



2014 Annual Results Investor Conference

12 March, 2015

**Advanced Semiconductor
Manufacturing Corporation Limited**

Agenda

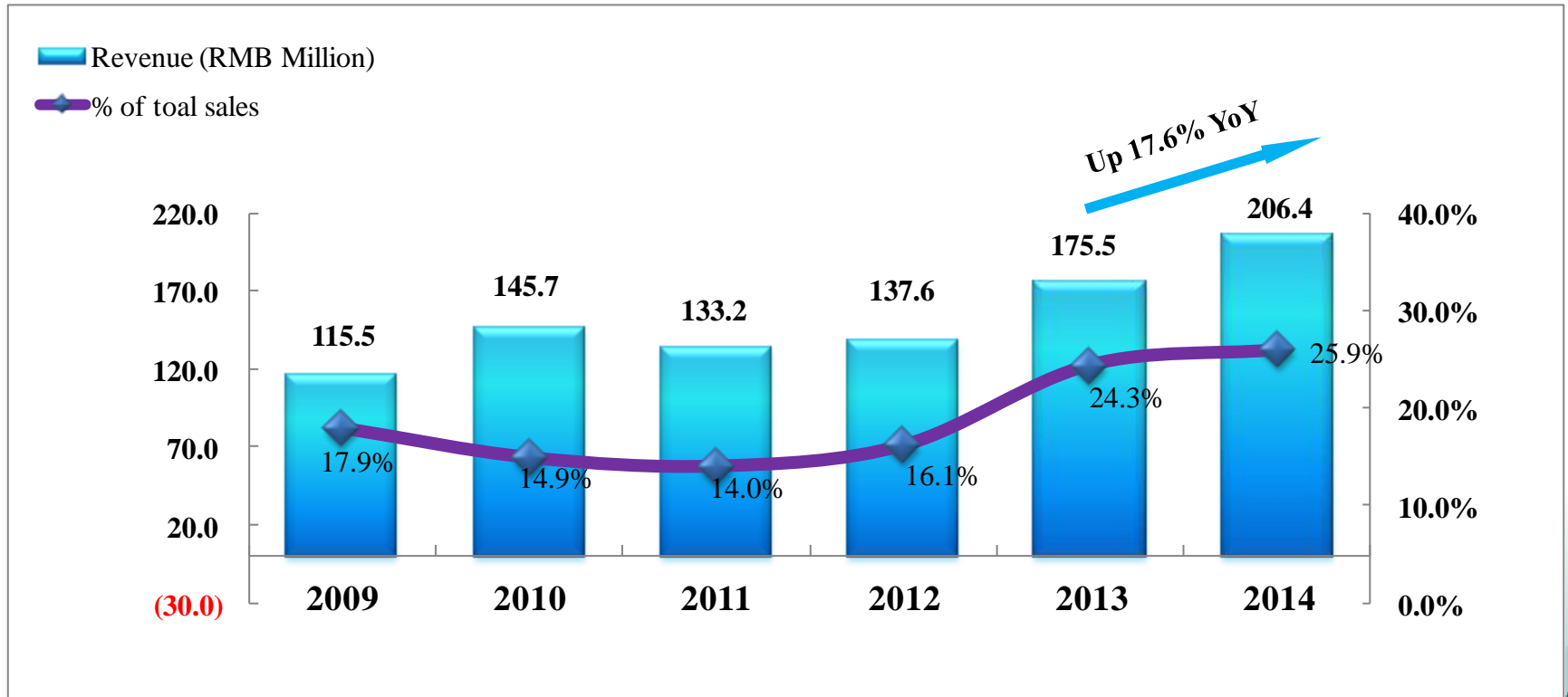
- ❖ **Welcome**
- ❖ **2014 Financial Results**
- ❖ **2015 Outlook**
- ❖ **Q&A Session**

2014 Overview

- Sales were RMB797.4 million in 2014, up 10.4% from RMB722.1 million in 2013, primarily due to better-than-expected market growth in semiconductor industry
- Gross margin was 17.2% in 2014 compared to 14.4% in 2013, primarily attributable to higher utilization rate, effective variable cost control and the increase in the effective mask move, partially offset by the decline in average selling prices
- The revenue generated by the Greater China region amounted to RMB206.4 million in 2014, and saw a 17.6% year-over-year increase
- The Company's shipment of 8-inch equivalent wafers were 451,599 units in 2014, an increase of 12.6% from 400,968 units in 2013
- The overall capacity utilization rate was 73% in 2014, 19 percentage points higher than the same period of last year
- The Company's cash position was RMB479.6 million as at 31 December 2014, compared to RMB394.0 million as at 31 December 2013
- Net profit attributable to ordinary equity holders was RMB48.6 million, earnings per share of RMB3.17 cents in 2014, compared to net profit of RMB12.5 million, earnings per share of RMB0.82 cents in 2013

