



# United Test and Assembly Center

A Leading Solutions Provider for Semiconductor Test and Assembly

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## **2Q06 Results Briefing** **July 25, 2006**

**By Mr JC Lee**  
**Group President & CEO**





**2Q06 Highlights**



Outlook & Guidance



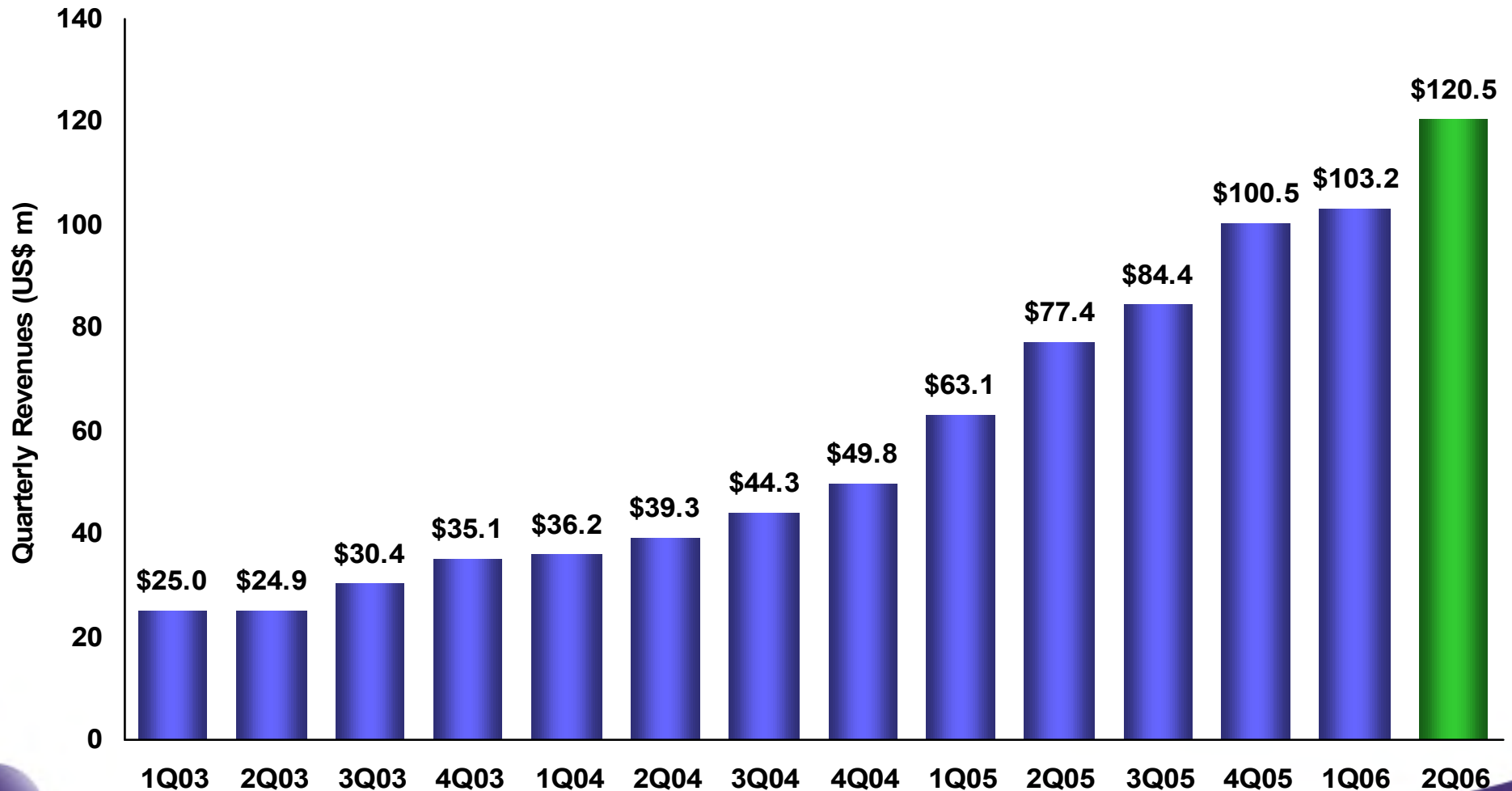
Q & A

## 2Q06 Issues

2Q Issues	3Q Outlook
Customer A relocating a DRAM fab from Korea to Wuxi	To start receiving parts from Wuxi fab in late-Aug/September
Customer B changing product mix towards Graphics RAM which they do in-house, decreasing their output of other products	Increased fab output and hence loading to UTAC
In the midst of qualifying DDR2 for Customer C.	Successfully qualified. Loading started in July.
Renovation of new USG2 plant in Singapore plus relocation of equipment from USG1 to USG2 plant; P&L impact of ~\$1.5m in 2Q	Cost for USG2 overheads and facilities depreciation expected to be about ~\$2m a quarter

