



# **2008 3rd Quarter Results Investor Conference**

**26 November, 2008**

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Advanced Semiconductor Manufacturing  
Corporation Limited

# Agenda

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❖ Welcome

❖ 2008 Q3 financial results

Ms. Cheng Jianyu  
Executive Director & CFO

❖ 2008 Q4 Outlook

Mr. Zhou Weiping  
Executive Director, President and CEO

❖ Q&A



## 2008 Q3 Overview (QoQ)

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- Revenue decrease 2% sequentially to RMB255.0 million in 3Q08
- Overall capacity utilization rate was 65% in 3Q08, remain almost flat with 2Q08
- The 8-inch equivalent wafer shipments increased by 6.3% to 117,351 pieces in 3Q08 from 110,389 pieces in 2Q08
- Gross margin improved to 7.6% in 3Q08 from 1.9% in 2Q08 thanks to a variety of cost reduction initiatives
- The debt level further reduced along with full repayment of outstanding bank loan under the US\$100 million term loan facility
- Net profit amounted to negative RMB12.2 million, EBITDA was positive at around RMB47.9 million



# Q3' 2008 Results Review

Amount: RMB Million	Q3'08	Q2'08	Q3'07
<b>Sales</b>	255.0	260.6	333.4
<b>Net Income</b>	(12.2)	19.9	(22.9)
<b>Cash &amp; Cash Equivalent</b>	216.0	229.8	85.4
<b>Interest-Bearing Loans</b>	188.4	269.2	277.9
<b>Shareholders' Equity</b>	955.8	968.0	1718.9
<b>FAB Utilization (%)</b>	65%	66%	76%
<b>ROE (%)</b>	-5.1%	8.2%	-5.3%



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**ASMC 3Q2008 Results /26 November 2008**

# Q3' 2008 Income Statement

(QoQ Comparison)

Amount: RMB Million	Q3'2008 Actual		Q2'2008 Actual		QoQ
	Amount	%	Amount	%	%
<b>Net Sales</b>	255.0	100%	260.6	100%	-2%
<b>Cost of Goods Sold (COGS)</b>	(235.8)	-92%	(255.7)	-98%	-8%
<b>Gross Profit</b>	19.3	8%	4.9	2%	295%
<b>Total Operating Expenses</b>	(34.4)	-14%	(22.3)	-9%	54%
<b>Operating Income/(Loss)</b>	(15.2)	-6%	(17.4)	-7%	-
Finance Costs	(3.5)	-1%	(4.5)	-2%	-23%
Other Expenses	-	-	(3.5)	-1%	
Other Income/(Expenses)	6.5	3%	45.3	17%	-86%
<b>Income/(Loss) Before Tax</b>	(12.2)	-5%	19.9	8%	-
<b>Income Taxes Credit/ (expense)</b>	-	-	-	-	-
<b>Net Income/(Loss)</b>	(12.2)	-5%	19.9	8%	-

Note: No charges were recognized in other expenses for 3Q08 due to the reclassification of fair value gain on interest rate swap into other income, while RMB0.8 million generated from fair value gain on interest rate swap for 2Q08 reclassified from other expenses into other income



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**ASMC 3Q2008 Results /26 November 2008**

# Q3' 2008 Income Statement

## (YoY Comparison)

Amount: RMB Million

	Q3'2008 Actual		Q3'2007 Actual		YoY
	Amount	%	Amount	%	%
<b>Net Sales</b>	255.0	100%	333.4	100%	-24%
<b>Cost of Goods Sold (COGS)</b>	(235.8)	-92%	(325.4)	-98%	-28%
<b>Gross Profit</b>	19.3	8%	8.1	2%	139%
<b>Total Operating Expenses</b>	(34.4)	-14%	(29.4)	-9%	17%
<b>Operating Income/(Loss)</b>	(15.2)	-6%	(21.3)	-6%	-
Finance Costs	(3.5)	-1%	(7.0)	-2%	-50%
Other Income/(Expenses)	6.5	3%	3.1	1%	108%
<b>Income/(Loss) Before Tax</b>	(12.2)	-5%	(25.2)	-8%	-
<b>Income Taxes Credit /(Expense)</b>	-	-	2.3	1%	-
<b>Net Income/(Loss)</b>	(12.2)	-5%	(22.9)	-7%	-



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**ASMC 3Q2008 Results /26 November 2008**

