



2008 Interim Results Investor Conference

25 August, 2008

Advanced Semiconductor Manufacturing
Corporation Limited

Agenda

❖ Welcome

❖ 2008 Interim financial results

Ms. Cheng Jianyu
Executive Director & CFO

❖ Prospects & Future Plan

Mr. Hsueh Cheng Lu
Executive Director, President and CEO

❖ Q&A

2008 Interim Overview

- Owing to a combination of the weakening market demand and the typical slow seasonality, sales declined by 10.5% to RMB518.9 million in 1H08 from RMB579.5 million in 1H07
- The 8-inch equivalent wafer shipments slightly decreased by 4.3% to 210,597 pieces in 1H08 from 221,514 pieces in 1H07
- The overall capacity utilization rate of 62% in 1H 2008 compared to 65% in 1H2007
- The 6-inch wafer expansion project between ASMC and NXP is progressing on schedule
- The debt level declined substantially after repayment of the outstanding club-term loan in advance
- The Company's net loss was RMB6.6 million, its EBITDA was positive at around RMB120.1 million (including RMB43.5 million of power outage compensation received)

2008 Interim Result Overview

Amount: RMB Million

	2008 Interim		2007 Interim		Change
	Amount	%	Amount	%	%
Net Sales	518.9	100%	579.5	100%	-10%
Cost of Goods Sold (COGS)	(502.8)	-97%	(603.1)	-104%	-17%
Gross Profit	16.1	3%	-23.7	-4%	-168%
Total Operating Expenses	(50.1)	-10%	(60.8)	-10%	-18%
Operating Income/(Loss)	-34.0	-7%	(84.4)	-15%	-
Other Income/(Expenses), Net	48.8	9%	15.9	3%	206%
Other Expenses	(11.0)	-2%	-	-	-
Finance Costs	(10.4)	-2%	(24.2)	-4%	-57%
Income/(Loss) Before Tax	(6.6)	-1%	(92.7)	-16%	-
Income Taxes Credit/(expense)	-	-	19.7	3%	-
Net Income/(Loss)	(6.6)	-1%	(73.0)	-13%	-

Note: The loss of RMB0.3 million on “Fair value loss on interest rate swap” was recorded in Other Income instead of Other Expenses in the first half of 2007

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Q2' 2008 Income Statement

(QoQ Comparison)

Amount: RMB Million

	Q2'2008 Actual		Q1'2008 Actual		QoQ
	Amount	%	Amount	%	%
Net Sales	260.6	100%	258.3	100%	1%
Cost of Goods Sold (COGS)	(255.7)	-98%	(247.1)	-96%	3%
Gross Profit	4.9	2%	11.2	4%	-56%
Total Operating Expenses	(22.3)	-9%	(27.8)	-11%	-20%
Operating Income/(Loss)	(17.4)	-7%	(16.6)	-6%	-
Other Income	44.5	17%	4.3	2%	925%
Other Expenses	(2.7)	-1%	(8.3)	-3%	-68%
Finance Costs	(4.5)	-2%	(5.9)	-2%	-23%
Income/(Loss) Before Tax	19.9	8%	(26.5)	-10%	-
Income Taxes Credit/ (expense)	-	-	-	-	-
Net Income/(Loss)	19.9	8%	(26.5)	-10%	-

Q2' 2008 Income Statement

(YoY Comparison)

Amount: RMB Million

	Q2'2008 Actual		Q2'2007 Actual		YoY
	Amount	%	Amount	%	%
Net Sales 净销售额	260.6	100%	271.2	100%	-4%
Cost of Goods Sold (COGS)	(255.7)	-98%	(291.1)	-107%	-12%
Gross Profit	4.9	2%	(19.9)	-7%	-125%
Total Operating Expenses	(22.3)	-9%	(31.4)	-12%	-29%
Operating Income/(Loss)	(17.4)	-7%	(51.2)	-19%	-
Other Income	44.5	17%	8.4	3%	429%
Other Expenses	(2.7)	-1%	-	-	-
Finance Costs	(4.5)	-2%	(10.6)	-4%	-57%
Income/(Loss) Before Tax	19.9	8%	(53.4)	-20%	-
Income Taxes Credit /(Expense)	-	-	18.0	7%	-
Net Income/(Loss)	19.9	8%	(35.4)	-13%	-

