC shareholders will own approximately 52% of combined group
Structure	UTC becomes a wholly owned subsidiary of UTAC
Financial Highlights	UTC has one of the highest EBITDA margins in the industry In 2002 and 2003 UTC generated EBITDA of US\$32.2mm and \$41.0mm respectively
Key Financials	Proforma 2003 revenue and EBITDA of approximately US\$178.1mm and US\$83.6mm
Leadership	Charles Chen will be Chairman of the combined group Lee Joon Chung, current UTAC CEO, will be CEO of the combined group
Board of Directors	15 directors to comprise the board 12 UTAC board members and 3 UTC board members
Timeline	Target closing expected end September 2004

Overview of UTC

Key Facts

- Headquarters: Hsinchu, Taiwan
- Established: 1995
- Total Sales 2003: \$62.7 mm
 - Test: \$60.7 mm
 - Packaging:* \$2.1 mm

Test

- Strong memory test operations with 85 testers
- 70% of test equipment fully depreciated, but average useful lives of 3 more years
- Strong customer base including Hynix and Sandisk
- Strong top line growth from higher utilization and shifting to higher priced customers

UTC is strong in memory test with significant growth expected in assembly

Assembly

- Currently small assembly business
- Leverage test business to build assembly
- Strong patent portfolio and process technology in next generation assembly
- Customer qualification to be completed with Hynix, Sandisk and ATI
- UTAC to support manufacturing ramp-up
- Significant growth expected in 2004 and 2005

* Includes US\$0.7 million revenues from substrates business.

UTC fits UTAC Strategy to Grow in Worldwide Test and provide a platform for MSLP* in Taiwan

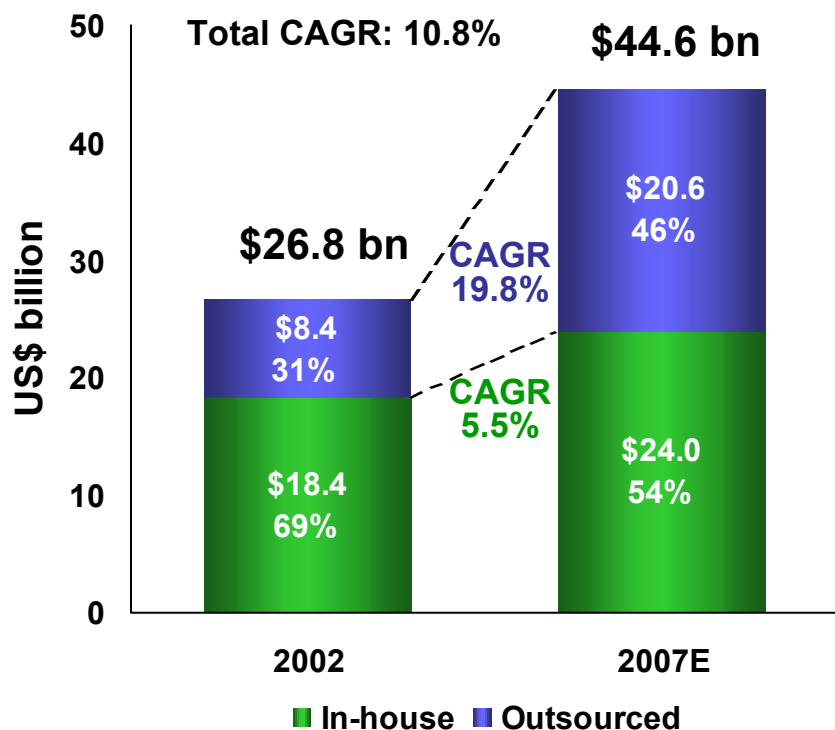
- 2003 % test revenues goes from 67% (UTAC) to 77% (UTAC + UTC) while total revenue increases from \$115.4mm to \$178.1mm, and EBITDA increases from \$42.6mm to \$83.6mm
- Taiwan represents a key market for UTAC to grow MSLP*. UTAC will have a strong platform in using UTC strategic location in Hsinchu
- UTC patent portfolio will provide future packaging/Full Turnkey business to memory and MSLP for the combined company

* MSLP : Mixed Signal & Logic

Outsourcing Industry Poised for Growth

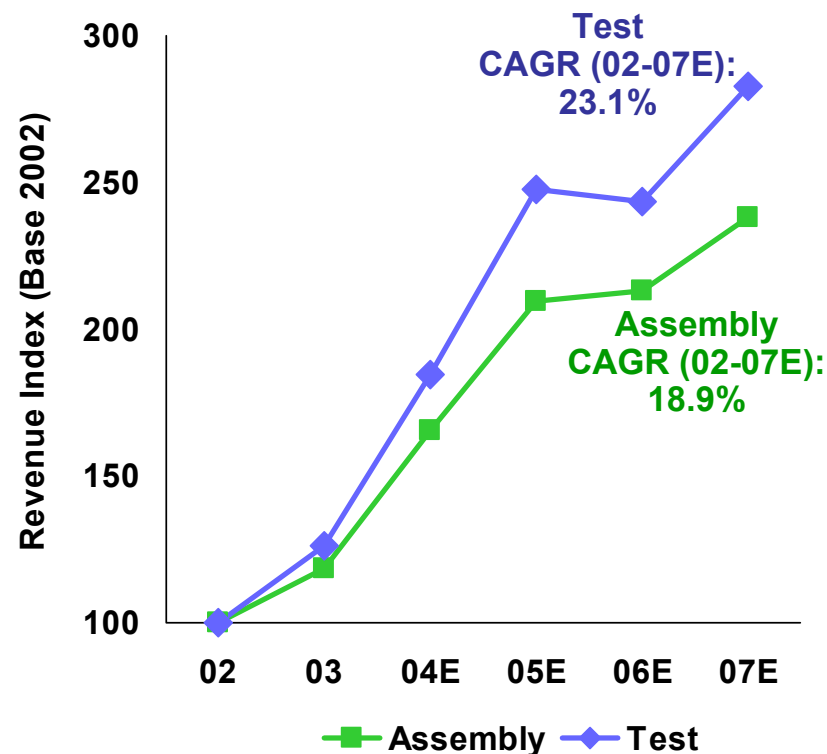
The OSAT market is expected to double by 2007 and outsourcing is expected to grow at 2x the semiconductor market.

