



# **2006 3rd Quarter Results Investor Conference**

**10 November, 2006**

---

**Advanced Semiconductor Manufacturing  
Corporation Limited**

# Agenda

---

❖ Welcome

❖ 2006 Q3 financial results

Ms. Cheng Jianyu  
Executive Director & CFO

❖ Outlook

Dr. Tony Liu  
Executive Director & President

❖ Q&A

## 2006 Q3 Overview (QoQ)

---

- Revenue increased by 5% to RMB 350.5 million
- Overall capacity utilization rate continued to improve with ramp-up of 8-inch fab
- Revenue from 8-inch fab continued to increase
- Lower gross profit primarily due to one-off charges
- R & D costs continued to decrease as a result of stabilized process technology of 8-inch fab
- Net income amounted to RMB 9.4 million

# Q3' 2006 Results Review

Amount: RMB Million	Q3'06	Q2'06	Q3'05
Sales	350.5	335.0	225.2
Net Income	9.4	10.0	(14.2)
Cash & Cash Equivalent	389.4	400.8	53.3
Interest-Bearing Loans	751.3	767.6	1149.3
Shareholders' Equity	1842.3	1832.9	1201.7
FAB Utilization (%)	71%	69%	51%
ROE (%)	2.0%	2.2%	-4.7%

# Q3' 2006 Income Statement

(QoQ Comparison)

Amount: RMB Million

	Q3'2006 Actual		Q2'2006 Actual		QoQ
	Amount	%	Amount	%	%
<b>Net Sales</b>	350.5	100%	335.0	100%	5%
<b>Cost of Goods Sold (COGS)</b>	(310.9)	-89%	(276.6)	-83%	12%
<b>Gross Profit</b>	39.6	11%	58.4	17%	-32%
<b>Total Operating Expenses</b>	(23.5)	-7%	(33.1)	-10%	-29%
<b>Operating Income/(Loss)</b>	16.1	5%	25.3	8%	-
Financing Cost	(12.3)	-4%	(17.4)	-5%	-29%
Other Income/(Expenses), Net	6.4	2%	3.0	1%	113%
<b>Income/(Loss) Before Tax</b>	10.2	3%	10.9	3%	-
<b>Income Taxes/(Credit)</b>	0.8	0%	0.9	0%	-
<b>Net Income/(Loss)</b>	9.4	3%	10.0	3%	-

# Q3' 2006 Income Statement

## (YoY Comparison)

Amount: RMB Million

	Q3'2006 Actual		Q3'2005 Actual		YoY
	Amount	%	Amount	%	%
<b>Net Sales</b>	350.5	100%	225.2	100%	56%
<b>Cost of Goods Sold (COGS)</b>	(310.9)	-89%	(210.1)	-93%	48%
<b>Gross Profit</b>	39.6	11%	15.1	7%	162%
<b>Total Operating Expenses</b>	(23.5)	-7%	(35.5)	-16%	-34%
<b>Operating Income/(Loss)</b>	16.1	5%	(20.4)	-9%	-
Financing Cost	(12.3)	-4%	(9.7)	-4%	27%
Other Income/(Expenses), Net	6.4	2%	17.7	8%	-64%
<b>Income/(Loss) Before Tax</b>	10.2	3%	(12.4)	-6%	-
<b>Income Taxes/(Credit)</b>	0.8	0%	(1.8)	-1%	-
<b>Net Income/(Loss)</b>	9.4	3%	(14.2)	-6%	-