Note: Total of RMB0.2 million on “Fair value gain on interest rate swap” was recorded in Other Income instead of Other Expenses in the second quarter of 2007

2008 Interim Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	As at 06/30/2008		As at 12/31/2007	
	Amount	%	Amount	%
Total Assets	1432.8	100%	1581.9	100%
Cash & Cash Equivalent	229.8	16%	207.0	13%
Accounts Receivables & Other	159.3	11%	161.7	10%
Inventory	175.9	12%	234.5	15%
Total Current Assets	565.0	39%	603.2	38%
Accounts Payable	115.1	8%	171.7	11%
Current Portion of Loans	269.2	19%	350.3	22%
Accrued Liabilities & Others	80.3	6%	85.2	5%
Total Current Liabilities	464.6	32%	607.2	38%
Long Term Debt	0.2	0%	0.2	0%
Total Equity	968.0	68%	974.5	62%
Accounts Receivable Turnover (Days)	43		42	
Inventory Turnover (Days)	67		75	
Current Ratio	1.22		0.99	
Net Working Capital	100.4		(4.0)	

2008 Interim Cash Flow

Amount: RMB Million

	2008 Interim	2007 Interim
	Amount	Amount
From Operation	109.9	38.5
Profit Before Tax	(6.6)	(92.7)
Depreciation & Amortization	116.3	196.3
Change in Working Capital	6.1	(86.2)
Other Operating activities	(6.0)	21.1
From Investment	(5.9)	(3.3)
Capital Expenditures (Net)	(5.9)	(3.3)
Other Investment Sources/(Uses)		
From Financing	(81.1)	371.4
Repayment of -L	(81.1)	371.4