Outsourced Assembly & Test Market



Source: Gartner Dataquest March 2003.

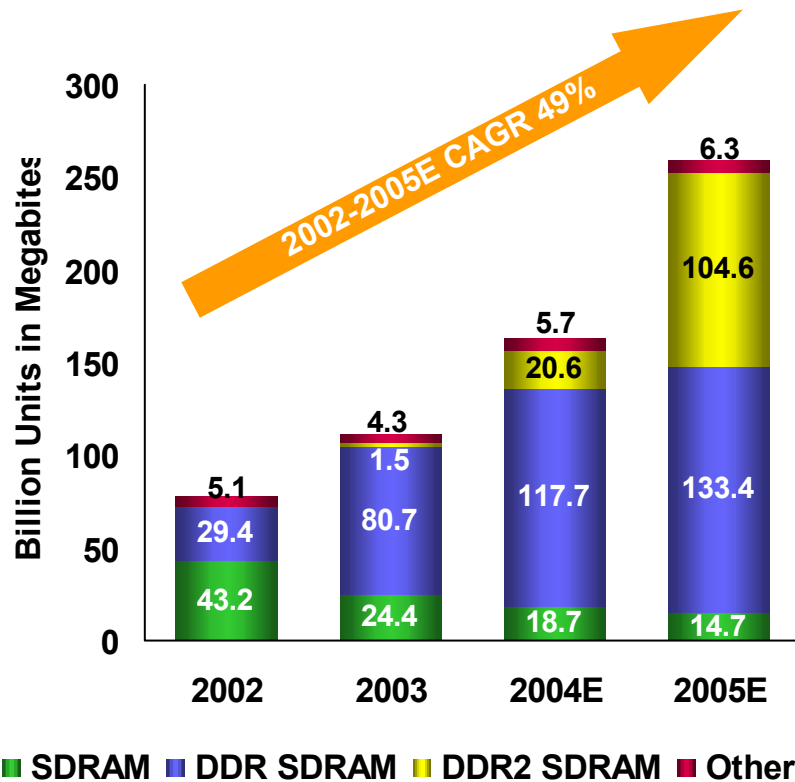
Test vs. Assembly Growth



Source: Gartner Dataquest March 2003.

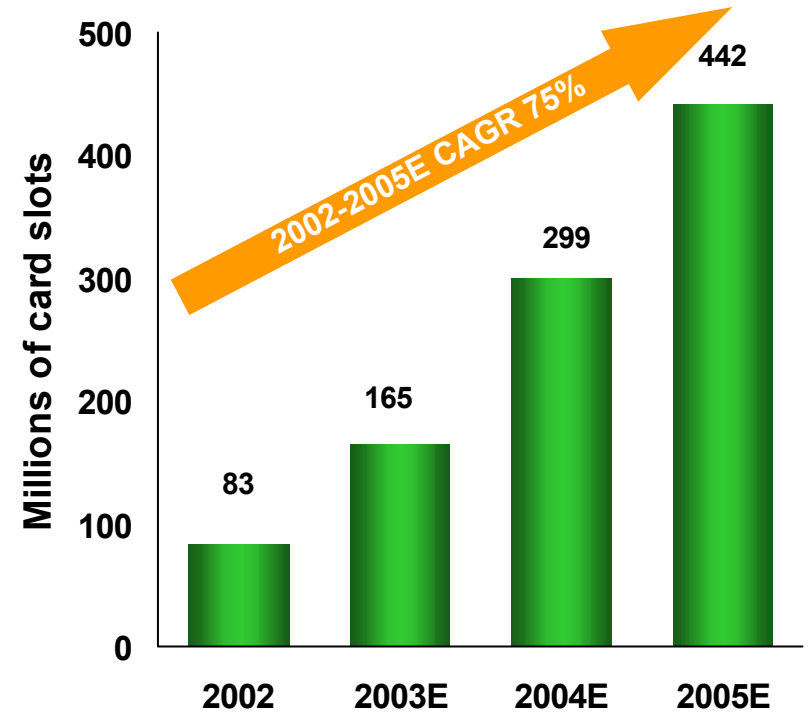
DRAM/Flash Industry Poised for Growth

DRAM Market Growth 2002-2005E



Source: Gartner Dataquest February 2004.

