



# **2008 Annual Results Investor Conference**

**26 March, 2009**

---

Advanced Semiconductor Manufacturing  
Corporation Limited

# Agenda

---

❖ Welcome

❖ 2008 financial results

Ms. Cheng Jianyu  
Executive Director, Vice President & CFO

❖ 2009 Outlook

Mr. Zhou Weiping  
Executive Director, President and CEO

❖ Q&A

## 2008 Overview

---

- Sales decreased by 21.2% to RMB932.6 million in 2008, compared to RMB1,183.1 million in 2007 due to the weakening end-market demand
- The 8 inch equivalent wafer shipments totaled 400,505 pieces in 2008, a decrease of 14.4% from 467,754 pieces in 2007
- The overall utilization rate in 2008 was 57%, which was nine percentage points lower than 66% in 2007
- The outstanding bank loan further declined after repayment of club loan at the end of September 2008
- Pursuant to IAS, a RMB145.1 million recognized as an impairment charge against the 8-inch wafer fab assets to reflect its fair value and further build up a more competitive business model going forward
- The Company's net loss was RMB237.1 million in 2008 (including RMB43.5 million of power outage compensation received) comparing to a net loss of RMB 840.2 million in 2007

# 2008 Annual Results Overview

Amount: RMB Million

	2008		2007		Change
	Amount	%	Amount	%	%
<b>Net Sales</b>	<b>932.6</b>	<b>100%</b>	1183.1	100%	-21%
<b>Cost of Goods Sold (COGS)</b>	<b>(955.0)</b>	<b>-102%</b>	(1201.7)	-102%	-21%
<b>Gross Profit</b>	<b>-22.4</b>	<b>-2%</b>	-18.6	-2%	20%
<b>Total Operating Expenses</b>	<b>(100.1)</b>	<b>-11%</b>	(129.6)	-11%	-23%
<b>Operating Income/(Loss)</b>	<b>(122.5)</b>	<b>-13%</b>	(148.3)	-13%	-
Other Income/(Expenses), Net	<b>48.6</b>	<b>5%</b>	25.5	2%	91%
Other Expenses	<b>(146.4)</b>	-16%	(674.2)	-57%	-
Finance Costs	<b>(17.0)</b>	<b>-2%</b>	(35.2)	-3%	-52%
<b>Income/(Loss) Before Tax</b>	<b>(237.2)</b>	<b>-25%</b>	(832.2)	-70%	-
<b>Income Taxes Credit/(Expenses)</b>	<b>0.1</b>	<b>0%</b>	(8.0)	-1%	-
<b>Net Income/(Loss)</b>	<b>(237.1)</b>	<b>-25%</b>	(840.2)	-71%	-
<b>Earnings/(Loss) Per Share</b>	<b>(15.45) cents</b>		(54.76) cents		

*your partner in analog, connecting you with the digital world*

ASMC 2008 Annual Results / 26 March 2009 /



# Q4' 2008 Income Statement (QoQ Comparison)

Amount: RMB Million

	Q4'2008 Actual		Q3'2008 Actual		QoQ
	Amount	%	Amount	%	%
<b>Net Sales</b>	<b>158.7</b>	<b>100%</b>	255.0	100%	-38%
<b>Cost of Goods Sold (COGS)</b>	<b>(216.4)</b>	<b>-136%</b>	(235.8)	-92%	-8%
<b>Gross Profit</b>	<b>(57.8)</b>	<b>-36%</b>	19.3	8%	-400%
<b>Total Operating Expenses</b>	<b>(15.6)</b>	<b>-10%</b>	(34.4)	-14%	-55%
<b>Operating Income/(Loss)</b>	<b>(73.3)</b>	<b>-46%</b>	(15.2)	-6%	-
Other Income/(Expenses), Net	<b>4.3</b>	<b>3%</b>	6.5	3%	-33%
Other Expenses	<b>(146.4)</b>	<b>-92%</b>	-	-	-
Finance Costs	<b>(3.1)</b>	<b>-2%</b>	(3.5)	-1%	-11%
<b>Income/(Loss) Before Tax</b>	<b>(218.5)</b>	<b>-138%</b>	(12.2)	-5%	-
<b>Income Taxes Credit/ (Expenses)</b>	<b>0.1</b>	<b>0%</b>	-	-	-
<b>Net Income/(Loss)</b>	<b>(218.3)</b>	<b>-138%</b>	(12.2)	-5%	-