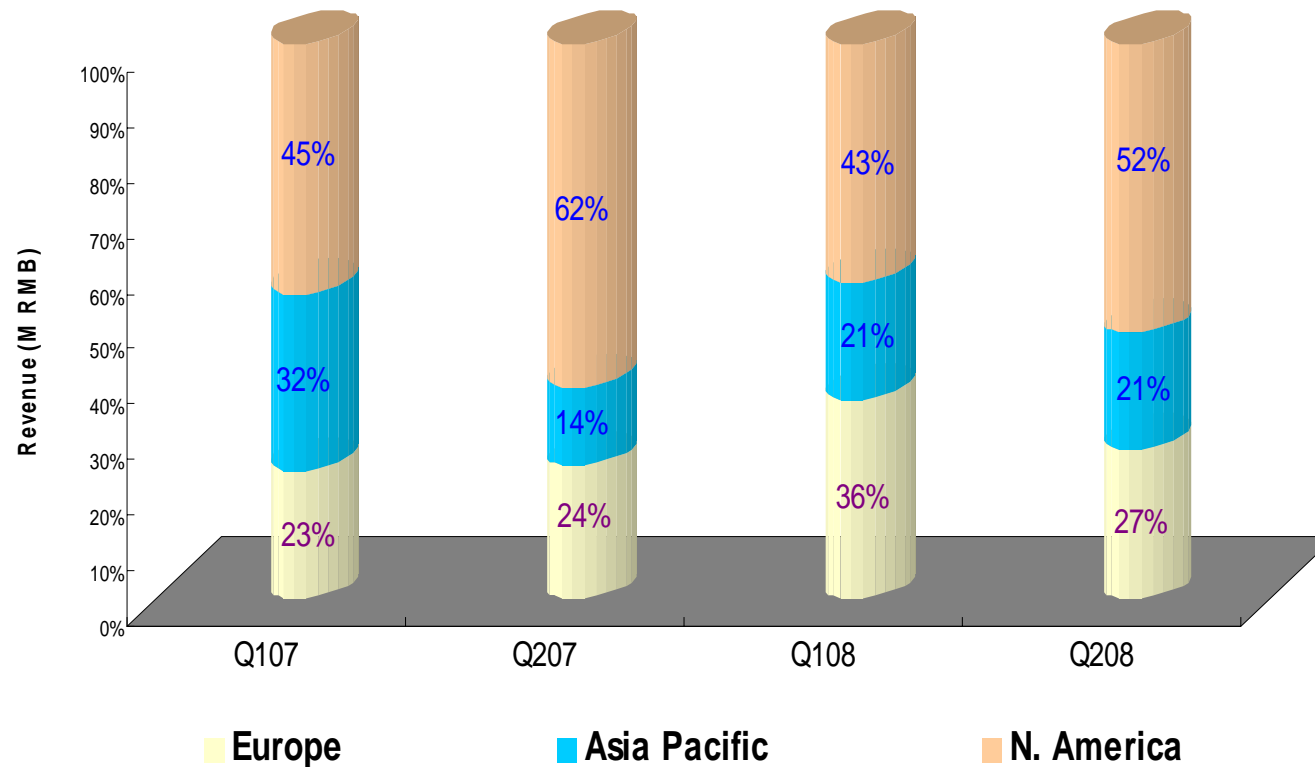
Q2' 2008 Capital Expenditures

Amount: RMB Million

CAPEX

Q2'08	Q1'08	Q2'07
Amount	Amount	Amount
5.5	0.4	1.4

Sales Breakdown by Geography

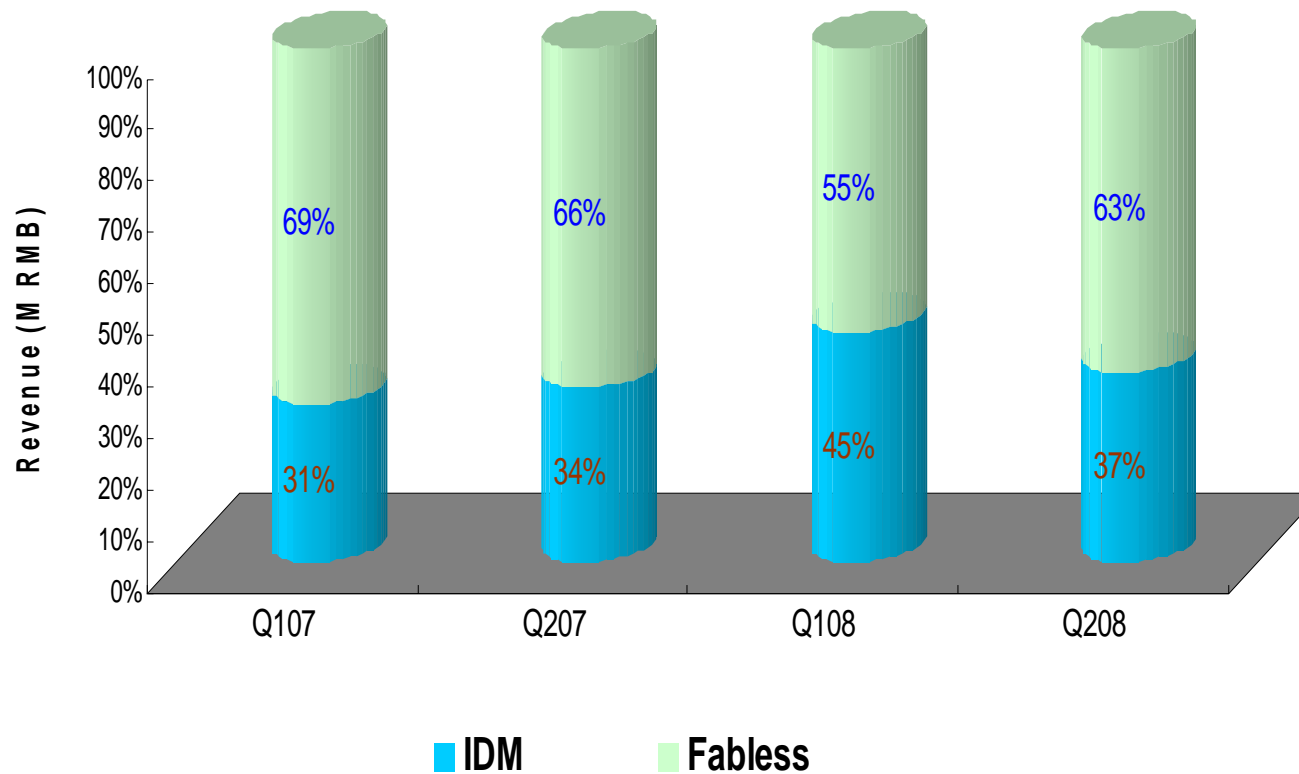