# Q3' 2006 Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	Q3 06		Q206		Q3 05	
	Amount	%	Amount	%	Amount	%
<b>Total Assets</b>	<b>2956.6</b>	100%	<b>3020.3</b>	100%	<b>2617.1</b>	100%
Cash & Cash Equivalent	389.4	13%	400.8	13%	53.3	2%
Accounts Receivables & Other	213.5	7%	210.5	7%	198.9	8%
Inventory	263.2	9%	225.8	7%	169.7	6%
<b>Total Current Assets</b>	<b>866.1</b>	29%	<b>837.1</b>	28%	<b>421.9</b>	16%
Accounts Payable	212.3	7%	259.5	9%	189.4	7%
Current Portion of Loans	283.1	10%	175.0	6%	404.7	15%
Accrued Liabilities & Others	150.7	5%	160.3	5%	76.7	3%
<b>Total Current Liabilities</b>	<b>646.1</b>	22%	<b>594.8</b>	20%	<b>670.8</b>	26%
<b>Long Term Debt</b>	<b>468.2</b>	16%	<b>592.6</b>	20%	<b>744.6</b>	28%
<b>Total Equity</b>	<b>1842.3</b>	62%	<b>1832.9</b>	61%	<b>1201.7</b>	46%
Accounts Receivable Turnover	45		46		67	
Inventory Turnover	71		69		70	
Current Ratio	1.34		1.41		0.63	
Net Working Capital	220.0		242.3		(248.9)	

# Q3' 2006 Cash Flow

Amount: RMB Million

	<b>Q3'06</b>	<b>Q3'05</b>
	<b>Amount</b>	<b>Amount</b>
<b>From Operation</b>	23.5	(92.8)
<b>Profit Before Tax</b>	10.2	(12.4)
<b>Depreciation &amp; Amortization</b>	99.9	71.6
<b>Change in Working Capital</b>	(86.6)	(152.0)
<b>From Investment</b>	(8.1)	(90.3)
<b>Capital Expenditures (Net)</b>	(8.1)	(90.3)
<b>Other Investment Sources/(Uses)</b>		
<b>From Financing</b>	(26.8)	214.3