Strong Sales Growth in the Greater China Region

The Company posted a 17.6% YoY growth in sales from the Greater China region, accounting for 25.9% of total sales in 2014 compared to 24.3% in 2013



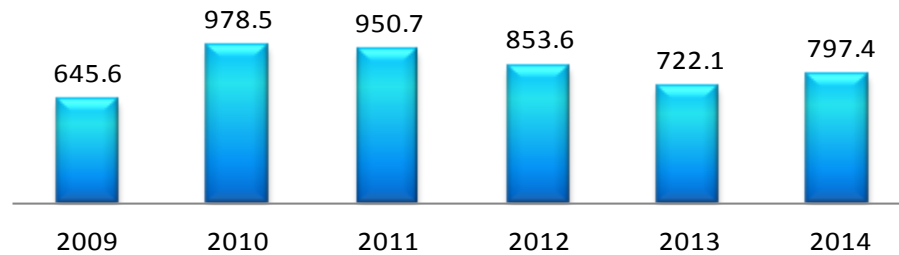
2014 Annual Results Overview

Amount: RMB Million

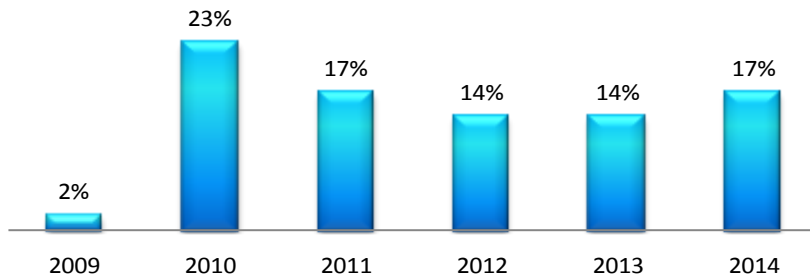
	2014		2013		Change
	Amount	%	Amount	%	%
Net Sales	797.4	100%	722.1	100%	10%
Cost of Goods Sold (COGS)	(660.6)	-83%	(617.9)	-86%	7%
Gross Profit / (Loss)	136.8	17%	104.2	14%	31%
Other income and gains	20.0	3%	25.0	3%	-20%
Selling and distribution costs	(7.0)	-1%	(7.0)	-1%	1%
General and administrative expenses	(65.9)	-8%	(65.0)	-9%	1%
Research and development costs	(34.7)	-4%	(38.2)	-5%	-9%
Other expenses	-	-	(5.9)	-1%	-
Finance costs	(0.5)	0%	(0.6)	0%	-22%
Income/(Loss) Before Tax	48.6	6%	12.5	2%	288%
Income Taxes Credit/(Expenses)	-	-	-	-	-
Net Income/(Loss)	48.6	6%	12.5	2%	288%
Earnings/(Loss) Per Share	3.17 cents	-	0.82 cents	-	-

Yearly Business Trends

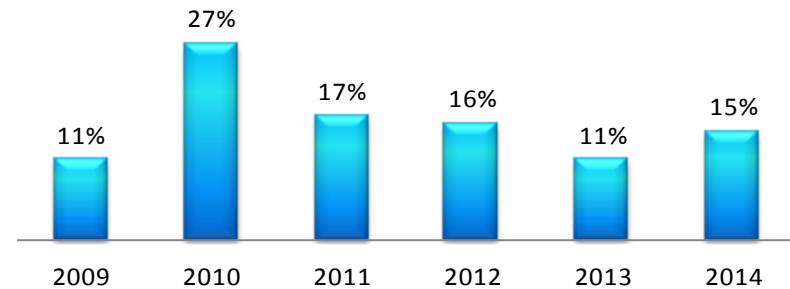
Revenue (RMB'M)



Gross Margin



EBITDA Margin



4Q2014 Income Statement (QoQ)