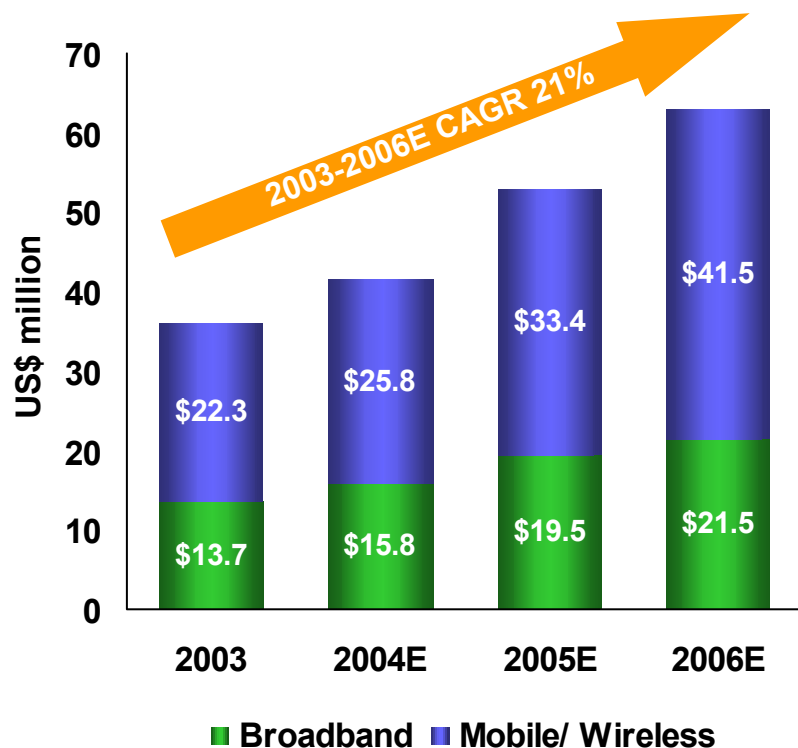
NAND Flash Cards Growth 2002-2005E



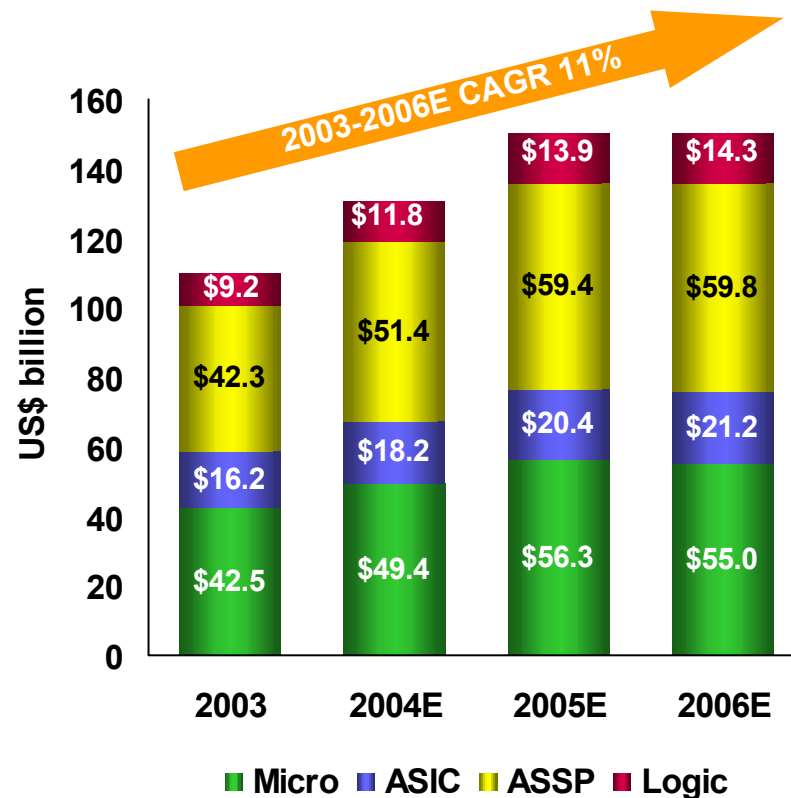
Source: IDC January 2004.

MSLP 2003 and Beyond

Broadband Mobile/Wireless Market Growth 2003-2006E



Non-Memory Market Growth 2003-2006E



Source: Gartner Dataquest May 2003.

Source: Gartner Dataquest February 2004.

Total Revenue Increase - % Test Revenue Increase



(US\$ in millions)

66% 67%

Percent
Test



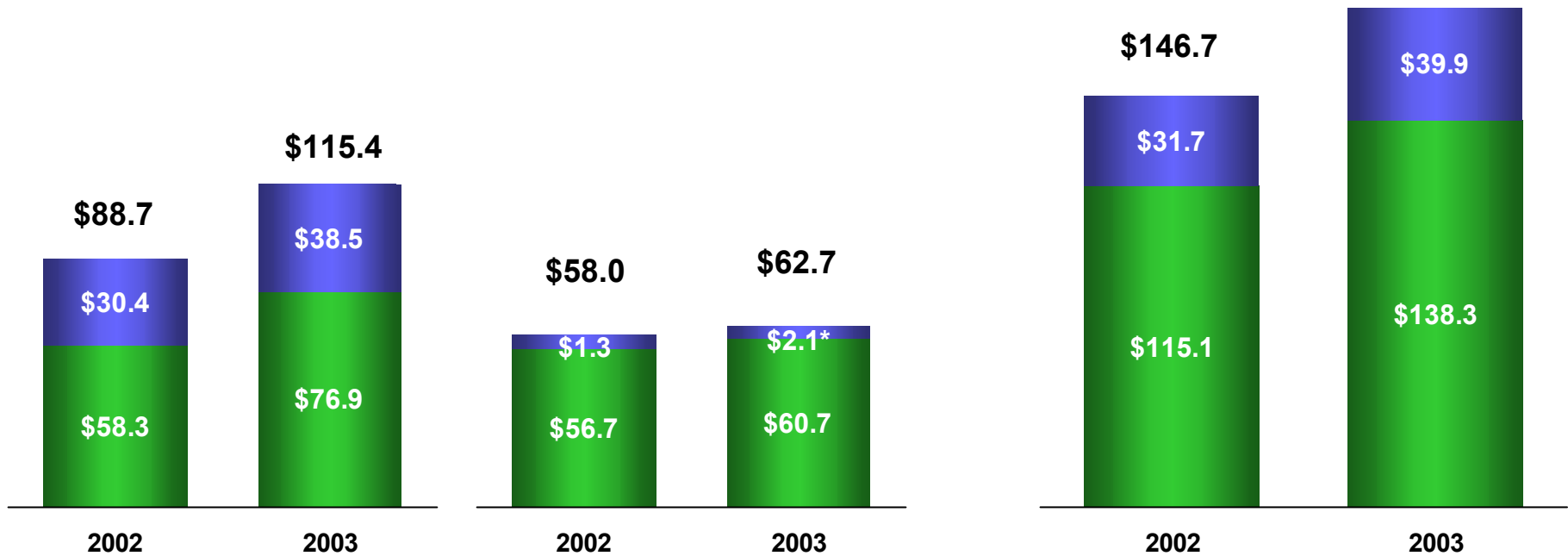
(US\$ in millions)

98% 97%



(US\$ in millions)

78% 77%
\$178.1



* Includes US\$0.7 million revenues from substrates business.