# Q3' 2006 Capital Expenditures

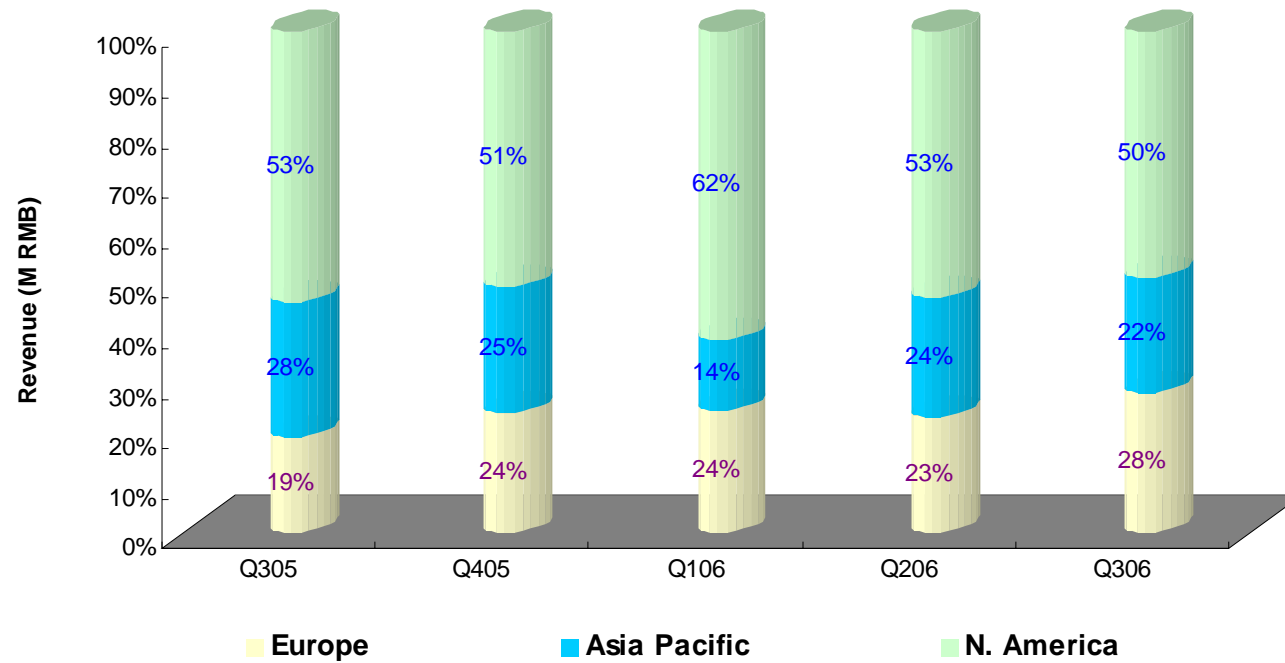
---

---

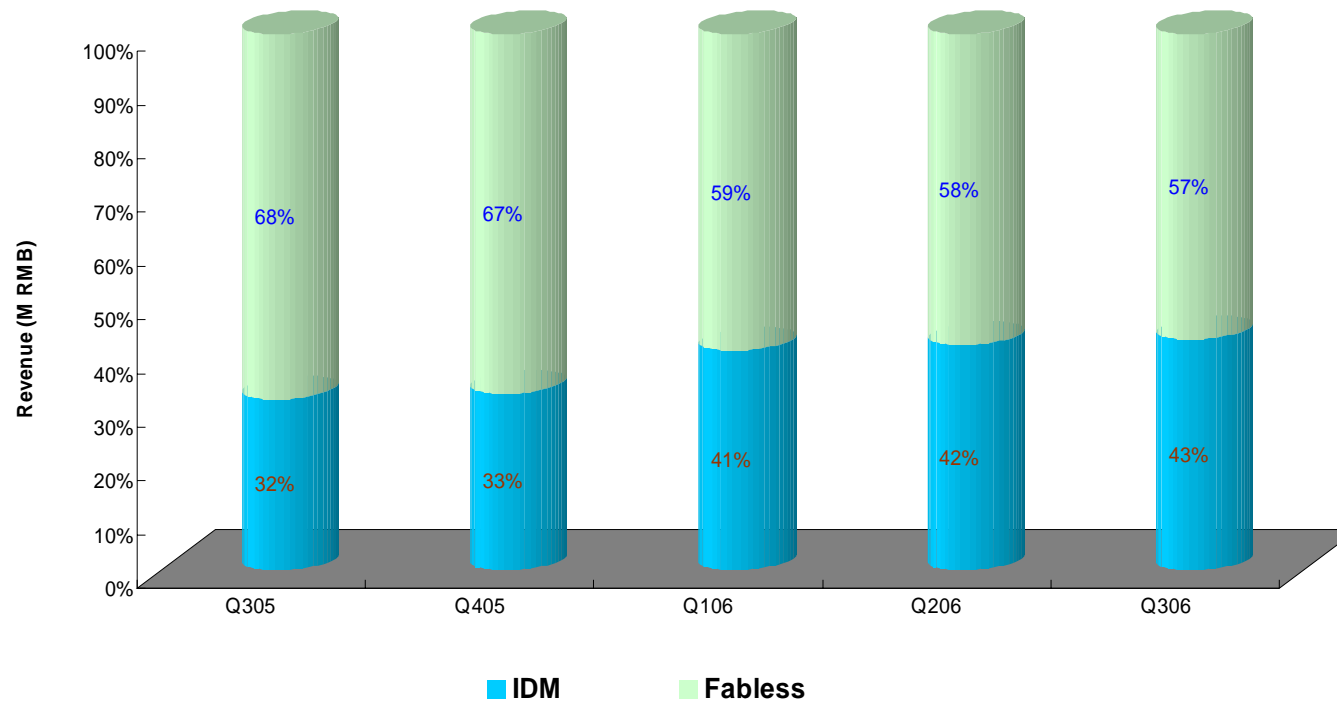
Amount: RMB Million

	Q3'06	Q2'06	Q3'05
<b>CAPEX</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
	8.1	33.0	90.3