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Sales Breakdown by Customer

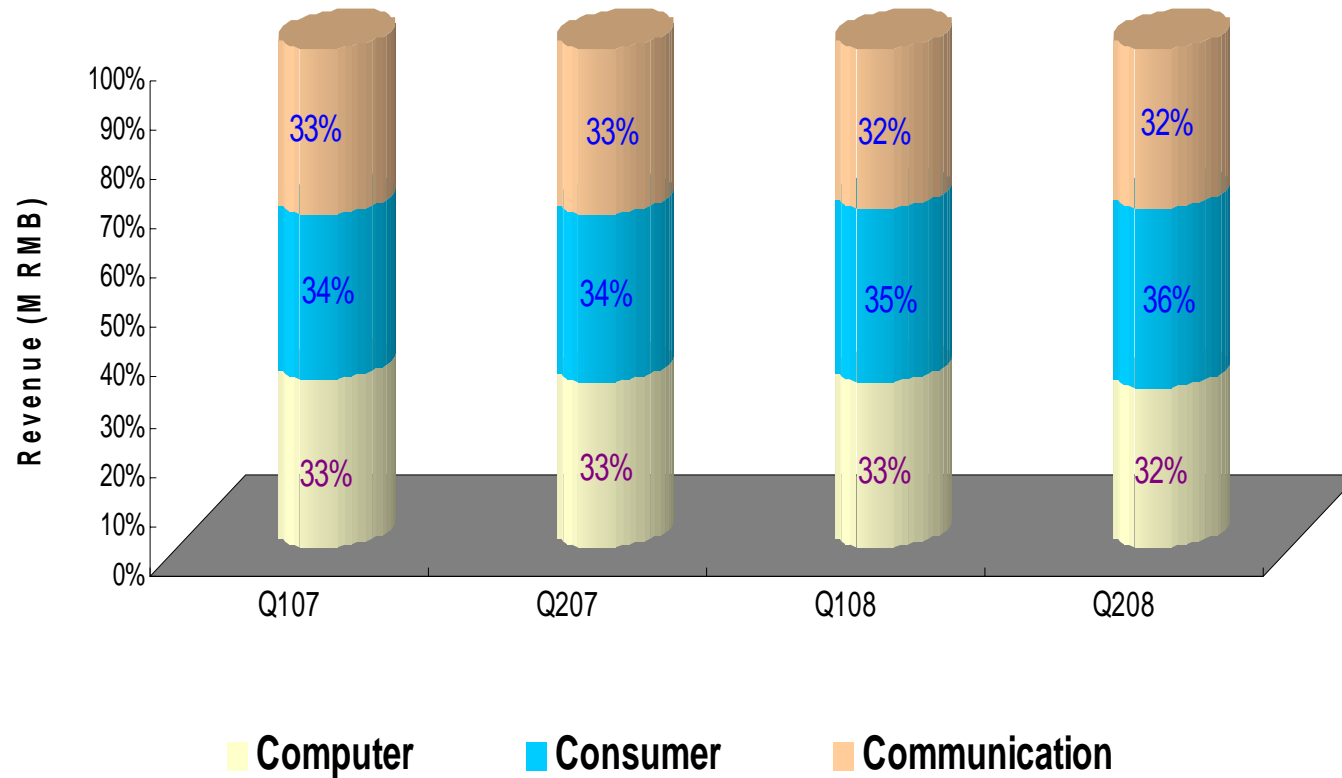


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Sales Breakdown by Application