Amount: RMB Million

	Q4'2014 Actual		Q3'2014 Actual		QoQ
	Amount	%	Amount	%	%
Net Sales	185.6	100%	226.4	100%	-18%
Cost of Goods Sold (COGS)	(159.4)	-86%	(178.1)	-79%	-11%
Gross Profit /(Loss)	26.1	14%	48.3	21%	-46%
Other income and gains	4.9	3%	4.3	2%	13%
Selling and distribution costs	(2.1)	-1%	(1.7)	-1%	21%
General and administrative expenses	(16.3)	-9%	(17.6)	-8%	-8%
Research and development costs	(9.7)	-5%	(7.7)	-3%	27%
Other expenses	-	-	(0.3)	0%	-
Finance costs	-	-	(0.1)	0%	-
Income/(Loss) Before Tax	3.0	2%	25.1	11%	-88%
Income Taxes Credit/ (Expenses)	-	-	-	-	-
Net Income/(Loss)	3.0	2%	25.1	11%	-88%

4Q2014 Income Statement (YoY)

Amount: RMB Million

	Q4'2014 Actual		Q4'2013 Actual		YoY
	Amount	%	Amount	%	%
Net Sales	185.6	100%	175.7	100%	6%
Cost of Goods Sold (COGS)	(159.4)	-86%	(145.9)	-83%	9%
Gross Profit (Loss)	26.1	14%	29.8	17%	-12%
Other income and gains	4.9	3%	7.1	4%	-31%
Selling and distribution costs	(2.1)	-1%	(1.5)	-1%	37%
General and administrative expenses	(16.3)	-9%	(15.7)	-9%	4%
Research and development costs	(9.7)	-5%	(10.6)	-6%	-8%
Other expenses	-	-	(0.2)	0%	-
Finance costs	-	-	(0.2)	0%	-
Income/(Loss) Before Tax	3.0	2%	8.7	5%	-66%
Income Taxes Credit/ (Expenses)	-	-	-	-	-
Net Income/(Loss)	3.0	2%	8.7	5%	-66%

2014 Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	As at 12/31/2014		As at 12/31/2013	
	Amount	%	Amount	%
Total Assets	1071.9	100%	1025.7	100%
Cash & Cash Equivalent	479.6	45%	394.0	38%
Accounts Receivables & Others	97.5	9%	106.9	10%
Inventory	97.9	9%	111.8	11%
Total Current Assets	675.0	63%	612.7	60%
Accounts Payable	99.4	9%	87.9	9%
Current Portion of Loans	-	-	18.3	2%
Accrued Liabilities & Others	53.9	5%	49.3	5%
Total Current Liabilities	153.2	14%	155.5	15%
Long Term Debt	7.5	1%	7.7	1%
Total Equity	911.2	85%	862.5	84%
Accounts Receivable Turnover (Days)	44		45	
Inventory Turnover (Days)	82		97	
Current Ratio	4.40		3.94	
Net Working Capital	521.8		457.2	

2014 Cash Flow

Amount: RMB Million

	Year 2014	Year 2013
	Amount	Amount
From Operations	163.5	89.5
Profit Before Tax	48.6	12.5
Depreciation & Amortization	68.1	65.7
Changes in Working Capital	50.9	13.0
Other Operating activities	(4.1)	(1.8)
From Investment	(60.0)	(105.0)
Purchase of items of property, plant and equipment, construction in progress and intangible assets	(60.0)	(105.0)
Decrease/(increase) in other financial asset	-	-
Receipt of government grants	-	-
From Financing	(18.3)	(0.6)
Repayment of -L	(18.3)	(0.6)