# Q4' 2008 Income Statement (YoY Comparison)

Amount: RMB Million

	Q4'2008 Actual		Q4'2007 Actual		YoY
	Amount	%	Amount	%	%
<b>Net Sales</b>	<b>158.7</b>	<b>100%</b>	270.2	100%	-41%
<b>Cost of Goods Sold (COGS)</b>	<b>(216.4)</b>	<b>-136%</b>	(273.2)	-101%	-21%
<b>Gross Profit</b>	<b>(57.8)</b>	<b>-36%</b>	(3.0)	-1%	-1825%
<b>Total Operating Expenses</b>	<b>(15.6)</b>	<b>-10%</b>	(39.4)	-15%	-60%
<b>Operating Income/(Loss)</b>	<b>(73.3)</b>	<b>-46%</b>	(42.4)	-16%	-
Other Income/(Expenses), Net	4.3	3%	6.4	2%	-32%
Other Expenses	(146.4)	-92%	(674.2)	-250%	-
Finance Costs	(3.1)	-2%	(4.1)	-2%	-
<b>Income/(Loss) Before Tax</b>	<b>(218.5)</b>	<b>-138%</b>	(714.3)	-264%	-
<b>Income Taxes Credit/ (Expenses)</b>	<b>0.1</b>	<b>0%</b>	(30.0)		
<b>Net Income/(Loss)</b>	<b>(218.3)</b>	<b>-138%</b>	(744.3)	-275%	-

# 2008 Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	As at 12/31/2008		As at 12/31/2007	
	Amount	%	Amount	%
<b>Total Assets</b>	<b>1139.2</b>	100%	<b>1581.9</b>	100%
Cash & Cash Equivalent	261.9	23%	207.0	13%
Accounts Receivables & Others	96.0	8%	161.7	10%
Inventory	156.2	14%	234.5	15%
<b>Total Current Assets</b>	<b>514.1</b>	45%	<b>603.2</b>	38%
Accounts Payable	122.1	11%	171.7	11%
Current Portion of Loans	188.6	17%	350.3	22%
Accrued Liabilities & Others	91.0	8%	85.2	5%
<b>Total Current Liabilities</b>	<b>401.7</b>	35%	<b>607.2</b>	38%
<b>Long Term Debt</b>	<b>0.1</b>	0%	<b>0.2</b>	0%
<b>Total Equity</b>	<b>737.4</b>	65%	<b>974.5</b>	62%
<b>Accounts Receivable Turnover (Days)</b>	51		42	
<b>Inventory Turnover (Days)</b>	89		75	
<b>Current Ratio</b>	1.28		0.99	
<b>Net Working Capital</b>	112.4		(4.0)	

# 2008 Cash Flow

Amount: RMB Million

	Year 2008	Year 2007	
	Amount	Amount	
<b>From Operations</b>	246.5	226.4	
<b>Profit Before Tax</b>	(237.2)	(832.2)	
<b>Depreciation &amp; Amortization</b>	227.6	388.8	
<b>Changes in Working Capital</b>	87.3	6.4	
<b>Other Operating activities</b>	168.9	663.4	
<b>From Investment</b>	30.0	24.1	
<b>Capital Expenditures (Net)</b>	20.0	27.9	
<b>Other Investment Sources/(Uses)</b>	10.0	(3.8)	
<b>From Financing</b>	(161.7)	(392.2)	
<b>Repayment of -L</b>	(161.7)	(391.5)	