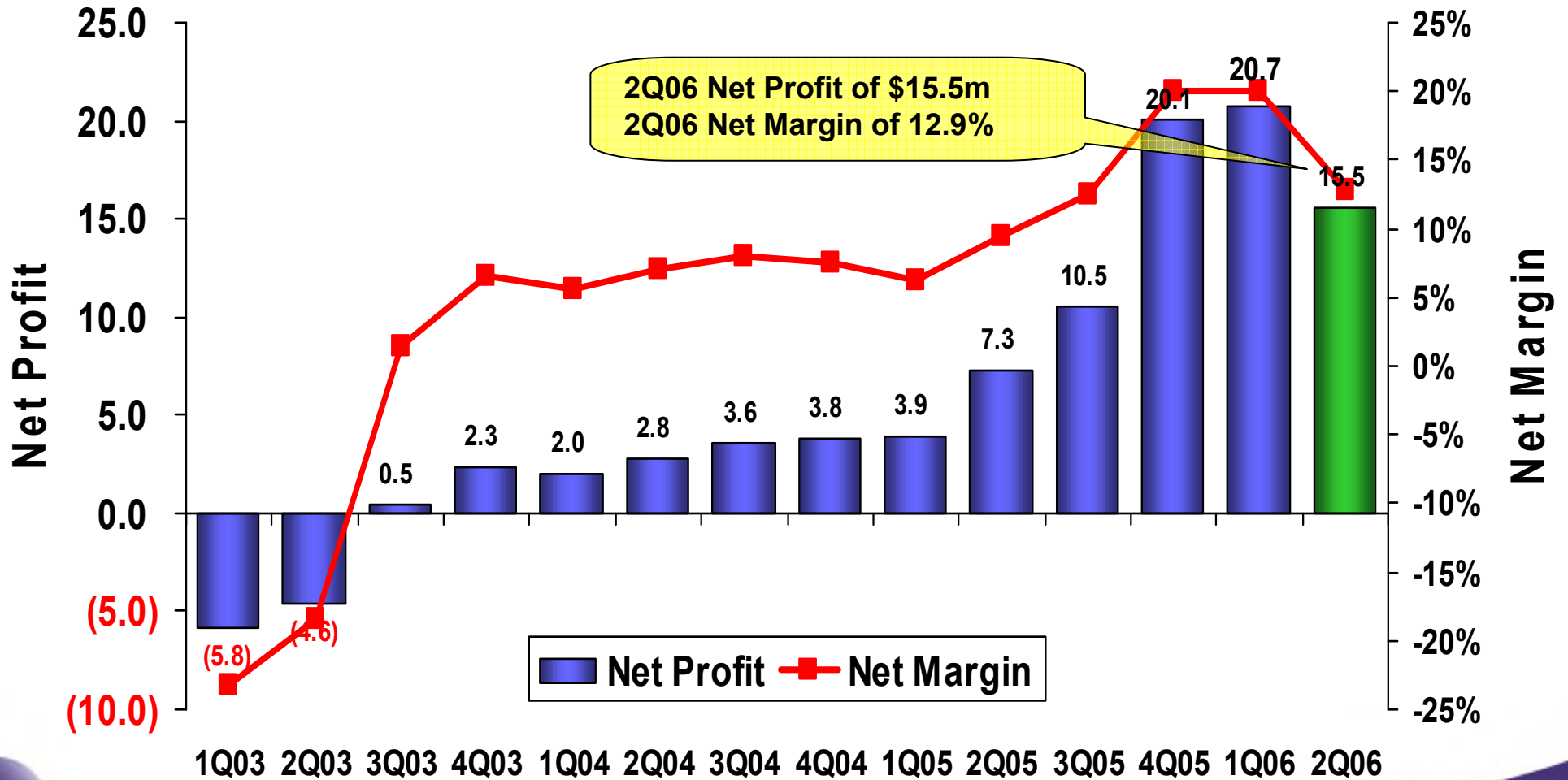
# Revenue Trends

*12 consecutive quarters of sequential growth*  
*2Q06 growth was 55.7% y-o-y. On sequential basis, growth was 16.8%*