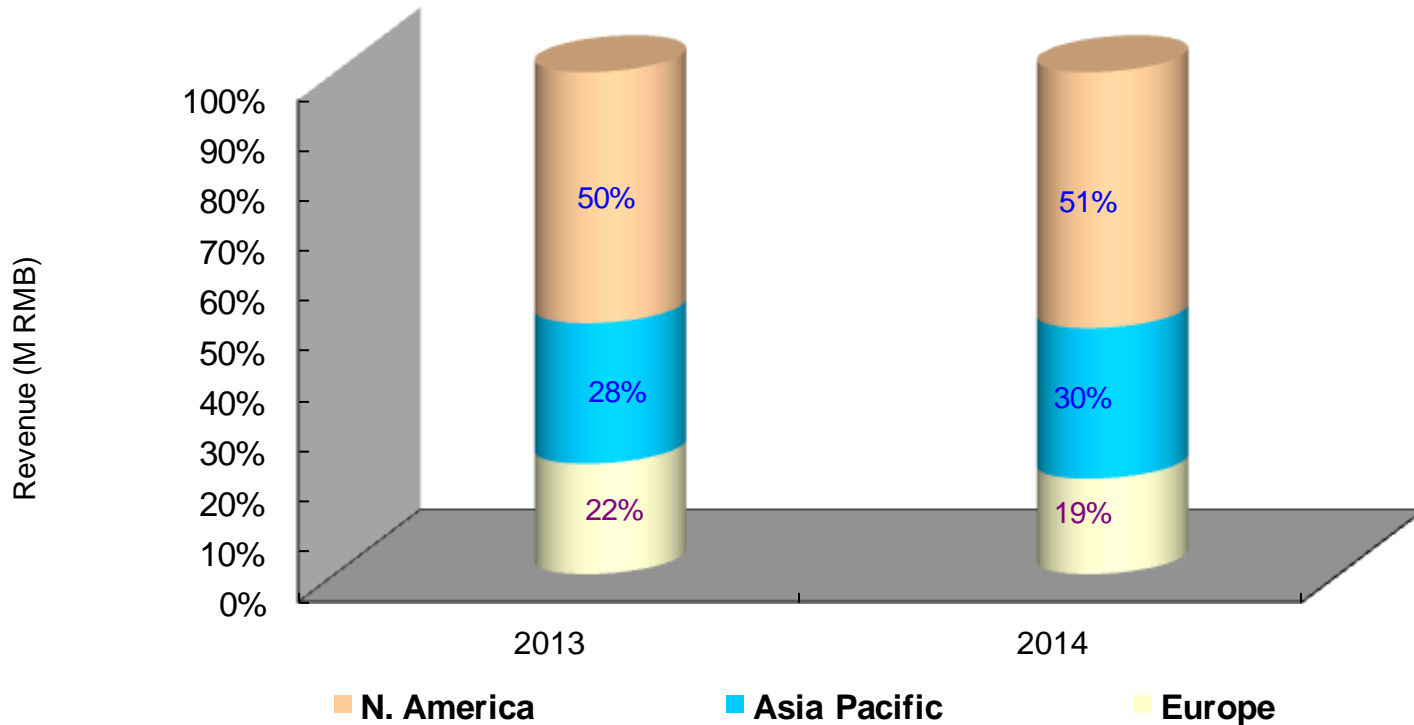
4Q2014 Capital Expenditures

Amount: RMB Million

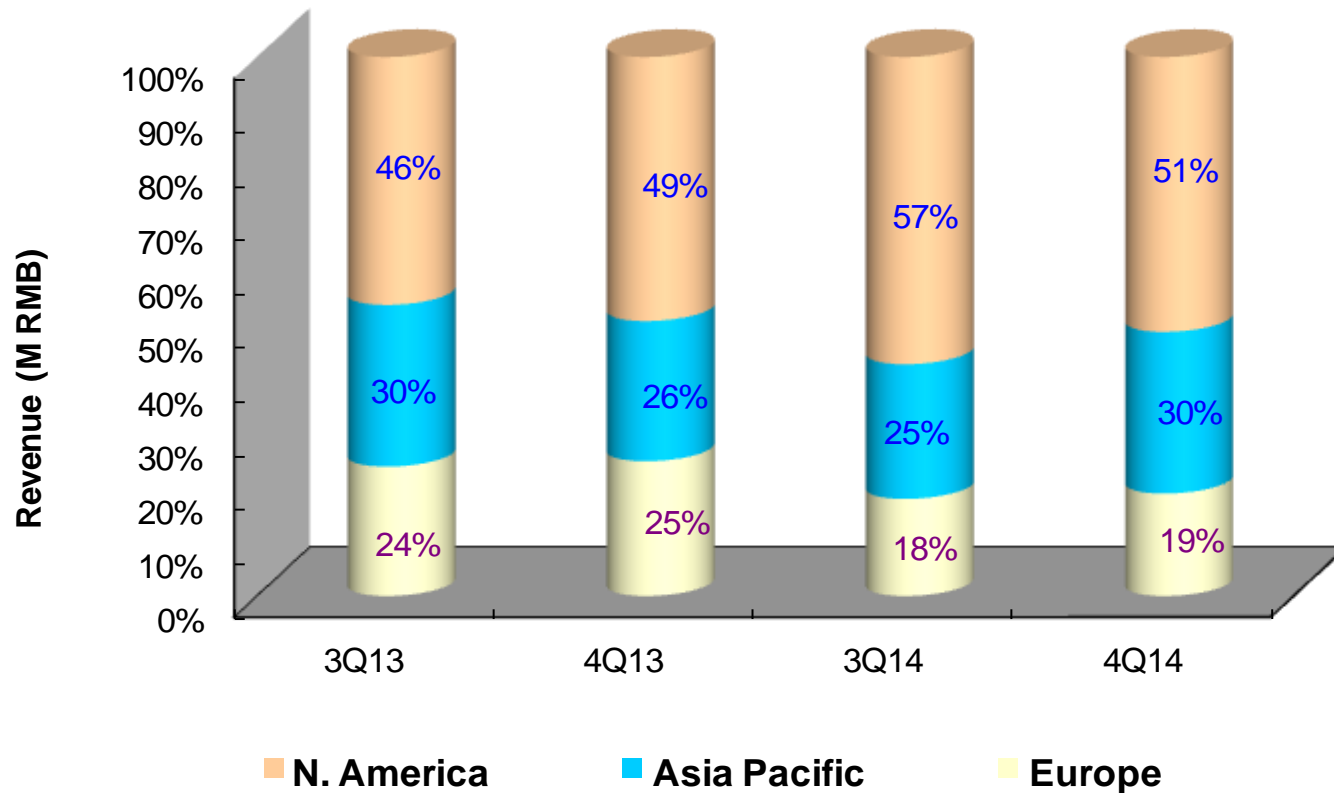
CAPEX