# Q3' 2008 Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	Q3'08		Q2'08		Q3'07	
	Amount	%	Amount	%	Amount	%
<b>Total Assets</b>	<b>1389.4</b>	100%	<b>1432.8</b>	100%	<b>2240.8</b>	100%
Cash & Cash Equivalent	216.0	16%	229.8	16%	85.4	4%
Accounts Receivables & Other	163.7	12%	159.3	11%	182.5	8%
Inventory	185.7	13%	175.9	12%	218.9	10%
<b>Total Current Assets</b>	<b>565.4</b>	41%	<b>565.0</b>	39%	<b>486.9</b>	22%
Accounts Payable	132.6	10%	115.1	8%	152.7	7%
Current Portion of Loans	188.4	14%	269.2	19%	277.9	12%
Accrued Liabilities & Others	112.4	8%	80.3	6%	91.2	4%
<b>Total Current Liabilities</b>	<b>433.3</b>	31%	<b>464.6</b>	32%	<b>521.9</b>	23%
<b>Long Term Debt</b>	<b>0.0</b>	0%	<b>0.0</b>	0%	<b>0.0</b>	0%
<b>Total Equity</b>	<b>956.0</b>	69%	<b>968.2</b>	68%	<b>1718.9</b>	77%
<b>Accounts Receivable Turnover (Days)</b>	46		43		45	
<b>Inventory Turnover (Days)</b>	84		67		63	
<b>Current Ratio</b>	1.30		1.22		0.93	
<b>Net Working Capital</b>	132.0		100.4		(35.0)	



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**ASMC 3Q2008 Results /26 November 2008**

## Q3' 2008 Cash Flow

Amount: RMB Million	Q3'08	Q3'07
	Amount	Amount
<b>From Operation</b>	80.0	134.4
<b>Profit Before Tax</b>	(12.2)	(25.2)
<b>Depreciation &amp; Amortization</b>	56.6	96.4
<b>Change in Working Capital</b>	47.7	59.2
<b>Other Operating activities</b>	(12.2)	4.0
<b>From Investment</b>	(13.1)	(20.4)
<b>Capital Expenditures (Net)</b>	(13.1)	(20.4)
<b>Other Investment Sources/(Uses)</b>		
<b>From Financing</b>	(80.7)	(92.5)
<b>Repayment of -L</b>	(80.7)	(92.5)



# Q3' 2008 Capital Expenditures

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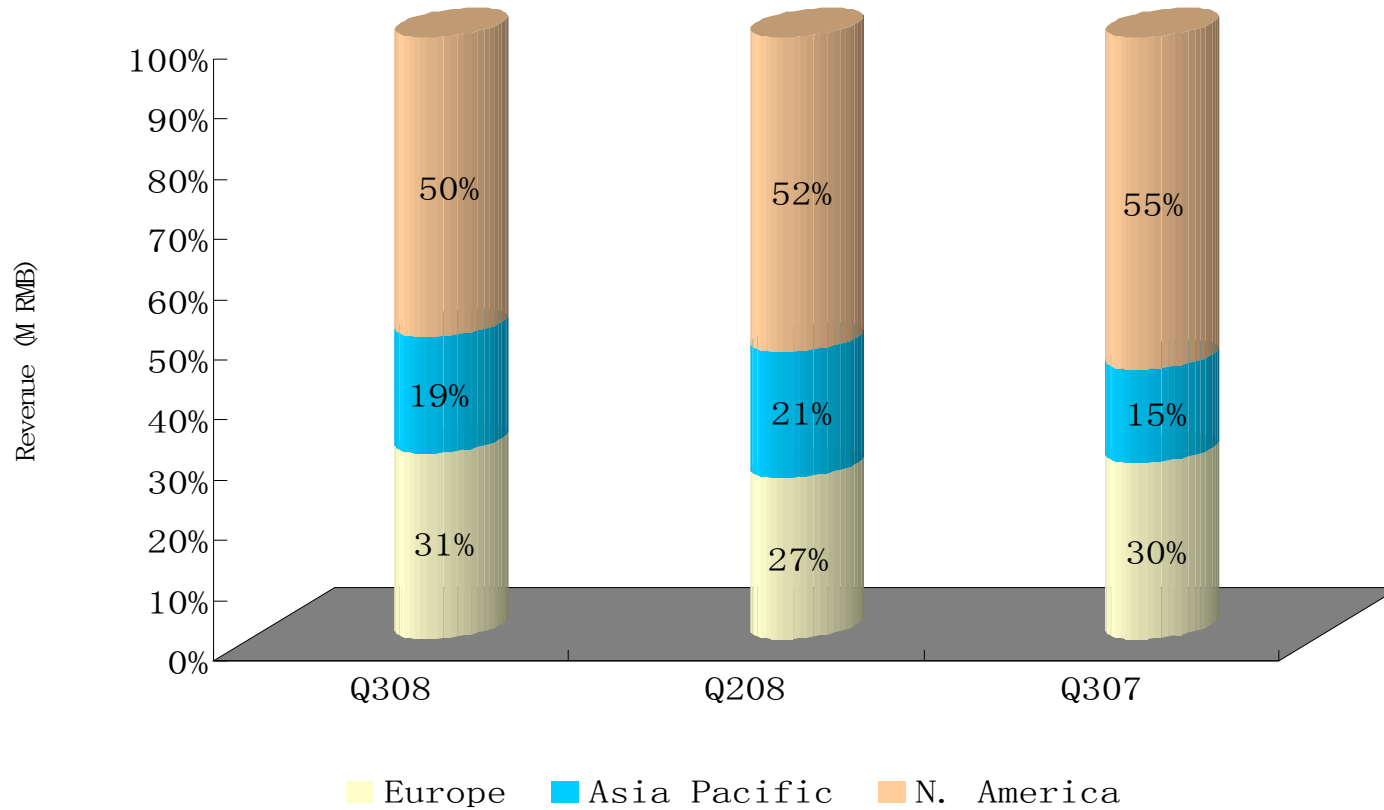
Amount: RMB Million