# Net Profit Trends

12 consecutive quarters of profitability



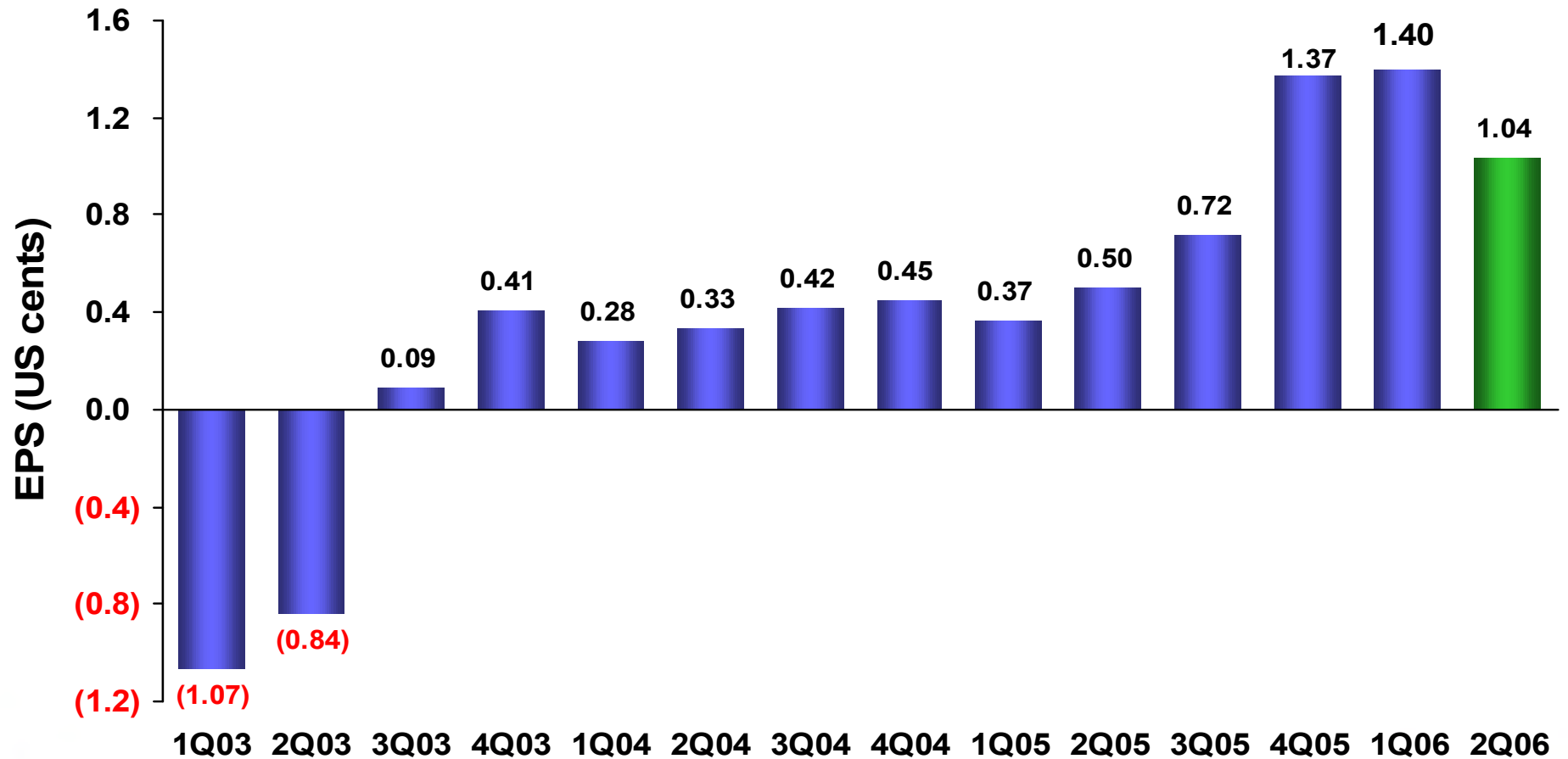
1Q03 2Q03 3Q03 4Q03 1Q04 2Q04 3Q04 4Q04 1Q05 2Q05 3Q05 4Q05 1Q06 2Q06

