



Media Release

(all figures in US\$ unless otherwise stated)

GATE's 3Q14 Revenue Rose 8.0% To \$199.5M

Singapore, 3 November 2014 – Global A&T Electronics Ltd (GATE or the Company), subsidiary of UTAC Holdings Ltd (UTAC), a global semiconductor testing and assembly services provider headquartered in Singapore, announced today its unaudited financial results for the third quarter 2014 (3Q14).

“Our 3Q results represent a significant turnaround in our financial performance as we continue to gain traction and orders from existing and new customers. Sales were 10% higher compared to 3Q13 and 8% higher versus prior quarter, which placed us slightly ahead of industry sequential growth. We also continued to see margin improvement with improved efficiency and better utilization,” said Dr. John Nelson, Chief Executive Officer of UTAC.

3Q14 Results Highlight

- 3Q14 revenue rose 8.0% quarter-on-quarter (qoq) to \$199.5M.
- MSLP sales up 9%, Analog sales up 10.2%; Memory sales down slightly by 1.8%. MSLP, Analog and Memory account for of 46.7%, 40.5%, and 12.7% of 3Q14 revenue respectively.
- Gross profit rose 28.7% qoq to \$36.4M as gross margin rose to 18.3% from 15.3% with higher revenue and better utilization.
- Total operating expenses totaled \$19.6M, higher compared to \$17.4M, due to higher SG&A expenses arising from higher legal, infrastructure and other expenses.
- Operating profit rose to \$16.8M from \$10.9M with higher revenue as compared to 2Q14.
- Other income/expenses were \$26.4M; comprising other income of \$34.2M, partially offset by other expenses of \$7.8M.
- Other income is mainly attributable to \$28.1M in gain on disposal of one of the Singapore facilities. Other expenses comprise mainly of impairment of obsolete and excess manufacturing assets amounting to \$6.3M related to the Chengdu site closure and weakness in the memory business. These assets with a gross book value of \$115M were written down from their net book value of \$10.0M to the potential resale value of \$3.7M.
- Net income was \$10.5M in 3Q14 compared to a net loss of \$19.3M in 2Q14.
- Adjusted EBITDA was \$61.0M and 30.6% of revenue in 3Q14, compared to \$51.8M and 28.1% of revenue in 2Q14.
- The Company generated net cash from operations of \$47.4M, a 17.3% increase from \$40.4M in 2Q14. Net cash from investing activities was \$31.0M, with capex of \$29.0M offset by \$59.9M of

proceeds from the sale of its Singapore facility and memory assets. Net cash from financing activities was a negative \$57.5M due mainly to interest payment of \$56.9M. Cash balance was higher at \$208.4M compared to \$187.4M as at start quarter.

GATE's 4Q14 and FY14 Outlook

“Looking ahead, we see a softening in customer orders in 4Q14 in line with the rest of the industry. We have however made meaningful progress over the last year in securing new customers and new programs that will place us in a good position to continue growth with industry in 2015 and 2016,” said Dr. Nelson.

Based on current visibility, the Company has the following expectations for 4Q14 and FY2014:

- 4Q14 sales to be down 4-8% qoq. Gross profit margin expected to be around 16-17% in line with the decrease in revenue.
- 4Q14 adjusted EBITDA margin to maintain around 29.0%.
- FY2014 capex intensity expected to be around 16% in line with lower expected revenue.
- FY2014 free cash flow (net operating cashflow inclusive of asset sales, less interest expense and capex) is expected to be positive and FY2014 ending cash to be slightly higher compared to FY2013.

UTAC's 4Q14 and FY14 Outlook

- UTAC reported revenue of \$256.6M in 3Q14 with 4Q14 sales to be down 4-8% qoq based on current visibility.
- UTAC's 3Q14 ending cash was \$257.5M. 4Q14 cash balance is expected to be higher.
- Some Panasonic orders may be supported at GATE in late 4Q14/early 1Q15 and continuing into 2015. The initial revenue impact is not expected to be significant.

~End~

Global A&T Electronics Ltd
Summary of Unaudited Consolidated Statement of Income
(all figures in US\$)

