



Media Release

(all figures in US\$ unless otherwise stated)

UTAC 2Q07 Revenue Up 49% to \$179 Million

SINGAPORE, August 1, 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 30 June 2007 (“2Q07”).

Group President and CEO of UTAC, Mr Lee Joon Chung, said, “2Q07 was a difficult quarter marked by a precipitous decline in commodity DRAM prices and a challenging mixed-signal market. These weaknesses were largely offset by an improvement in our analog business segment, resulting in 2Q07 revenues which were flat compared to the preceding quarter and in line with our previously given guidance. The results demonstrate the effectiveness of UTAC’s tri-engine strategy in mitigating our business volatility.”

Summary of 2Q07 Performance

US\$ (million)	2Q07	2Q06	Change %	1Q07	Change %
Revenue	179.3	120.5	48.7	179.8	(0.3)
Gross Profit	34.5	29.8	15.9	39.9	(13.4)
Net Profit after MI	13.8	15.5	(10.8)	18.0	(23.1)
EBITDA	64.1	52.1	23.1	71.6	(10.5)
EBITDA Margin (%)	35.8	43.2	(17.1)	39.8	(10.1)
Earnings per share (cent)	0.92	1.04	(11.5)	1.20	(23.3)

US\$ (million)	1H07	1H06	Change %
Revenue	359.0	223.7	60.5
Gross Profit	74.4	60.1	23.8
Net Profit after MI	31.9	36.2	(12.0)
EBITDA	135.8	103.0	31.8
EBITDA Margin (%)	37.8	46.1	(17.9)
Earnings per share (cent)	2.12	2.44	(13.1)



- 2Q07 net profit declined 10.8% against 2Q06, and 23.1% sequentially from 1Q07. This was primarily due to lower average selling prices (“ASP”), lower test utilisation and higher finance costs.
- Basic earnings per share (“EPS”) for 2Q07 was 0.92 cent, compared to 1.04 cents for 2Q06 and 1.20 cents for 1Q07.
- Revenue for 2Q07 increased 48.7% to \$179.3 million from \$120.5 million for 2Q06, and flat on a sequential basis.
- Test services accounted for 45% of 2Q07 revenues, with the remaining 55% from assembly services.
- Gross margin was lower at 19.3% for 2Q07, mainly due to a decline in overall test utilisation, coupled with lower ASP and higher depreciation charges.
- Consequently, 2Q07 net margin was also lower at 7.8% compared to 10.2% for 1Q07.
- EBITDA margin was 35.8% for 2Q07, lower than 1Q07’s figure of 39.8%. EBITDA generated for 2Q07 was \$64.1 million.
- Capital expenditure (“capex”) committed for property, plant and equipment in 2Q07 was \$65.0 million, compared to \$79.3 million in 1Q07.
- The Group’s balance sheet remains healthy and its leverage ratio improved to 38.6%. Cash and cash equivalents (cash plus liquid financial assets) were \$120.4 million against total borrowings of \$379.4 million as at 30 June 2007.
- Total equity increased to \$670.8 million as at 30 June 2007.
- As at 30 June 2007, the total number of wirebonders, memory testers, analog testers and MSLP testers were 1,343, 385, 122 and 305, respectively.

Highlights for 2Q07

- Proposed acquisition of UTAC group by Affinity Equity Partners and TPG Capital
- Reinforcement of management team
- Amkor and UTAC entered into a multi-year cross-licensing agreement.



Review & Outlook

“2Q07 has been a most eventful and challenging quarter. Our DRAM business segment, representing about 28% of our total revenues, experienced difficult conditions as the sharp decline in DRAM prices pushed many of our customers into the red. The mixed-signal market was softer than expected. The main bright spot was our analog business that helped to compensate for weakness in our memory business,” said Mr Lee.

“Although the market has yet to signal an upturn with conviction, we are cautiously hopeful that conditions should improve from hereon as both the DRAM and mixed-signal sectors appear to be turning the corner. Our analog business sector should remain strong going into 3Q07,” concluded Mr Lee.

Information Access

UTAC will host a teleconference today (August 1, 2007) at 5.45pm, Singapore time, to discuss its 2Q07 results. Interested parties may listen “live” to the briefing at www.utacgroup.com, under the Investor Relations section. The recorded audio podcast of the teleconference will be made available on the website following the conclusion of the event.

~ End of Release ~



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.

For further information, please contact:

UTAC

Media Contact:

Josephine Lim

Manager, Corporate Communications

Email: media@sg.utacgroup.com

Tel: (65) 6551-1511

Fax: (65) 6551-1521

Issued on behalf of the Company by

WeR1 Consultants Pte Ltd

Stephen Chen

Consultant

Email: stephenchen@wer1.net

Tel: (65) 6737-4844

Fax: (65) 6737-4944