Note: FY04 Profit figures adjusted for stock option expense for comparison purposes



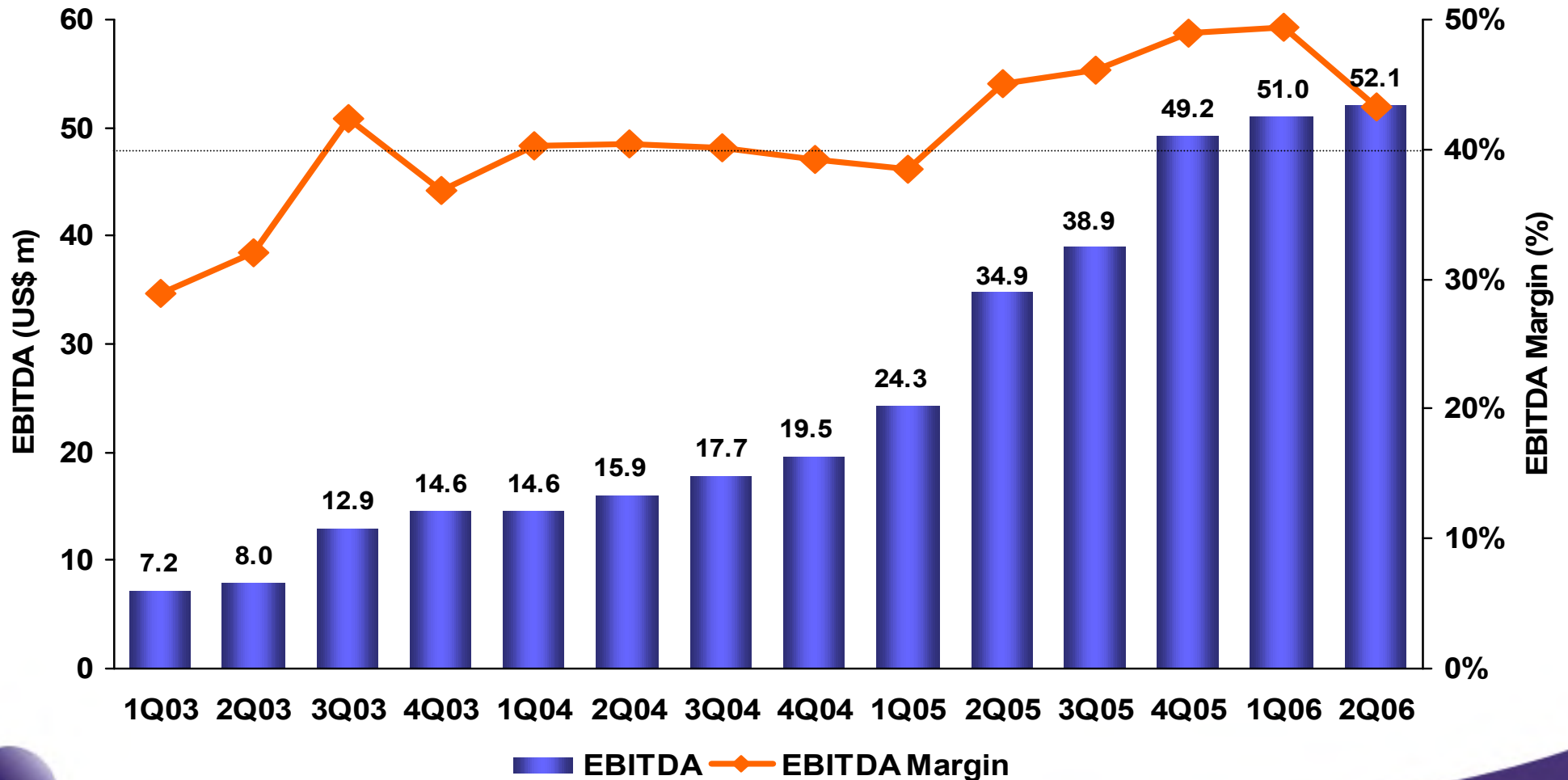
# Earnings Per Share

*Healthy EPS trend*



# EBITDA & EBITDA Margin

*12 consecutive quarters of EBITDA margin holding at about 40%*



# Balance Sheet Summary

*Strong cash balance; Balance sheet remains healthy*

in US\$ millions

30 June 2006

<b>Current Assets</b>	274.6
Cash & cash equivalents	84.1
Marketable securities (other financial assets)	24.1