Income Statement (\$'000)	Q3'13	Q2'14	Q3'14
Sales	181,649	184,762	199,500
Cost of Sales	(156,121)	(156,448)	(163,061)
Gross Profit	25,528	28,314	36,439
<i>Gross Profit Margin</i>	<i>14.1%</i>	<i>15.3%</i>	<i>18.3%</i>
SG&A	(11,699)	(14,389)	(16,919)
R&D	(3,023)	(2,999)	(2,717)
Operating Profit	10,806	10,926	16,803
Other Income/Expense	16,500	1,735	26,395
Interest	(30,116)	(30,578)	(29,723)
Taxes	(1,699)	(1,352)	(3,014)
Share of loss of associated companies	(641)	0	0
Net Income	(5,150)	(19,269)	10,461
EBIT	26,665	12,661	43,198
Gain on exchange note	(21,073)	0.0	0.0
Depreciation and Amortization	41,310	37,383	36,885
Restructuring cost	4,715	188	1,013
Impairment of fixed assets	-	-	6,295
Share of loss in Nepes	641	-	-
External legal expenses	140	(843)	872
Write back of unclaimed monies			
Others (forex, etc)	1,804	2,454	(27,269)
EBITDA (adjusted for non operating items)	54,203	51,842	60,994
<i>EBITDA Margin</i>	<i>29.8%</i>	<i>28.1%</i>	<i>30.6%</i>
Cash Flow (\$'000)			
Cash and Cash Equivalents at the beginning of Period	218,494	191,796	187,359
Net Income	(5,150)	(19,269)	10,461
Depreciation	37,236	33,395	32,933
Amortisation	4,080	4,023	3,953
Change in Working Capital	4,253	(3,544)	(790)
Net Interest Expense	34,747	30,244	29,229
Others	(24,122)	(4,463)	(28,363)
Net Cash Provided by Operating Activities	51,044	40,386	47,423
Payment for Fixed Assets/Intangible Assets	(8,887)	(32,903)	(29,052)
Proceeds from the Sale of Fixed Assets	771	1,693	59,917
Interest	207	200	198
Others	11	(11,000)	-
Net Cash Provided (Used) in Investing Activities	(7,898)	(42,010)	31,063
Interest paid	(45,599)	(557)	(56,944)
Proceed/repayment loan and borrowing, net	(7,249)	(67)	(73)
Others	(651)	(2,140)	(522)
Net Cash Provided (Used) in Financing Activities	(53,499)	(2,764)	(57,539)
Restricted cash	49	49	48
Cash and Cash Equivalents at the End of Period	208,190	187,457	208,354

Global A&T Electronics Ltd
Summary of Unaudited Balance Sheet
(all figures in US\$)

Balance Sheet (\$'000)

	Q3'13	Q2'14	Q3'14
Current Assets			
Cash and Cash Equivalents	208,190	187,408	208,354
Trade and Other Receivables	117,731	131,918	137,172
Inventories	33,810	38,753	41,661
Other Current Assets	9,887	30,668	16,126
Total Current Assets	369,618	388,747	403,313
Plant Property and Equipment	572,440	511,461	499,273
Intangible Assets	712,964	700,820	696,874
Other Non-Current Assets	14,473	13,007	12,643
Total Non-Current Assets	1,299,877	1,225,288	1,208,790
Total Assets	1,669,495	1,614,035	1,612,103
Current Liabilities	156,270	177,964	164,766
Long Term Debt	1,090,318	1,096,049	1,097,474
Deferred Tax Liabilities	13,997	7,865	6,586
Long Term Benefit Obligations	21,566	21,864	22,274
Deferred Income	189	124	101
Total Non-Current Liabilities	1,126,070	1,125,902	1,126,435
Total Liabilities	1,282,340	1,303,866	1,291,201
Total Equity	387,155	310,169	320,902
Total Equity and Liabilities	1,669,495	1,614,035	1,612,103

About UTAC Holdings Ltd

UTAC Holdings Ltd (UTAC) is a leading independent provider of semiconductor assembly and testing services for a broad range of integrated circuits (ICs) including memory, mixed-signal, analog, logic and radio frequency ICs. The Company offers a full range of package and test development, engineering and manufacturing services and solutions to a worldwide customer base, comprising integrated device manufacturers (IDMs), fabless companies and wafer foundries. UTAC operates manufacturing facilities in Singapore, Thailand, Taiwan, Malaysia, Indonesia and China, in addition to its global network of sales offices in the United States, Europe, Japan, Korea, China and Singapore.

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Forward-looking statements

This press release includes statements that are, or may be deemed to be, "forward-looking statements" within the meaning of U.S. securities laws. These statements appear in a number of places throughout this press release and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth and strategies.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the semiconductor industry may differ materially from those made in or suggested by the forward-looking statements contained in this annual report. Important factors that could cause those differences include, but are not limited to: the cyclical nature of the semiconductor industry; increased competition from other companies and our ability to retain and increase our market share; our reliance on certain major customers; our ability to generate growth and profitability; our ability to generate sufficient cash to meet our capital expenditure requirements; our ability to repay or refinance our indebtedness as it falls due; and general local and global economic conditions.

Given the risks and uncertainties which may cause actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this press release, undue reliance must not be placed on those statements or information. UTAC and/or GATE do not represent or warrant that their actual future results, performance or achievements will be as discussed in those forward looking statements. Further, UTAC and/or GATE disclaim any responsibility, and undertake no obligation to update or revise any forward-looking statements contained in this press release to reflect any change in their expectations with respect to such statements or information after the date of this press release or to reflect any change in events, conditions or circumstances on which UTAC and/or GATE based any such statements.