## Q4' 2008 Capital Expenditures

---

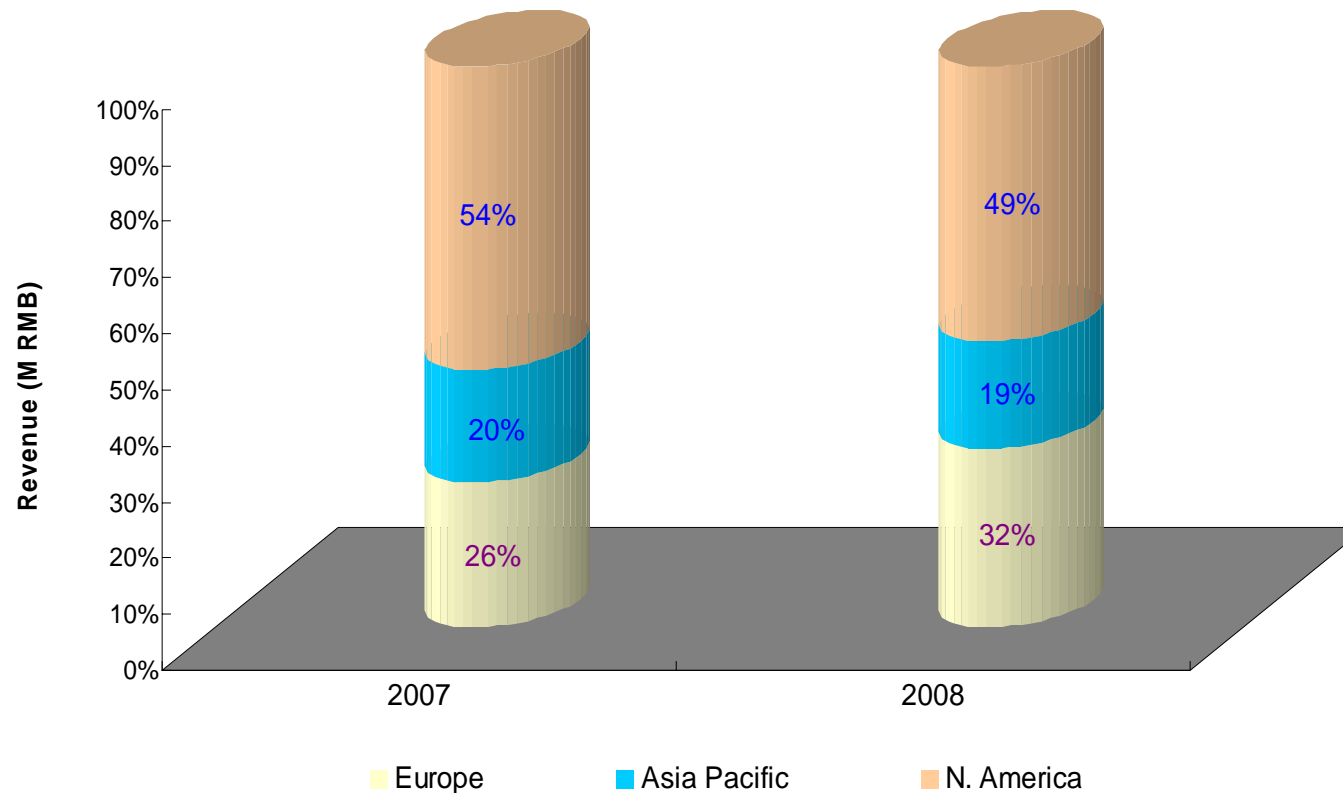
---

Amount: RMB Million

### CAPEX

Q4'08	Q3'08	Q4'07
Amount	Amount	Amount
1.0	13.1	4.2

# Sales Breakdown by Geography (YoY Comparison)

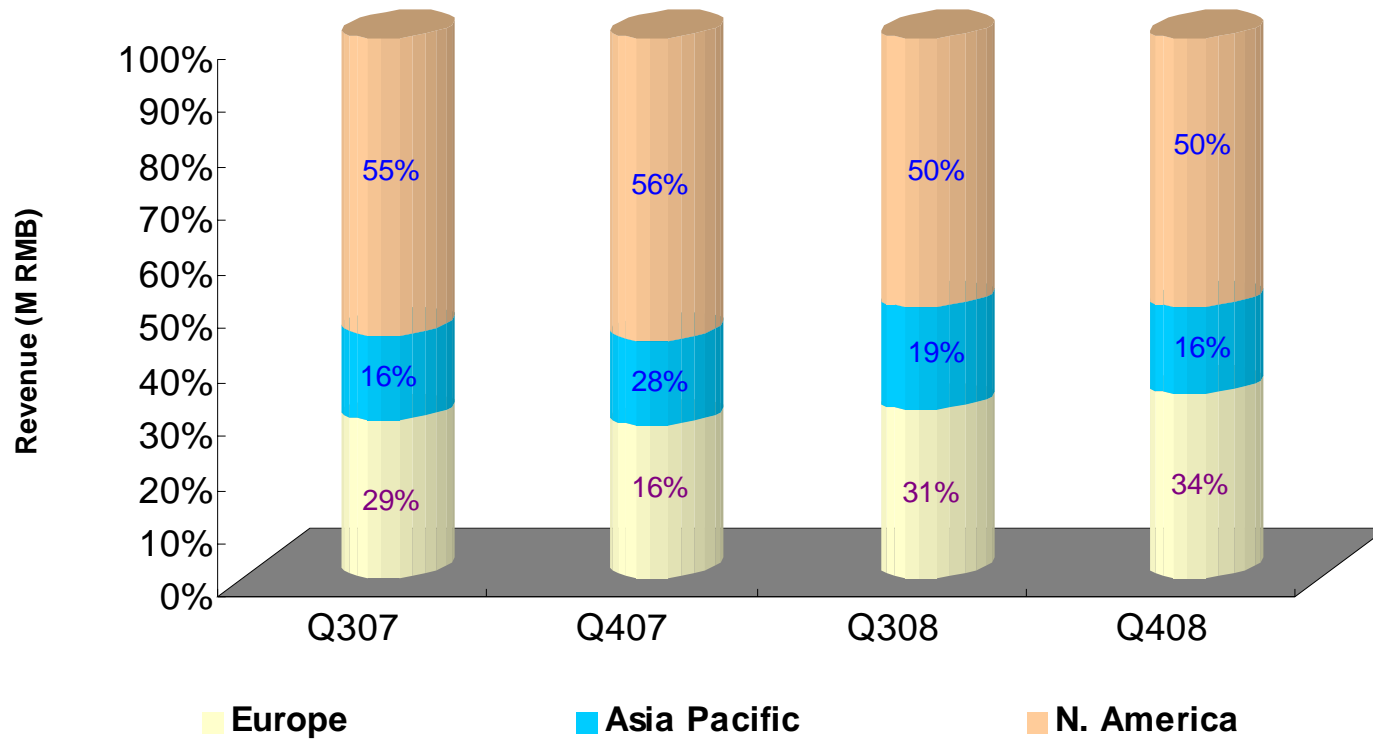