<b>Non-Current Assets</b>	850.9
Fixed Assets	658.3
<b>Total Assets</b>	1,125.5
<b>Current Liabilities</b>	194.6
<b>Total Liabilities</b>	548.5
<b>Total Borrowings</b>	381.0
<b>Net Assets</b>	577.0

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**Leverage ratio**

**47.3%**

*Note: Leverage Ratio defined as Total Borrowings less Cash & Marketable Securities divided by Total Shareholders' Equity.*

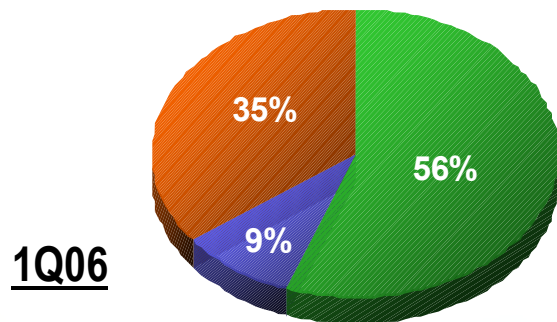
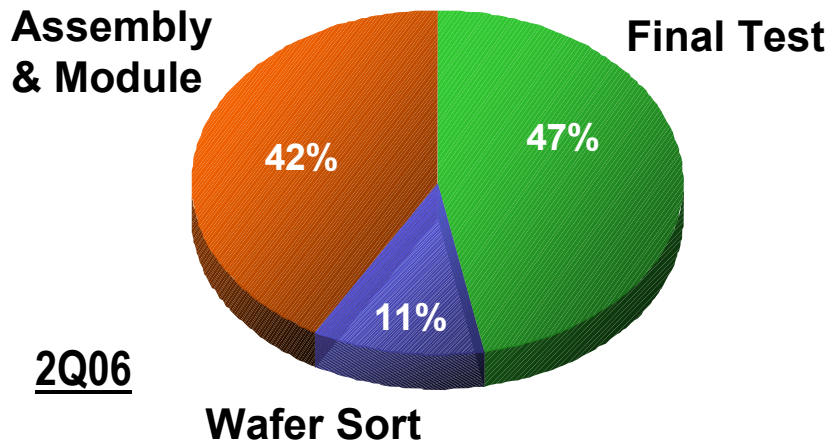