■ Test ■ Assembly



The Combined Group Doubles EBITDA



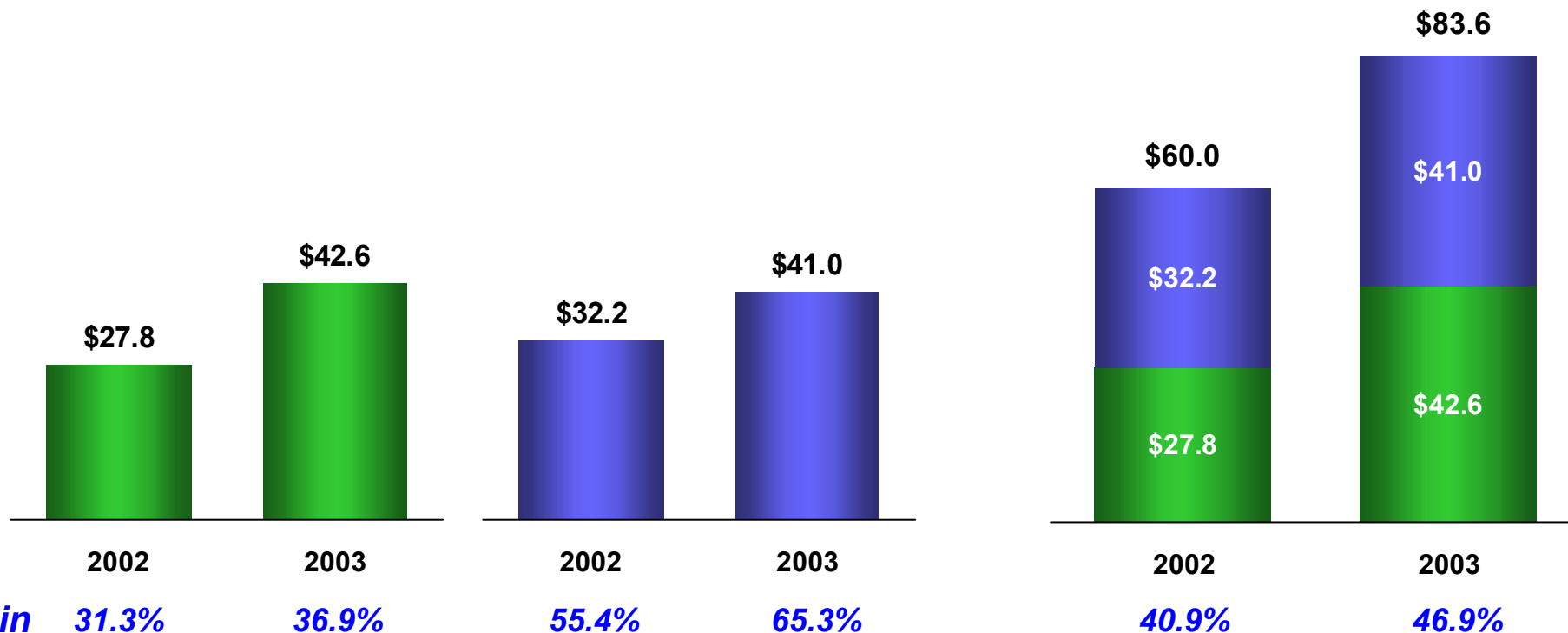
(US\$ in millions)



(US\$ in millions)



(US\$ in millions)

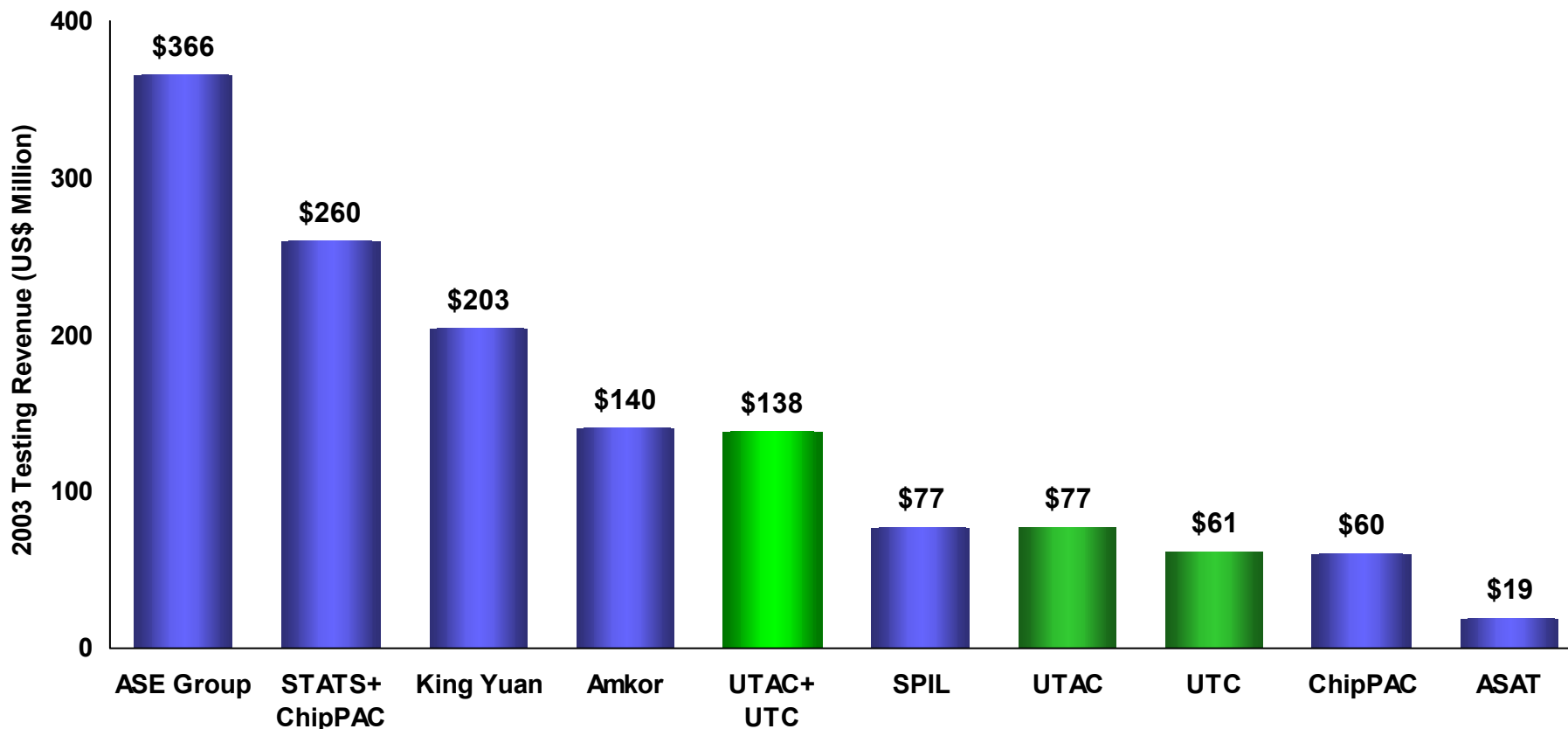


■ UTAC ■ UTC



Creating a Leading Test-Centric Company...