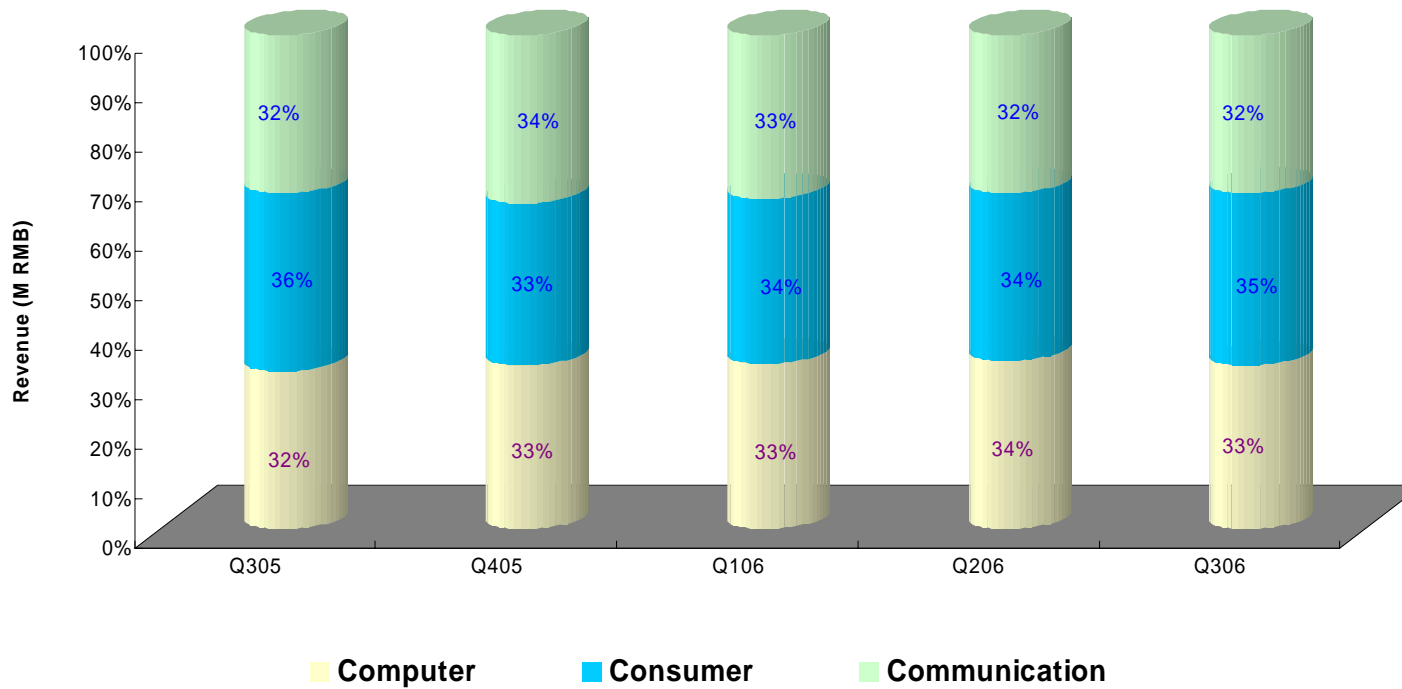
# Sales Breakdown by Geography



# Sales Breakdown by Customer



# Sales Breakdown by Application



# FAB Installed Capacity

---

---

<b>FAB / (Wafer size)</b>	<b>Q3 06</b>	<b>Q2 06</b>
<b>8" Equivalent Kpcs</b>	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.

# Outlook

---

- The overall environment surrounding the Company's business is in line with global semiconductor industry in 4Q 2006
- The Company will further strive to improve overall efficiency and stability of 8-inch fab
- The Company's proprietary submicron BCD process technology is well underway, and will generate additional revenue contribution
- The Semiconductor Industry will continue to be dominated by inventory correction going forward, and expected to recover in early half of 2007

# For further information

---

<http://www.asmc.com>

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