



Media Release

(all figures in US\$ unless otherwise stated)

UTAC 1Q07 Revenue Grew 74% to \$180 Million over 1Q06

SINGAPORE, April 25, 2007 – Leading independent global provider of semiconductor assembly and test services, United Test and Assembly Center Ltd (“UTAC” – SGX: UTAC), announced today its financial results for the quarter ended 31 March 2007 (“1Q07”).

Group President and CEO of UTAC, Mr Lee Joon Chung, said, “We absorbed some impact of market seasonality and posted our first sequential decline of 2.4% in quarterly revenue after 14 consecutive quarters of sequential growth. Lower test utilisation resulted in a decline in profit margins. Generally, given the conditions, we executed well and turned in a comparatively stronger performance than the overall industry. Going forward, we are committed to resuming our revenue growth trajectory and restoring profit margins.”

Summary of 1Q07 Performance

| US\$ (million) | 1Q07 | 1Q06 | Change % | 4Q06 | Change % |
|----------------------------------|-------------|-------------|-----------------|-------------|-----------------|
| Revenue | 179.8 | 103.2 | 74.2 | 184.2 | (2.4) |
| Gross Profit | 39.9 | 30.3 | 31.5 | 47.3 | (15.7) |
| Net Profit after MI | 18.0 | 20.7 | (12.8) | 22.8 | (21.1) |
| EBITDA Margin (%) | 39.8 | 49.4 | (19.4) | 42.5 | (6.4) |
| Earnings per share (cent) | 1.20 | 1.40 | (14.3) | 1.53 | (21.6) |

- 1Q07 net profit declined 12.8% against 1Q06, and 21.1% sequentially from 4Q06. This was primarily due to lower test utilisation, slight erosion in average selling price (“ASP”) and higher depreciation charges.



- Basic earnings per share (“EPS”) in 1Q07 was 1.20 cents, compared to 1.40 cents in 1Q06 and 1.53 cents in 4Q06.
- Revenue for 1Q07 increased 74.2% to \$179.8 million from \$103.2 million in 1Q06, but declined 2.4% on a sequential basis. Compared to 4Q06, we experienced some softness in our memory and analog segments due to seasonality although this was partially mitigated by some growth in our mixed-signal segment.
- Test services accounted for 46% of 1Q07 revenues, with the remaining 54% from assembly services.
- Gross margin was lower at 22.2%, mainly due to a decline in overall test utilisation, coupled with slightly lower ASP and higher depreciation charges. Depreciation during the quarter was \$40.3 million against \$39.1 million in 4Q06.
- Net margin was also lower at 10.2% compared to 12.6% in 4Q06.
- EBITDA margin was 39.8% in 1Q07, slightly lower than 4Q06’s figure of 42.5%. EBITDA generated in 1Q07 was \$71.6 million.
- Capital expenditure (“capex”) for property, plant and equipment in 1Q07 was \$79.3 million, compared to \$35.8 million in 4Q06.
- The Group’s balance sheet remains healthy and leverage ratio improved to 39.9%. Cash and cash equivalents (cash plus liquid financial assets) were \$102.5 million against total borrowings of \$364.5 million as at 31 March 2007.
- Total equity increased to \$656.8 million as at 31 March 2007.
- As at 31 March 2007, the total number of wirebonders, memory testers, analog testers and MSLP testers were 1,332, 385, 124 and 294, respectively.

Highlights for 1Q07

- Awarded “Gold Turnkey Supplier” for 2006 by Chartered Semiconductor Manufacturing



- Qualified 2 UTAC Singapore customers for packaging at UTAC Thai, with a further 4 qualification programs underway

Review & Outlook

“1Q07 progressed as expected in line with seasonality and slower industry inventory digestion. The DRAM market experienced more severe price erosion than expected in the first quarter which in turn added some pressure on our DRAM ASPs. DRAM volumes should remain healthy but we expect to see some additional ASP erosion in the second quarter. To mitigate this, we have intensified our cost improvement programmes. The flash memory market was generally weak in 1Q07 but picked up in March. The outlook for flash memory in 2Q07 is much improved,” said Mr Lee.

“We believe that inventory levels in the mixed-signal and radio-frequency segments are fairly low. Going forward, we expect to see the demand grow gradually, and possibly accelerate in the second half of the year. Six of UTAC Singapore mixed-signal test services customers have completed or are in the process of qualifying our packaging solutions in UTAC Thailand. Initial ramp-up will be measured but should accelerate when our third Thailand facility is ready in the second half of the year.”

“We expect UTAC’s revenue for 2Q07 to be flattish at $0\pm 3\%$ vis-à-vis 1Q07,” concluded Mr Lee.

Information Access

UTAC will host an analyst briefing today (April 25, 2007) at 5.45pm, Singapore time, to discuss its 1Q07 results and 2Q07 outlook. The presentation material will be available at UTAC’s website at www.utacgroup.com, under the Investor Relations section. Interested parties may also listen “live” to the briefing at the same website. The recorded audio



podcast and video webcast of the briefing will be made available on the website following the conclusion of the event.

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About United Test and Assembly Center Ltd (“UTAC”)

United Test and Assembly Center Ltd (“UTAC”, SGX-ST: UTAC) is a leading independent provider of semiconductor assembly and testing services for a broad range of integrated circuits including memory, mixed-signal, logic and radio-frequency ICs. The Group offers a full range of package and test development, engineering and manufacturing services and solutions to a worldwide customer base, comprising leading integrated device manufacturers (“IDMs”), fabless companies and wafer foundries. UTAC operates manufacturing facilities in Singapore, Thailand, Taiwan and China, in addition to its global network of sales offices in the United States, Europe, Japan, Korea, China and Singapore. More information on the company can be found at www.utacgroup.com.

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