The combination of UTAC and UTC will create a world-class MSLP and Memory Powerhouse.



Source: Company filings, press releases and Wall Street Estimates.

ASE represents consolidated results of ASE Inc.

STATS + ChipPAC proforma for merger.

King Yuan assuming 100% test revenues.

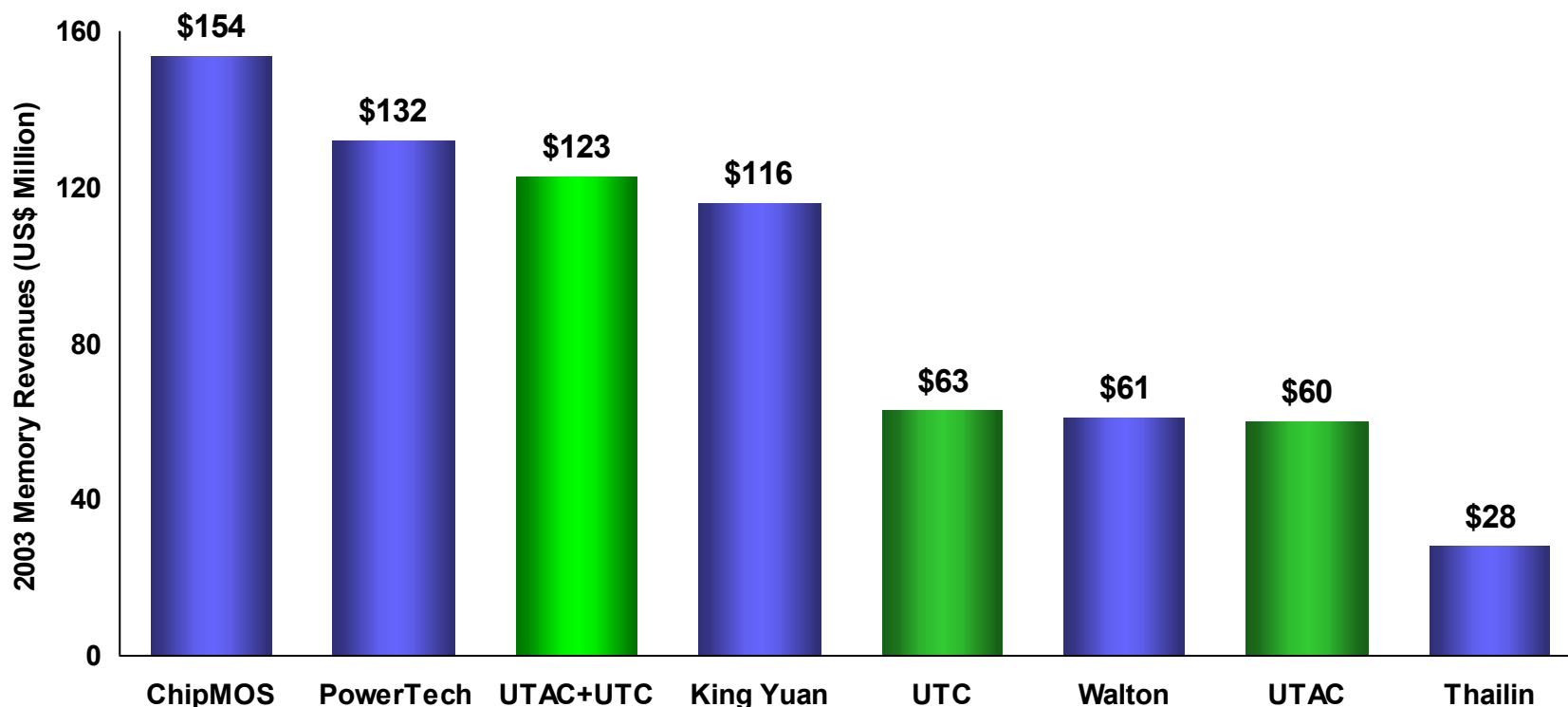
ASAT based on LTM revenues as of January 31, 2004 and test vs. assembly breakdown as of January 31, 2004.

SPIL based on revenues for fiscal year ending December 31, 2003 and test vs. assembly breakdown as of 4Q03.



...And One of the Largest Independent Memory Players

The Combination of UTAC and UTC will create a leading independent full-turnkey provider in the memory business.



Source: Company filings and Wall Street estimates.

ChipMOS based on revenues for the fiscal year ended December 31, 2003. Revenue breakdown for memory as of 2002.

PowerTech and Thailin for the fiscal year ended December 31, 2003 assuming 100% memory revenues.

Walton for the fiscal year ended June 30, 2003 assuming 100% memory revenues.

Combining Blue Chip Customer Portfolios

Strong customer fit. The combined group will serve the world's leading IDM's, foundries and fabless companies.