*your partner in analog, connecting you with the digital world*

*ASMC 2008 Annual Results / 26 March 2009 /*



# Sales Breakdown by Geography (QoQ Comparison)

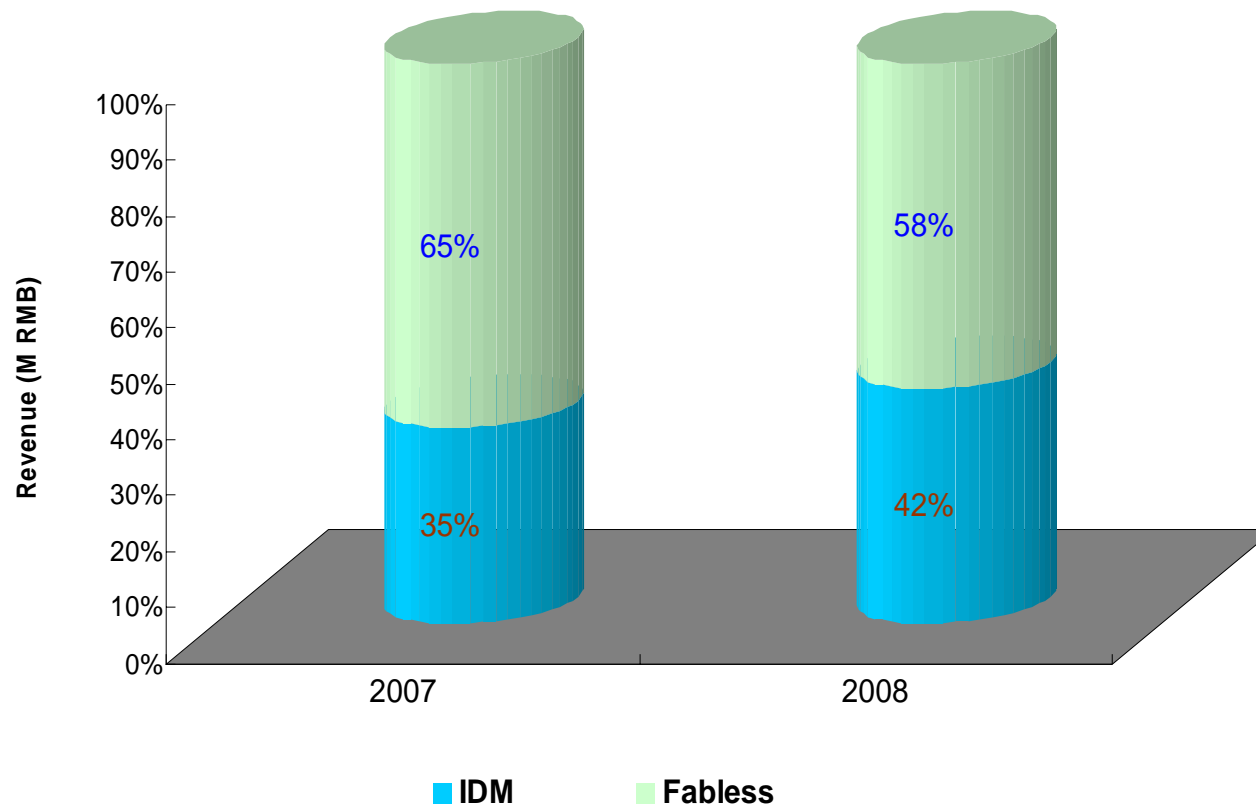


*your partner in analog, connecting you with the digital world*