## CAPEX

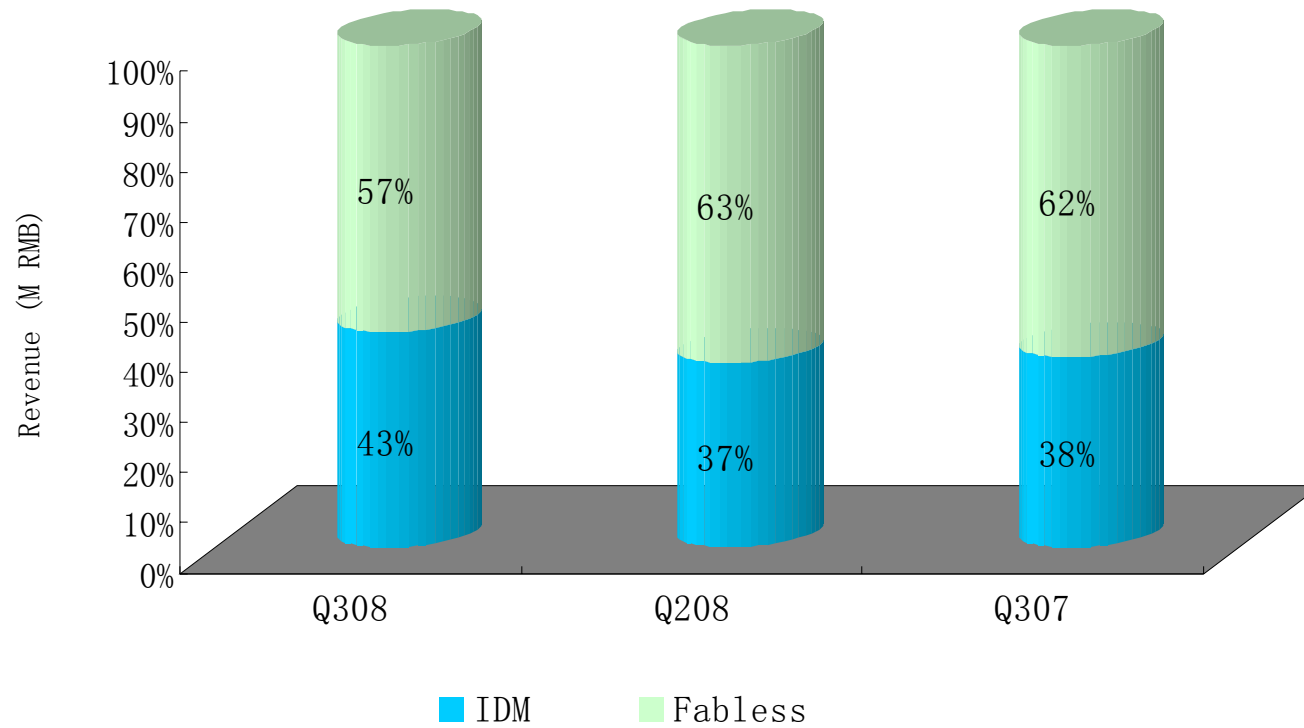
Q3'08	Q2'08	Q3'07
Amount	Amount	Amount
13.1	5.5	20.4