IDM's



Foundries & Fabs

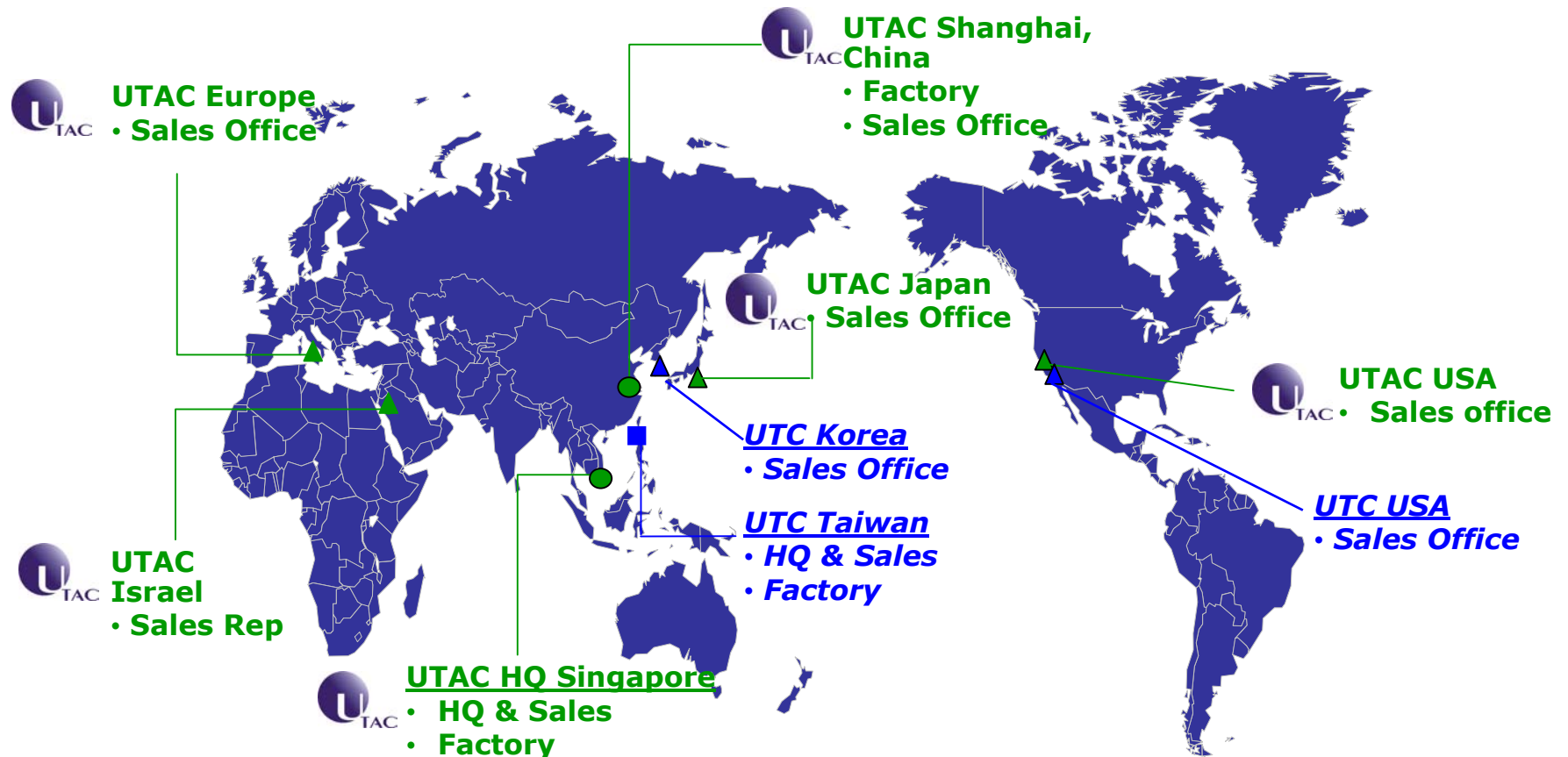


Fabless



Strong Presence in Key Semiconductor Markets

Strategic manufacturing operations in key semiconductor markets in Asia, including Singapore, Taiwan and China with no overlap in manufacturing facilities.



UTAC Technology Strength

Together, UTC and UTAC will have a comprehensive technology portfolio.

Products	Technology	Leadership Position
<u>DRAM: DDR-II</u>	wCSP (USA, TWN, PCT patent pending) Overmolded wCSP process	<ul style="list-style-type: none"> One of very few subcon under mass production for DDR memory
<u>DRAM: DDR stacked</u> <u>DRAM+Flash stack</u>	D2-wCSP (US, TWN, PCT patent pending) stacked die (w/ or w/o interposer) in wCSP	<ul style="list-style-type: none"> The only subcon doing stacked-die package solution for DDR memory Unique package solution for DRAM+Flash stack, a new trend in M/W application
<u>RF and wireless ICs</u> <u>Power Mgmt. ICs</u>	QFN & Advanced QFN (USA patent pending)	<ul style="list-style-type: none"> Production ready in QFN package Providing extra thermal performance for small form factor package
<u>Blue Tooth Module</u> <u>Digital Transceiver</u> <u>Networking Server</u>	SiP (System in Package)	<ul style="list-style-type: none"> Providing customers on application specific package design Developing specific and unique process for production
<u>Broadband & Networking</u>	XP-fcBGA (US and PCT patent pending) eXtra-Performance fcBGA	<ul style="list-style-type: none"> Extreme board level reliability Low cost flip chip solution by saving the buildup substrate size Potential for MCP or SiP with FC and W/B chips

UTC Technology Strength

Together, UTC and UTAC will have a comprehensive technology portfolio.

Products

DRAM: DDR-II

“Fastest growing product in the DRAM market”

To grow from 1% of DRAM market in 2003 to 40% in 2005 ⁽¹⁾

NAND FLASH

“Worldwide thinnest NAND Flash Die Stack package”

81% growth in NAND Flash from 2003 to 2004 ⁽²⁾

MEMORY + DSP

“Thinner multifunctional packages at lower cost”

Technology

WBGA

U.S. Patent:

Stencil type D/A WBGA Process

UTOP

U.S. Patent:

Pending

DRAM Stack

U.S. Patent:

Shield & Place Technology
3D Printing

Leadership Position




- UTC provides full turnkey DDR-II solutions including substrates, packaging and testing
- Unique turnkey solutions for the Flash business
- Maximum storage capacity, thinner and more cost effective
- Unique spacer-less stack packaging implementation
- Customer can get low costs and early market penetration

(1) Gartner Dataquest: Marketshare in Megabits (see page “DRAM/Flash Industry Poised for Growth”).

(2) IDC 2004 (see page “DRAM/Flash Industry Poised for Growth”).


Rapid Growth from Leading Edge Packaging Solutions

UTC established close relationships with “core customers” who will drive UTC’s future growth.

Key Customer	Product	Relationship and Growth Potential
	DRAM: DDR-II	<ul style="list-style-type: none">▪ Hynix plans to outsource its backend operations▪ UTC is Hynix’s Strategic Partner for DDR-II▪ Customer quals completed
	NAND FLASH	<ul style="list-style-type: none">▪ UTC offers the first UTOP packaging line in the outsourced packaging industry▪ Currently qualifying UTC as a partner for high capacity memory cards
	Graphic Chip + DRAM	<ul style="list-style-type: none">▪ UTC is currently the only company that successfully completed Graphic Chip + DRAM combinations with large overhangs▪ In process of qualification with UTC

Strong Product Fit

UTC and UTAC complementary product lines will strengthen the position of the combined entity.