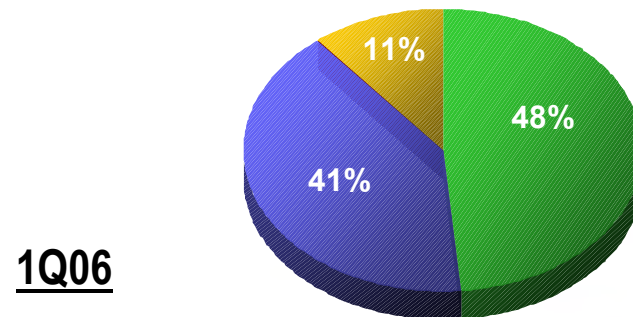
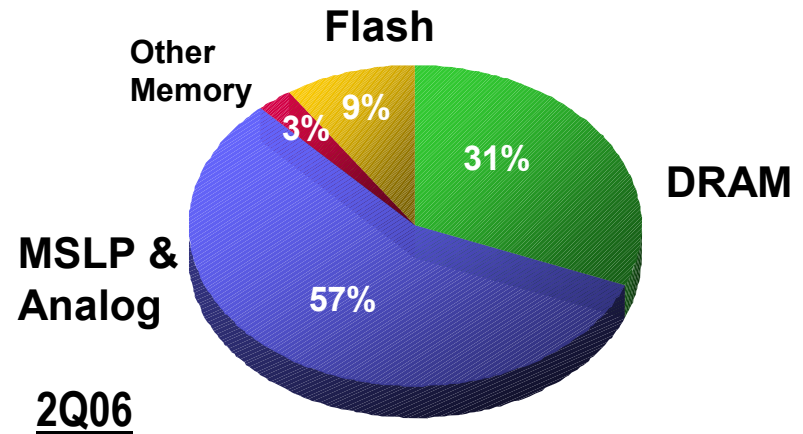
# Revenue By Business Activity

*MSLP growth keyed by broadband, mobile/wireless (BM/W) products*

**By Business Activity**



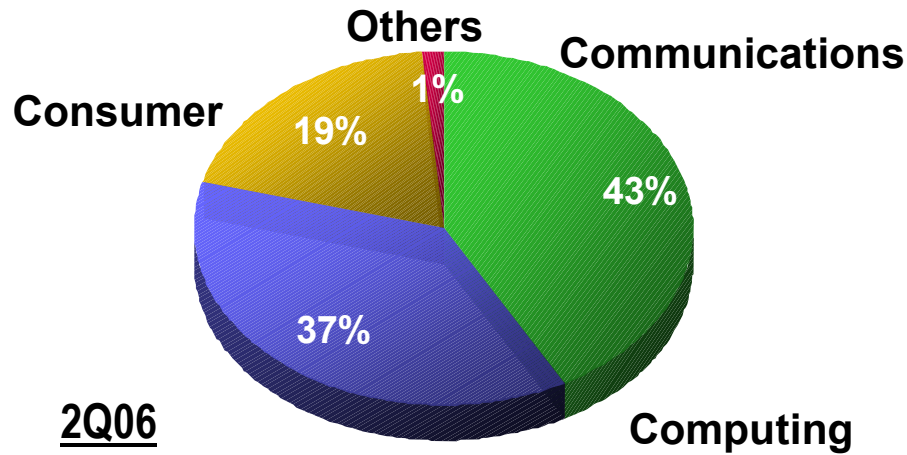
**By Product Mix**



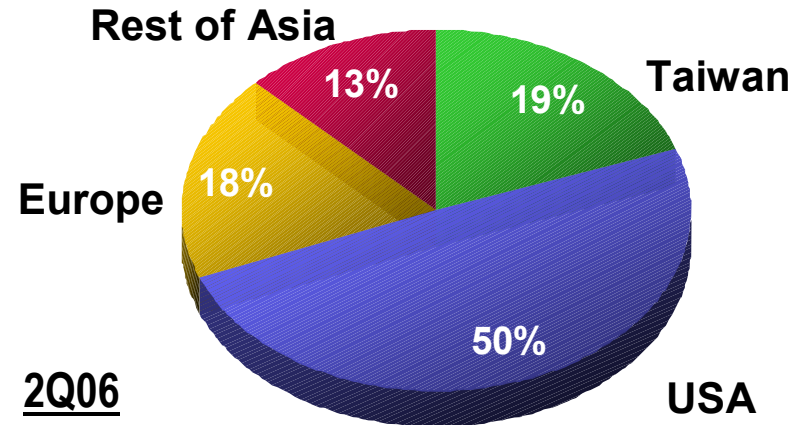
# Quarterly Revenue by Applications & Region

