



## Press Release

(all figures in US\$ unless otherwise stated)

# UTAC Net Profit Soared 168% to US\$3.11 Million in 2Q04; Expects Strong Growth for 3Q04

- 2Q04 revenues was \$38.89 million, a growth of 55.9% over 2Q03
- Net profit up 30.0% to \$3.11 million in 2Q04 vs \$2.40 million in 1Q04; EPS at 0.37 cent in 2Q04 vs 0.33 cent in 1Q04 and 0.70 cents for 1H04 vs loss of 1.91 cents in 1H03
- Strength in both the Memory and Mixed-signal & logic segments expected to drive 3Q04 revenue up by 10-15% sequentially from 2Q04

US\$ (million)	2Q04	2Q03	Change %	1Q04	Change %
Revenue	38.89	24.94	55.9	36.17	7.5
Gross Profit	7.59	0.26	2786.3	6.78	11.9
Net Profit	3.11	(4.58)	168.0	2.40	30.0
EBITDA Margin	40.2	32.0	25.6	40.3	-
Earnings per share (EPS)	0.37 cent	(0.84) cent	144.1	0.33 cent	12.1

US\$ (million)	1H04	1H03	Change %
Revenue	75.05	49.95	50.3
Gross Profit	14.37	0.56	2480.4
Net Profit	5.51	(10.39)	153.0
EBITDA Margin	40.2	30.4	32.2
Earnings per share (EPS)	0.70 cent	(1.91) cent	136.6



**SINGAPORE, 29 July 2004 – United Test and Assembly Center Ltd (“UTAC” – SGX: UTAC), a leading semiconductor test and assembly service provider, said today its net profit attributable to shareholders for the three months ended 30 June 2004 (“2Q04”) rose to \$3.11 million, up 168% from 2Q03 and 30.0% higher compared to 1Q04.**

Singapore Exchange Main Board-listed UTAC said that for the first six months of 2004 (“1H04”) it recorded a net profit of \$5.51 million, reversing from losses of \$10.39 million in 1H03.

Total revenue in 2Q04 was \$38.89 million, an increase of 7.5% from \$36.17 million in 1Q04, strengthened by steady orders from both the test and assembly businesses. Total sales achieved in 1H04 was \$75.05 million compared to \$49.95 million in 1H03, and amounted to 65.0% of total revenue achieved in FY2003.

Test services contributed \$23.1 million for 2Q04, or 59.5% of total revenue while revenue from assembly business was \$15.8 million (40.5%). The increase in revenue was attributed to a stronger mixed-signal segment, which recorded a 76.2% increase in revenue over 2Q03. The segment grew 19.1% over 1Q04. This is in line with UTAC’s efforts to provide a comprehensive offering of test services and to complement its strategy to target the fast-growth Broadband Mobile/Wireless (“BM/W”) segment, which features extensive use of mixed-signal semiconductors. UTAC’s mixed-signal and memory revenues each accounted for 60.0% and 40.0% of total revenues in 2Q04, respectively.

Earnings before interest, tax, depreciation and amortisation (“EBITDA”) margin increased to 40.2% in 2Q04 compared to 32.0% in 2Q03 and 40.3% in 1Q04. This is the result of higher utilization which led to better cost savings from economies of scale. Depreciation charges increased from 1Q04 due to charges for new equipment purchased for business expansion. As of 30 June 2004, UTAC had 220 wirebonders and 120 testers increasing from 138 wirebonders and 91 testers on 31 December 2003. Of the 120 testers, 93 were mixed-signal and logic testers with the remaining 27 being memory testers. Capital expenditure for equipment delivered in 1H04 totalled \$95.5 million.

Basic earnings per share registered was 0.37 cent in 2Q04. Including earnings of 0.33 cent in 1Q04, 1H04 earnings per share stands at 0.70 cent compared to loss per share of 1.91 cents in 1H03. Net asset value per share increased from 29.45 cents at the end of 2Q04 compared to 20.86 cents as at the end of December 2003.

Mr Lee Joon Chung, President and CEO of UTAC, said: “Our efforts in targeting BM/W segment are seeing good rewards and has more than offset the traditional second quarter weakness of the memory segment. Our focus in test has also beefed up our overall bottom line.”



Mr Lee added, "We are seeing a rebound in the memory segment in the third quarter. Despite selective lower-than-expected growth in the communications sector, on an overall basis, we are seeing strong orders in the mixed-signal segment going forward from both new and existing customers. These gave us the confidence to increase our budgeted capital expenditure to about \$140 million for FY2004, which will allow us to meet the increasing outsourcing trend of test and assembly services. We expect revenues in 3Q04 to be 10-15% higher than 2Q04."

"We remain committed to the proposed acquisition of UltraTera Corporation ("UTC") in Taiwan as it is important to our strategy to have a physical presence in three strategic locations of Singapore, China and Taiwan and to provide a launch pad for our mixed-signal business in Taiwan. Upon completion, the merged entity will be the world's fifth largest test-centric powerhouse and third largest independent memory service provider."

In a separate announcement on 29 July 2004, UTAC announced that it has reached a re-negotiated agreement with UTC to revise the purchase consideration downwards to \$245.4 million in a share-swap transaction. The acquisition is expected to complete by January 2005.

~ End of Release ~

**About United Test and Assembly Center Ltd (UTAC)**

Established in 1997 and listed on the Main Board of the Singapore Exchange on 9 February 2004, UTAC is a leading independent provider of semiconductor assembly and testing services to its customers, which comprise Integrated Device Manufacturers ("IDMs"), fabless companies and wafer foundries. UTAC provides wafer probing and final testing services on a diverse selection of test platforms for a range of semiconductors including memory, logic, mixed-signal and radio-frequency ICs. Besides testing services, UTAC also provides assembly services for a broad range of leadframe and array packages.

Headquartered in Singapore where it houses its manufacturing, test engineering and package design facilities, UTAC has also established a global network of sales offices in the United States, Italy and Japan and has appointed a sales agent in Israel. It has also incorporated a wholly-owned subsidiary in the PRC to provide wafer probing and testing services. For more information, visit [www.utac.com.sg](http://www.utac.com.sg).

\*\*\*\*\*

For further information, please contact:

**UTAC**

Chong Chow Pin  
 Director, Investor Relations & Corporate Communications  
 Email : [ir@utac.com.sg](mailto:ir@utac.com.sg)  
 Tel: (65) 6551-1191  
 Fax: (65) 6483-8172

*Issued on behalf of the Company by*

WeR1 Consultants Pte Ltd  
 29 Scotts Road, Singapore 228224  
 Tel: (65) 6737 4844, Fax: (65) 6737 4944

Lai Kwok Kin, [laikkin@wer1.net](mailto:laikkin@wer1.net), or Lui Weng Kay, [luiwk@wer1.net](mailto:luiwk@wer1.net), hp: (65) 9846 8768

联合科技(股份)有限公司  
 United Test And Assembly Center Ltd  
 5 Serangoon North Ave 5 Singapore 554916  
 Tel (65) 6481-0033 Fax (65) 6551-1155 [www.utac.com.sg](http://www.utac.com.sg)