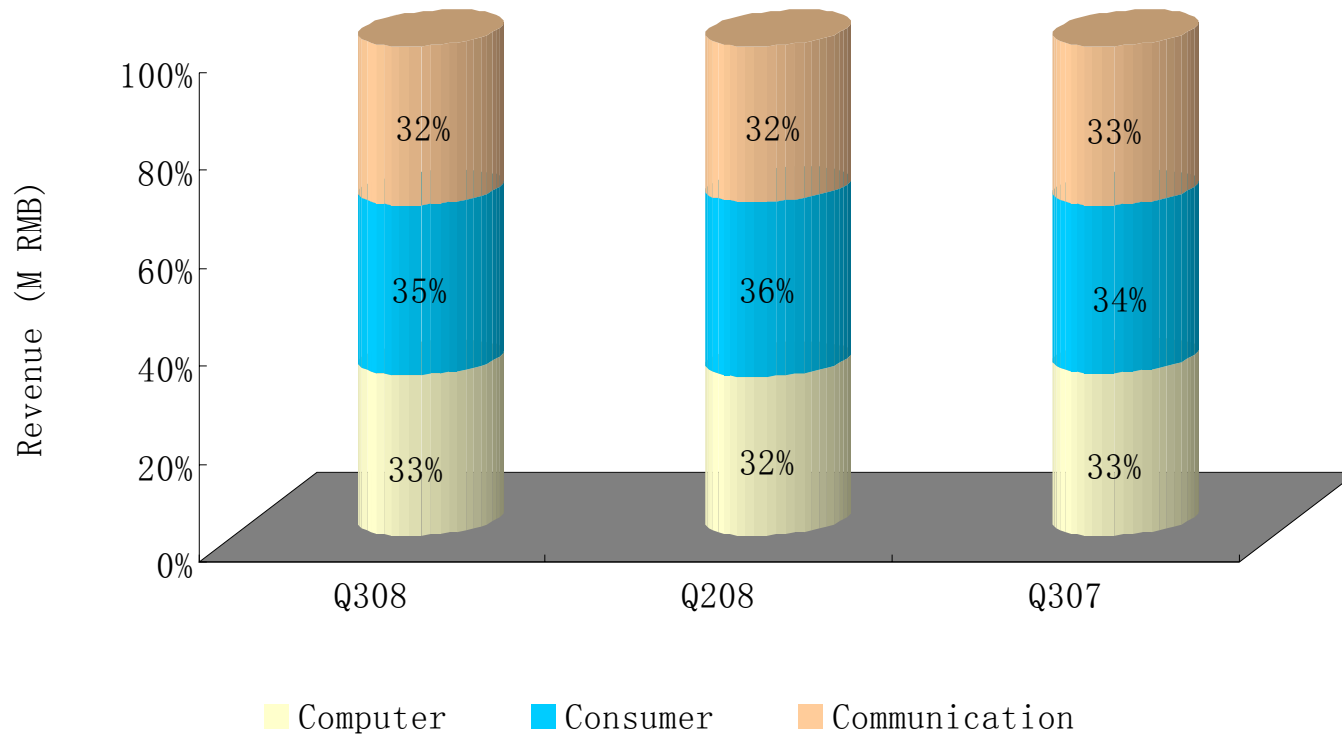
# Sales Breakdown by Geography



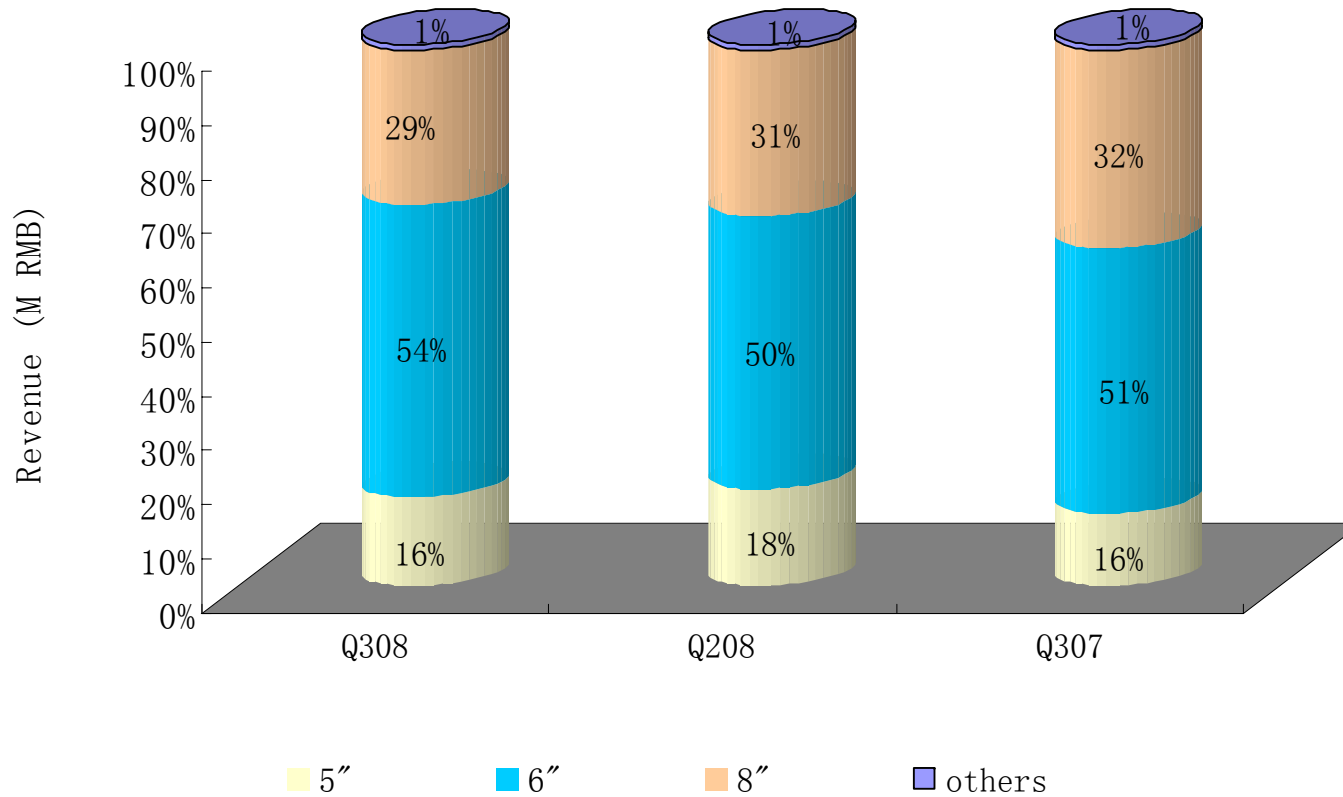
# Sales Breakdown by Customer



# Sales Breakdown by Application



# Sales Breakdown by 5" 6" 8"



## FAB Installed Capacity (8" Equivalent)

FAB / (Wafers in thousand)	Q3 08	Q2 08	Q3 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

<b>FAB</b>	<b>Q3'08</b>	<b>Q2'08</b>	<b>Q3'07</b>
<b>Fab 1/2</b>			
<b>5-inch wafers</b>	<b>59%</b>	<b>64%</b>	<b>72%</b>
<b>6-inch wafers</b>	<b>77%</b>	<b>74%</b>	<b>87%</b>
<b>Fab 3</b>			
<b>8-inch wafers</b>	<b>54%</b>	<b>57%</b>	<b>65%</b>
<b>Overall Capacity Utilization Rate</b>	<b>65%</b>	<b>66%</b>	<b>76%</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.



## Outlook for the fourth quarter of 2008

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- The global economic recession, and credit crunch will continue to weaken the demand for semiconductor related products
- The Company's on-going business activities will be further negatively impacted by the worsening macro-economic environment and its customers' cautious approach to placing orders as a result of low visibility and tight inventory control of end-users
- The Company's sales in 4Q08 is expected to decrease significantly on a sequential quarter-to-quarter basis



# For further information

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