*Strength in communications sector*

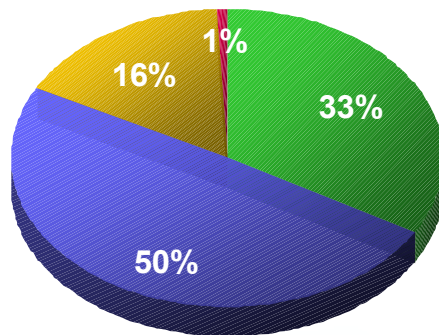
By Applications



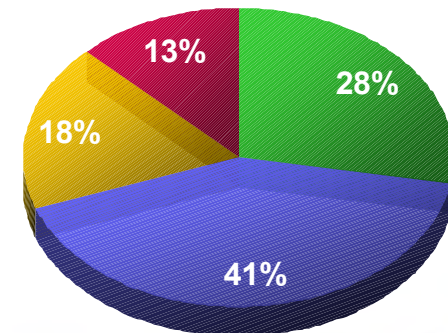
By Geographical Region



1Q06



1Q06



# Highlights of 2Q06

- Acquired NSEB for up to \$175 million, transaction completed on 8 June 2006
- Started production a new 376,000 sq foot facility in Singapore (officially declared open on April 20, 2006)

■ 2Q06 Highlights

■ **Outlook & Guidance**

■ Q & A

# Corporate Strategies

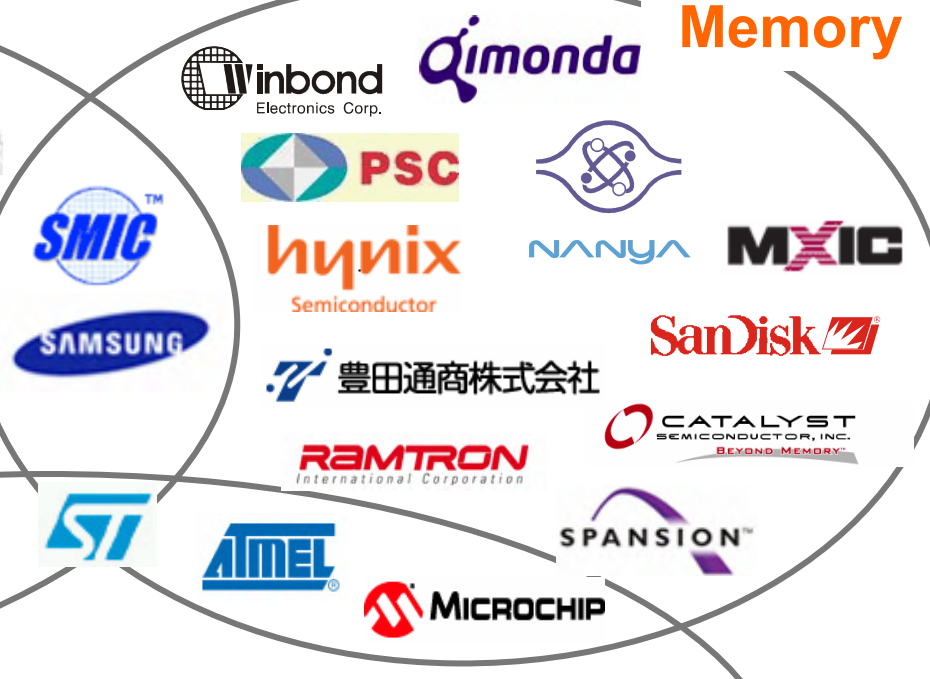
- 1. Tri-Engines of Growth**
  - Memory growth driver - DDR2 Transition, NAND Flash and MCP Solutions
  - Mixed-Signal growth drivers – digital consumer & 3G communications
  - Analog growth drivers – steady and less volatile
- 2. Capability, not just Capacity**
- 3. To achieve #1 or #2 supplier status to customers**
- 4. Anchor foundries and fabs for wafer sort business**
- 5. Develop strategic partnership and M&A opportunities**