Test			Comments
<i>Memory</i>	STRONG	STRONG	<ul style="list-style-type: none"> Limited overlap, improves negotiations strengths
<i>Mixed Signal</i>	STRONG	NONE	<ul style="list-style-type: none"> Immediate footprint for UTAC to launch mixed signal business in Taiwan
Assembly			
<i>Memory</i>	STRONG	LEADING TECHNOLOGY Limited Manufacturing	<ul style="list-style-type: none"> Leverage UTC patents to grow assembly Help UTC with manufacturing ramp-up
<i>Mixed Signal</i>	STRONG	NONE	<ul style="list-style-type: none"> Grow mixed signal assembly in Taiwan

Significant Merger Synergies

No redundancies. The combined entity will be recruiting new employees for the expanded packaging operations.

Portfolio Synergies

- Combination of strong patent and product portfolios including key patents for leading edge technologies

Cost Synergies

- Economies of scale including cost reduction potential due to greater purchasing power
- Centralization of R&D activities and sales activities

Optimize Capex

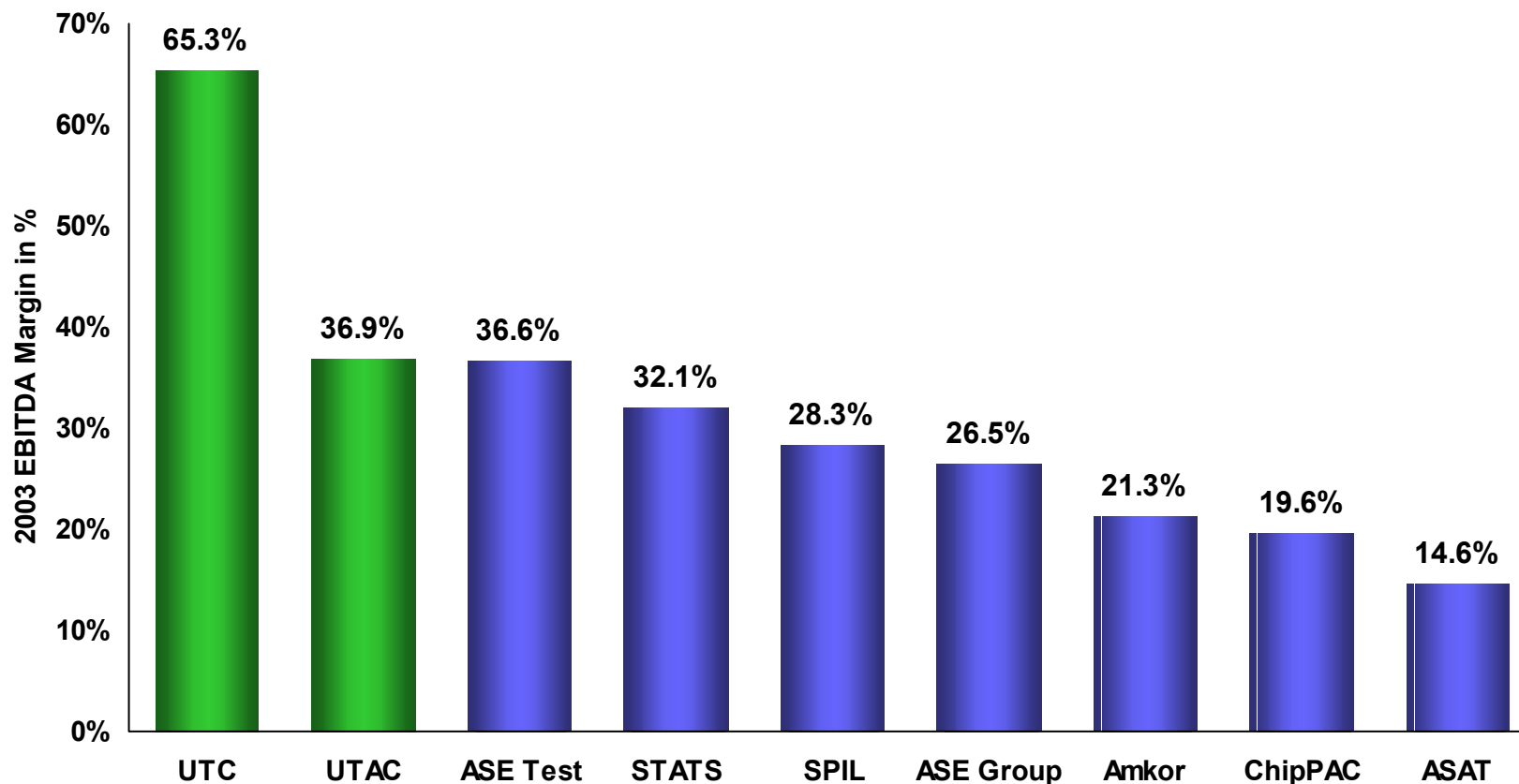
- Reduction of UTC's expected Capex for mass production in packaging if manufacturing shift to UTAC

Financial Synergies

- Stronger balance sheet with increased financial flexibility and better access to capital markets