ASMC 2008 Annual Results / 26 March 2009 /



# Sales Breakdown by Customer Type ( YoY Comparison)

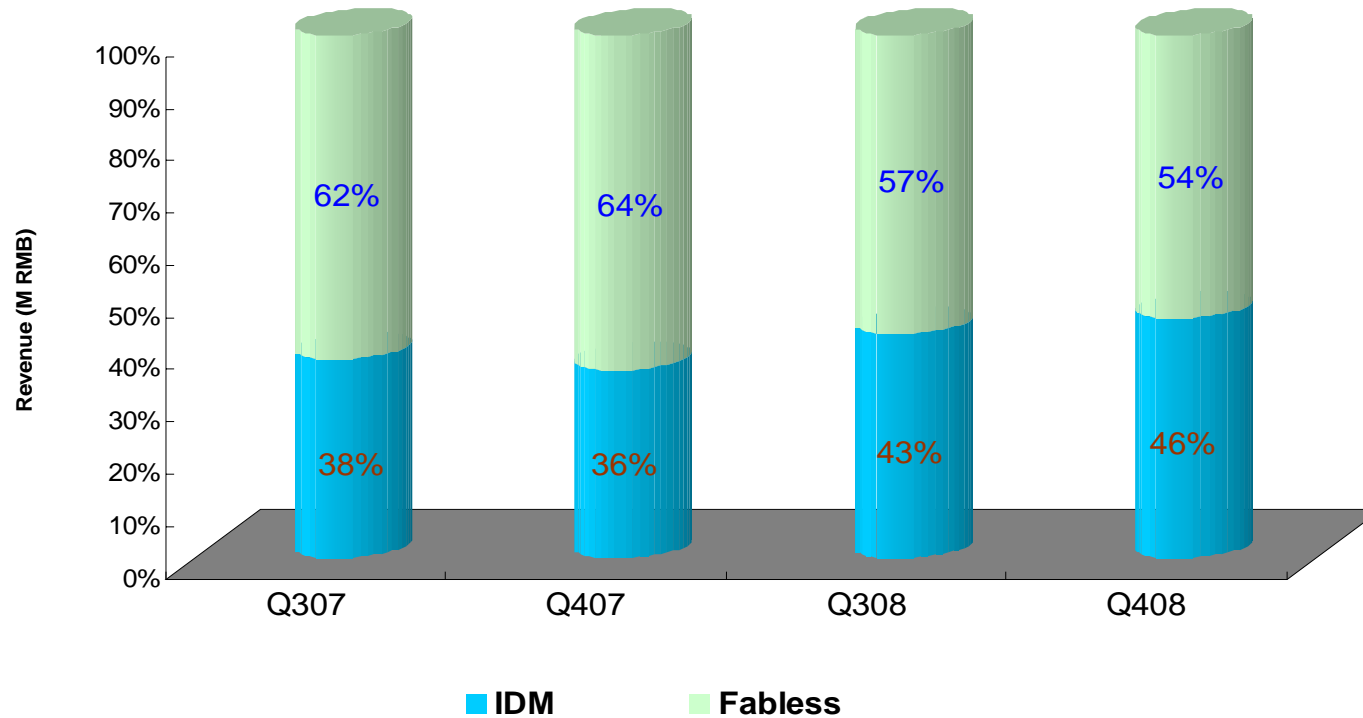


*your partner in analog, connecting you with the digital world*

*ASMC 2008 Annual Results / 26 March 2009 /*