# Diversified Blue-chip Customer Base

## Mixed-Signal



## Memory



## Analog & Standard Logic



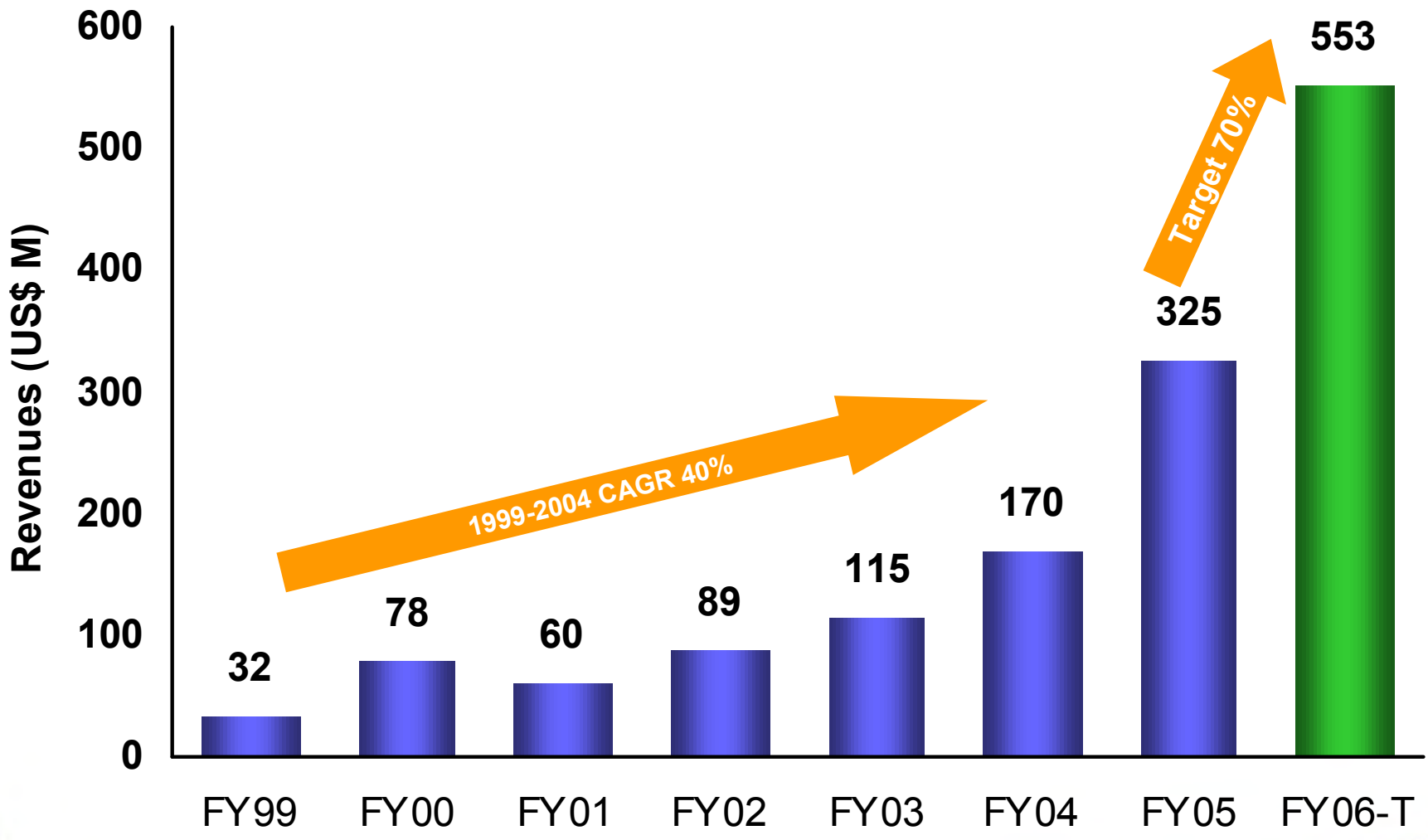
# Outlook & Guidance

- **DRAM to rebound**
  - Drivers include restart of a customer fab (after relocation), shift in a customer product mix and the DDR II transition
- **Cautious on NAND flash outlook**
- **Mixed-Signal and Logic Products mixed**
  - Strength in 3G, Bluetooth, 802.11n and digital TV; softer demand elsewhere
  - Mitigated by new customer ramp-ups and new programs
- **Analog market relatively healthy in 3Q06**
- **Capex budget raised to \$350m to capture strategic business wins**
- **Overall 3Q06 to grow by 30-35% sequentially over 2Q06, including full quarter from UTL vs 1 month in 2Q06**



# FY06 Revenue Target

*FY06 target revenue growth revised from 40% to 70%*







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**Thank You**

**Q & A**