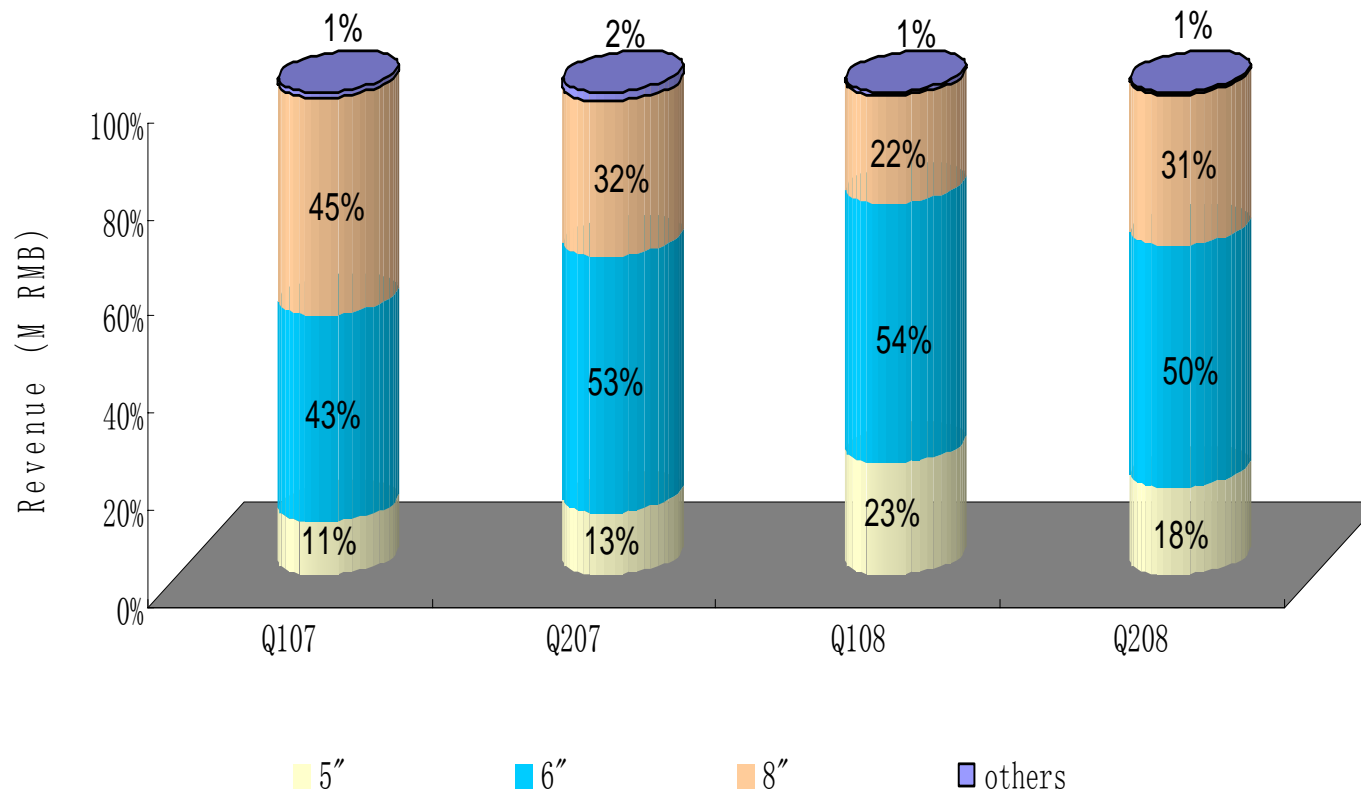


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Sales Breakdown by 5", 6" and 8"



FAB Installed Capacity (8" Equivalent)

FAB / (Wafers in thousand)	Q2'08	Q1'08	Q2' 07
Fab 1/2			
5-inch wafers	33	33	33
6-inch wafers	85	85	85
Fab 3			
8-inch wafers	36	36	36
Total 8" Equivalent	154	154	154

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	Q2' 08	Q1' 08	Q2' 07
Fab 1/2			
5-inch wafers	64%	75%	43%
6-inch wafers	74%	73%	74%
Fab 3			
8-inch wafers	57%	37%	55%
Overall Capacity Utilization Rate	66%	59%	62%

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.

Prospects and Future Plans

- Owing to the slowdown of global economy and the expected below-normal seasonal performance, which might constrain the near-term market demand for semiconductor related products
- The 6-inch de-bottlenecking capacity expansion project between the Company and NXP is now under way, and will eventually lead to new revenue contribution upon completion
- The Company will accelerate the process of cultivating its new customers, particular relating to 8-inch wafers by working seamlessly with both existing and potential customers
- To reshape its business model quickly in response to changing market and technology advancement, enabling the Company to achieve sustainable growth, and enhance its competitiveness and consolidate its leading position in the dedicate analog foundry player in future

For further information

Thank You

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