# Sales Breakdown by Customer Type (QoQ Comparison)

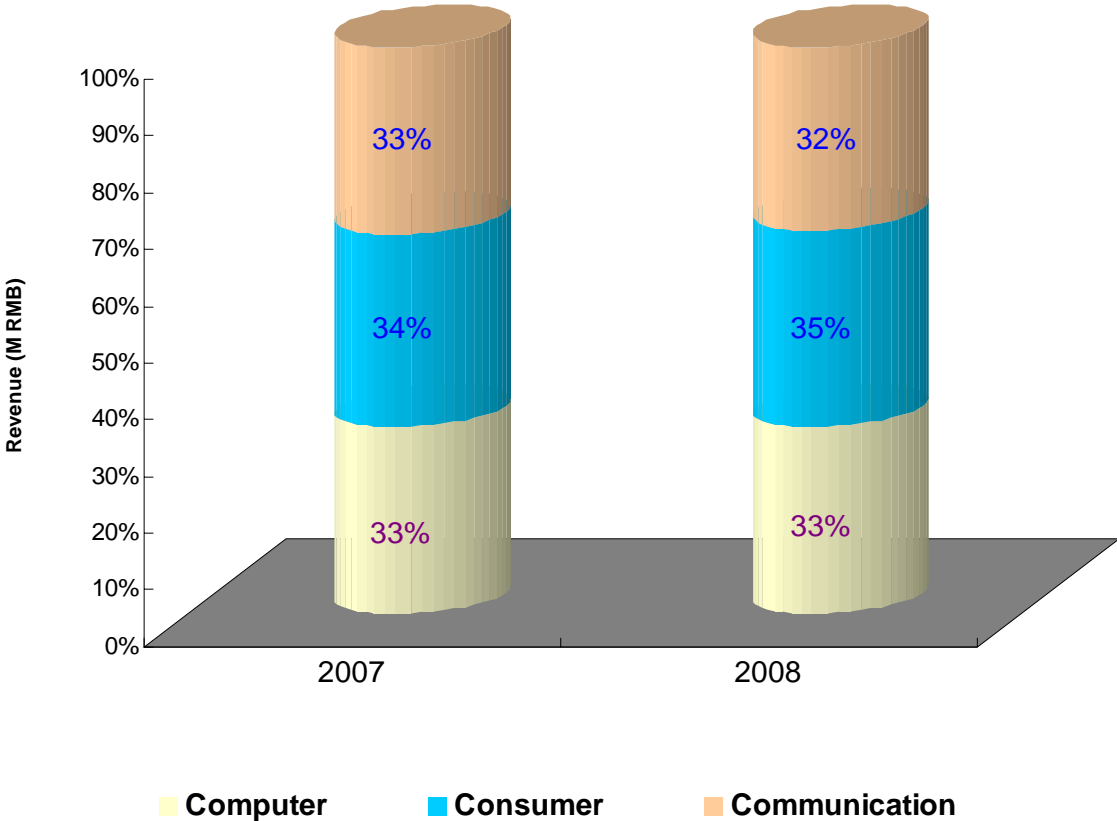


*your partner in analog, connecting you with the digital world*

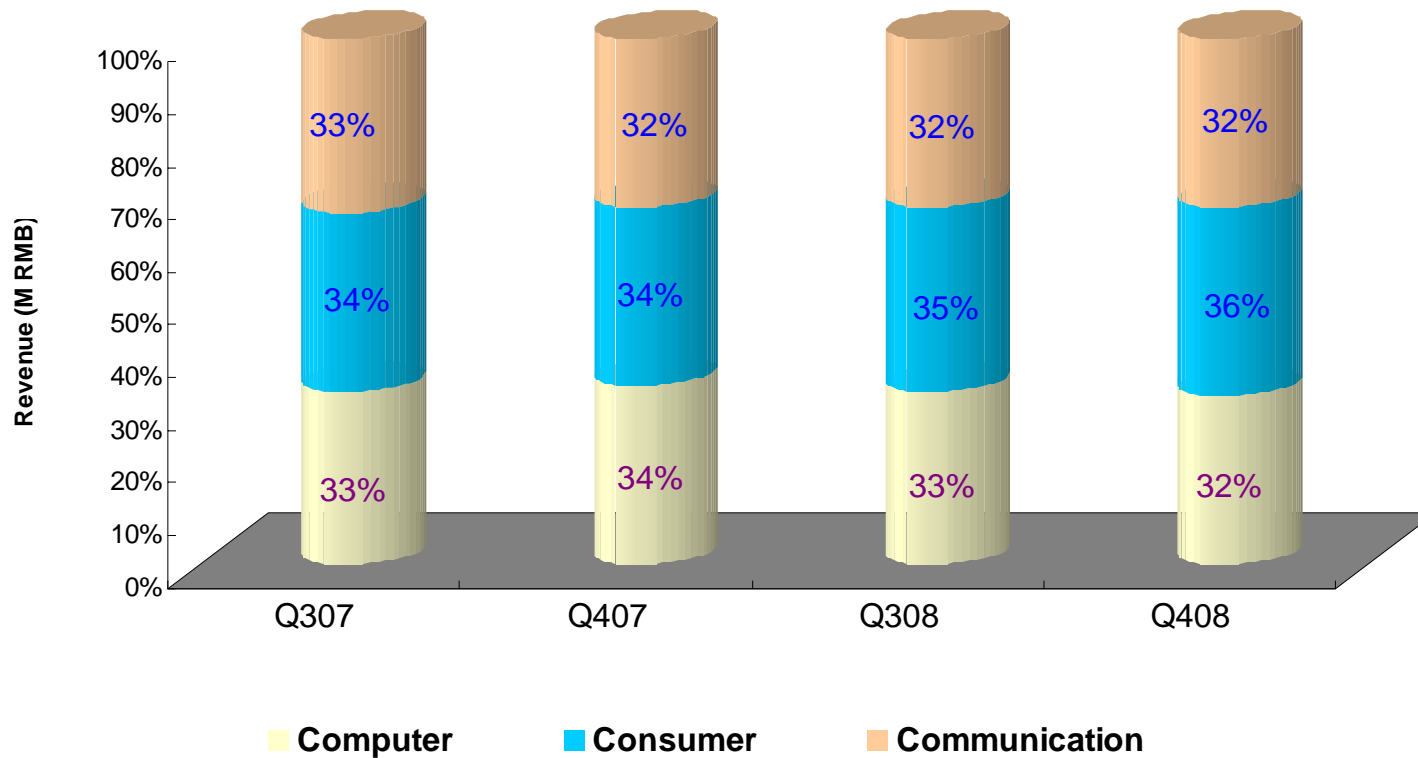
ASMC 2008 Annual Results / 26 March 2009 /