High EBITDA Margins Relative to the Industry

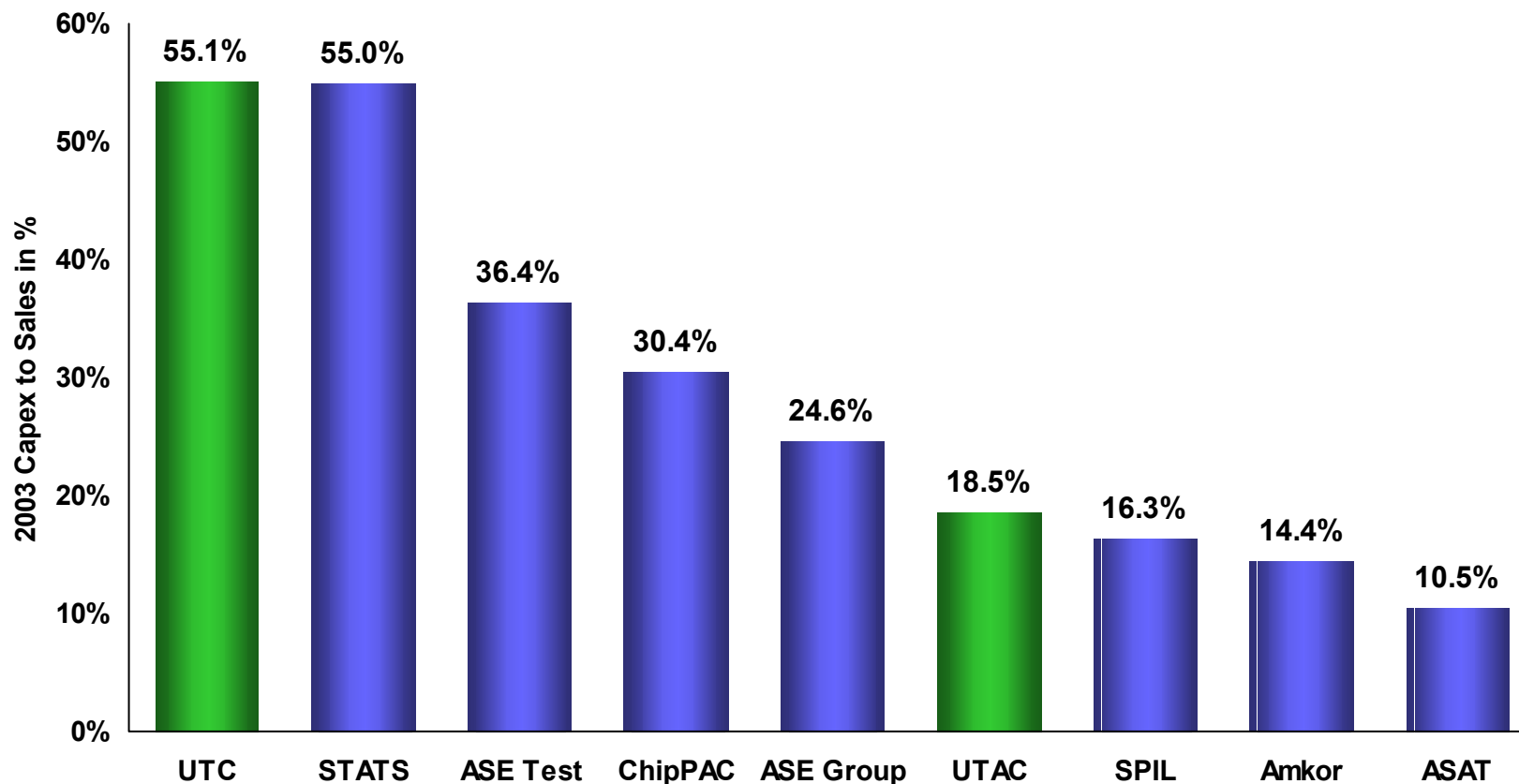
UTAC + UTC have high EBITDA margins relative to the industry. A combination of our businesses will further increase our efficiency.



Source: Company filings and press releases.

Prepared for Strong Growth

Significant capital expenditure was made by UTC in 2003 in preparation for future growth.



Source: Company filings and press releases.





Income Statement – Improved EBITDA and Margins



	2002	2003	2002	2003	2002	2003
Sales	\$88.7	\$115.4	\$58.0	\$62.7	\$146.7	\$178.1
Growth %		30.1%		7.5%		21.4%
Gross Profit	(0.6)	11.7	2.6	12.6	2.0	24.3
Margin %	NM	10.1%	4.5%		1.4%	13.6%
EBIT	(20.1)	(4.8)	(7.1)	1.4	(27.2)	(3.4)
Margin %	NM	NM	NM	2.2%	NM	NM
EBITDA	27.8	42.6	32.2	41.0	60.0	83.6
Margin %	31.3%	36.9%	55.4%	65.3%	40.9%	46.9%
Net Loss	(22.6)	(7.6)	(13.7)	(0.3)	(36.4)	(7.8)




Combined column represents only simple aggregation of financial results. No acquisition accounting assumed.

4Q/2003 Income Statement

	 4Q/2003	 4Q/2003	  4Q/2003
Sales	\$35.1	\$18.0	\$53.1
Gross Profit	6.4	5.7	12.1
Margin %	18.4%	31.7%	22.8%
EBITDA	14.5	11.4	25.9
Margin %	41.5%	63.2%	48.8%
Net Profit	2.3	3.3	5.6
Margin %	6.7%	18.1%	10.6%

Combined column represents only simple aggregation of financial results. No acquisition accounting assumed.

Strong Balance Sheet To Grow

	 2003	 2003	 2003
Cash	\$132.2	\$10.1	\$142.3
Other Current Assets	37.5	26.0	63.4
PP&E	159.9	95.5	255.4
Proforma Goodwill	0.0	0.0	313.4
LT Investments	0.0	49.8	49.8
Other Assets	0.0	23.1	23.1
Total Assets	329.6	204.5	847.5
Total Debt	57.7	29.1	86.8
Other Liabilities	31.2	12.9	44.1
SH'Equity	240.8	162.4	716.6
Total Liab. & Equity	329.6	204.5	847.5
Total Debt-Cash	(74.5)	19.1	(55.5)
Debt/ SH Equity	23.9%	17.9%	10.2%

Combined column assumes US\$475.8 million of shares issued. No adjustments for purchase price allocation and GAAP differences made. UTC's balance sheet includes IPO proceeds of US\$119.715 million.

Financial Impact

The transaction is expected to be accretive to UTAC's earnings in 2004, before goodwill amortization.

Comments

- The research community estimates that UTAC will achieve net income of US\$15-US\$19mm in 2004 and UTC announced US\$29mm estimated pre-tax income, including a US\$10.7mm one-time charge for 2004
- UTAC will issue 783.8 mm shares. Including UTAC's current issued shares of 839.5 mm shares, the combined group will have 1,623.3 mm total shares outstanding after the transaction
- Before taking into account merger synergies, we expect the transaction to be accretive to UTAC's earnings in 2004, before goodwill amortization
- The accounting standards regarding goodwill have been changed under International Financial Reporting Standards (IFRS) and the periodical goodwill amortization has been replaced by an 'Impairment-Only-Approach'
- We anticipate that Singapore may adopt similar policies by the end of this year
- If we assume goodwill amortization over 10 years, the transaction would be earnings dilutive to UTAC

Anticipated Timetable

Date	Key Event
April 13	Sign definitive agreement
By June 30	UTAC EGM and UTC AGM to approve transaction
September, 2004	Closing

Q&A