# Sales Breakdown by Application (YoY Comparison)

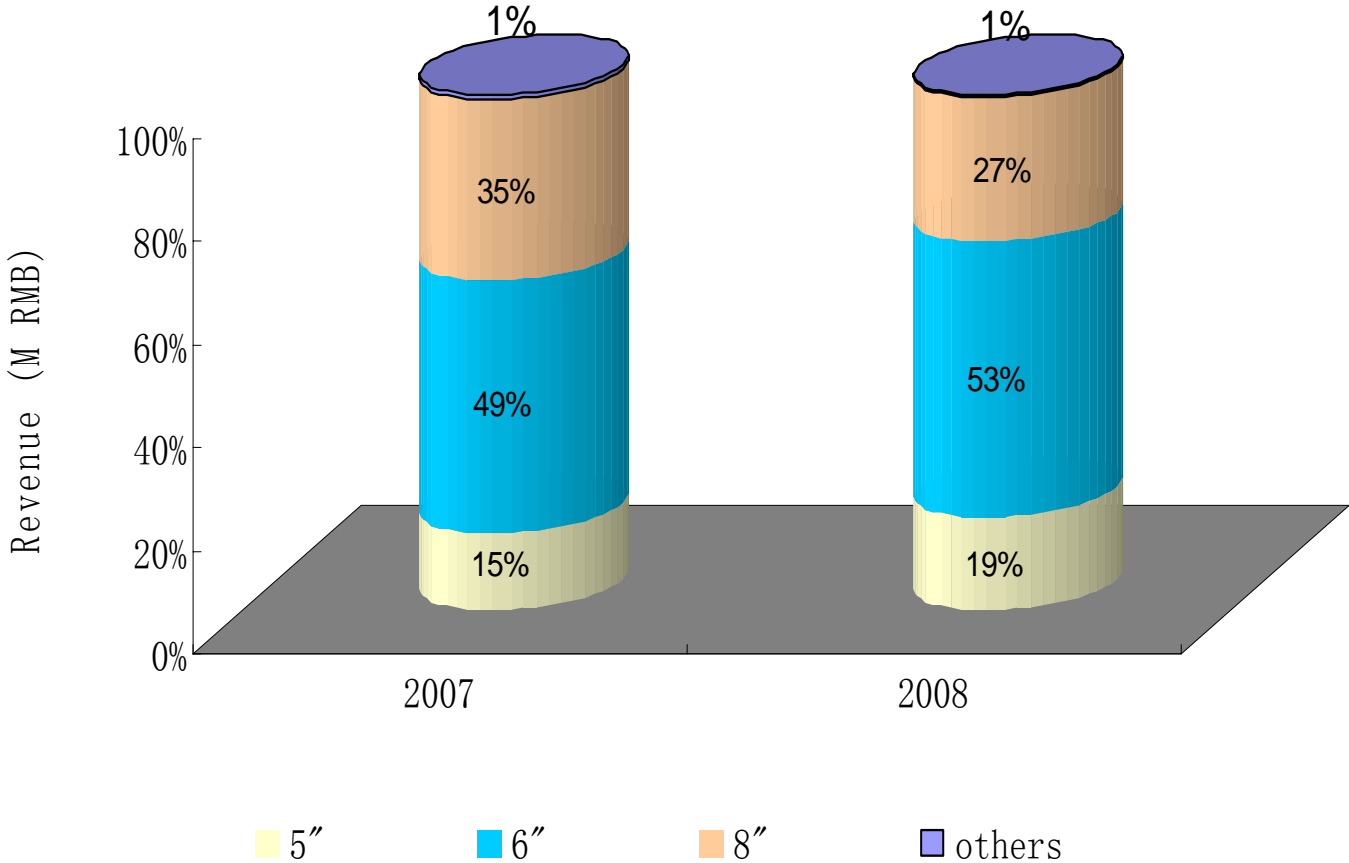


# Sales Breakdown by Application (QoQ Comparison)



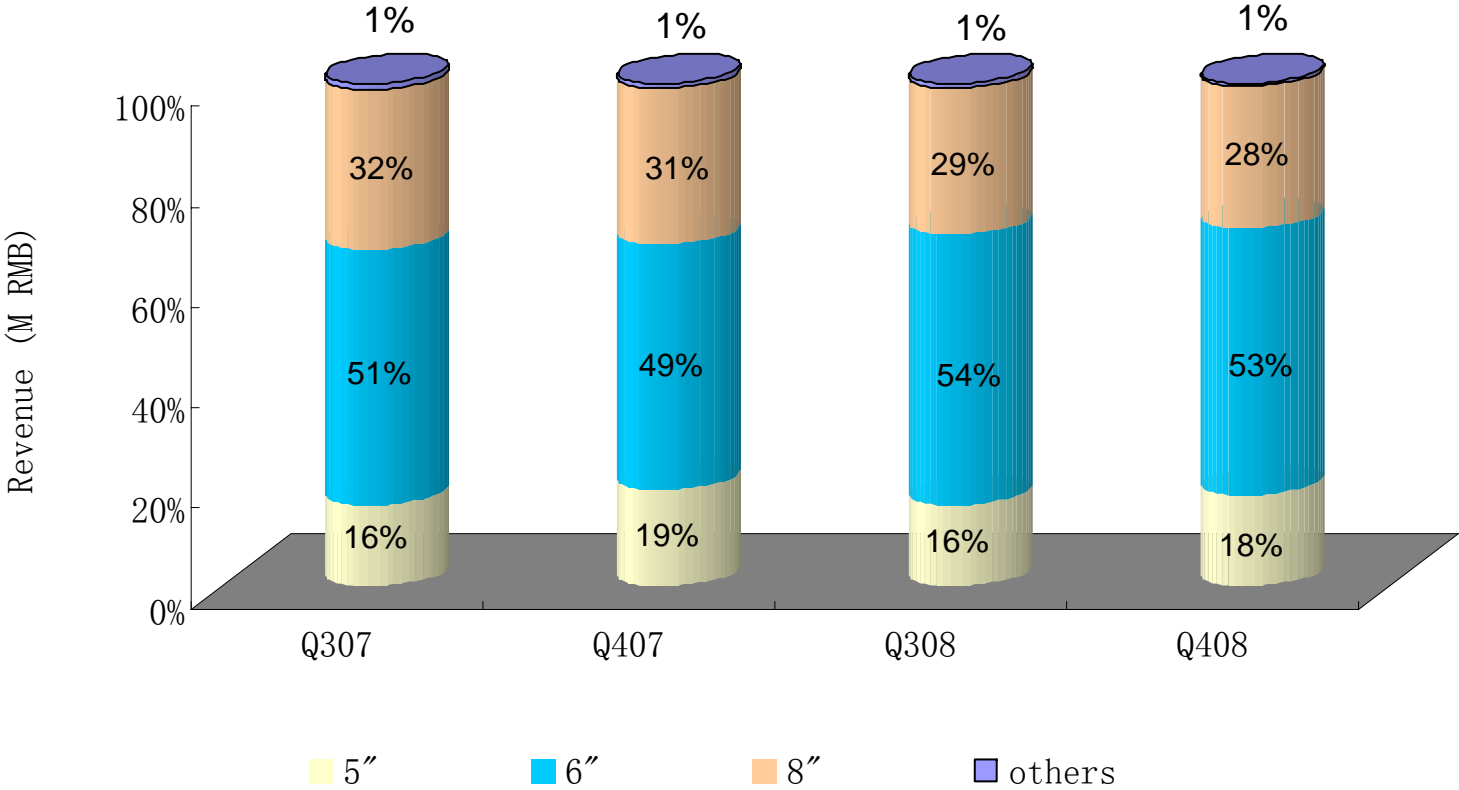
# Sales Breakdown by 5", 6" and 8"

(YoY Comparison)



# Sales Breakdown by 5", 6" and 8"

(QoQ Comparison)



## FAB Installed Capacity (8" Equivalent)

FAB / (Wafers in thousand)	Q4'08	Q3'08	Q4' 07
<b>Fab 1/2</b>			
<b>5-inch wafers</b>	<b>33</b>	<b>33</b>	<b>33</b>
<b>6-inch wafers</b>	<b>85</b>	<b>85</b>	<b>85</b>
<b>Fab 3</b>			
<b>8-inch wafers</b>	<b>36</b>	<b>36</b>	<b>36</b>
<b>Total 8" Equivalent</b>	<b>154</b>	<b>154</b>	<b>154</b>

Note: The Company estimated the capacity of its 5-inch, 6-inch and 8-inch on the basis of 9,10 and 22 mask steps per wafer respectively and 5-inch, 6-inch wafers were converted to 8-inch equivalent wafers by dividing their wafer number using 2.56 and 1.78 respectively.

# Capacity Utilization Rate by Fab

FAB	Q4' 08	Q3' 08	Q4' 07
<b>Fab 1/2</b>			
5-inch wafers	39%	59%	67%
6-inch wafers	46%	77%	67%
<b>Fab 3</b>			
8-inch wafers	34%	54%	49%
<b>Overall Capacity Utilization Rate</b>	<b>40%</b>	<b>65%</b>	<b>60%</b>

Note: The capacity utilization rate represents the percentage of the actual number of processing steps (measured by the number of masks used) for the number of semiconductor wafers shipped in the reporting period divided by the total number of processing steps a fab is capable to produce during the corresponding period.

# 2009 Outlook

---

- As the overall macro-environment in short-term continues to deteriorate, which might result in a negative growth in semiconductor industry in 2009
- The Company will face more serious challenges than ever before due to the deteriorating end-market demand attributable to global economic recession
- The overall cost reduction programs including cutting the variable cost and optimising internal organization will be further deepened while improving its fab operational performance to support customers new products and rush-order business
- The Company will also strive to expand its market share in China by working closely with domestic semi-industry players
- By leveraging international IDMs' fab-lite strategy, the Company will better prepare for technology transfer and products qualification to explore new business opportunities
- The Company will map out its mid-and-long-term development plans so as to achieve its sustainable growth once the global economy recovers from the current downturn

For further information

---

*Thank You*

*<http://www.asmc.com>*

*[ir@asmc.com.cn](mailto:ir@asmc.com.cn)*

*Stock code: 3355*