Q4'14	Q3'14	Q4'13
Amount	Amount	Amount
23.1	7.3	11.1

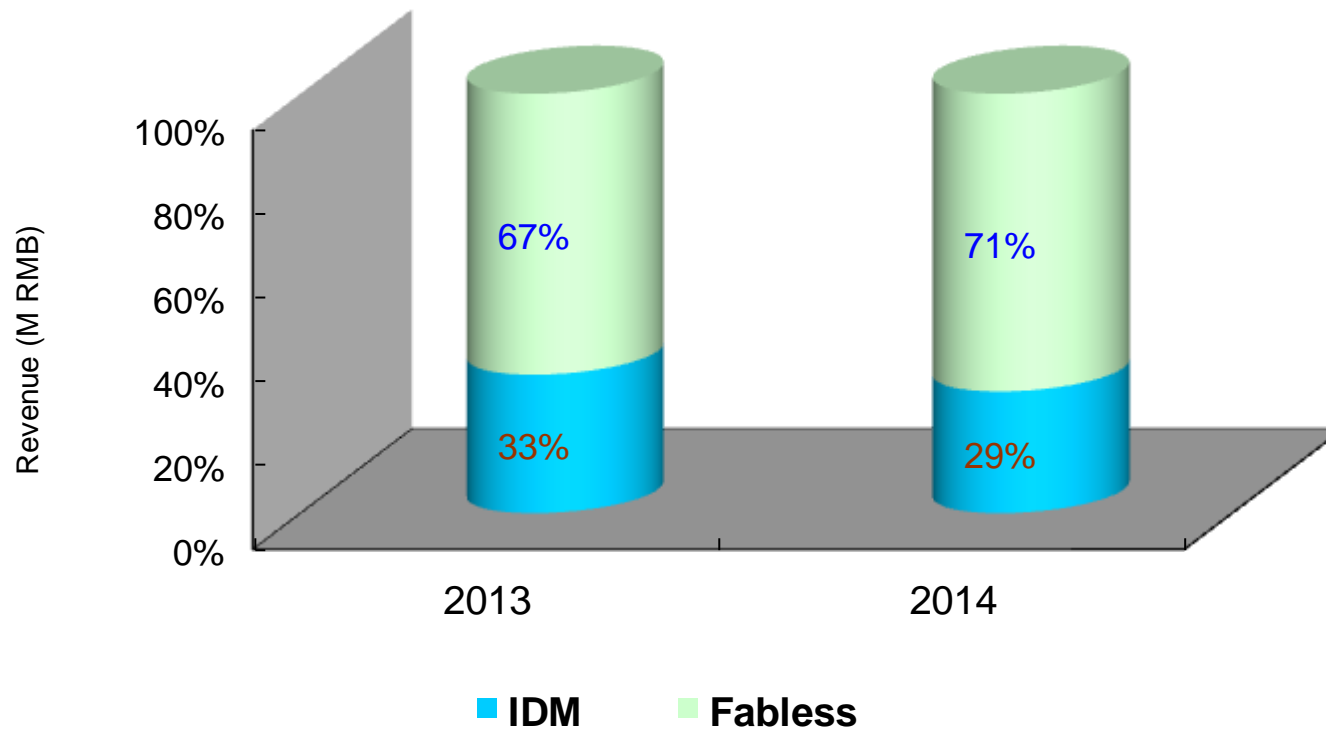
Sales Breakdown by Geography (YoY)



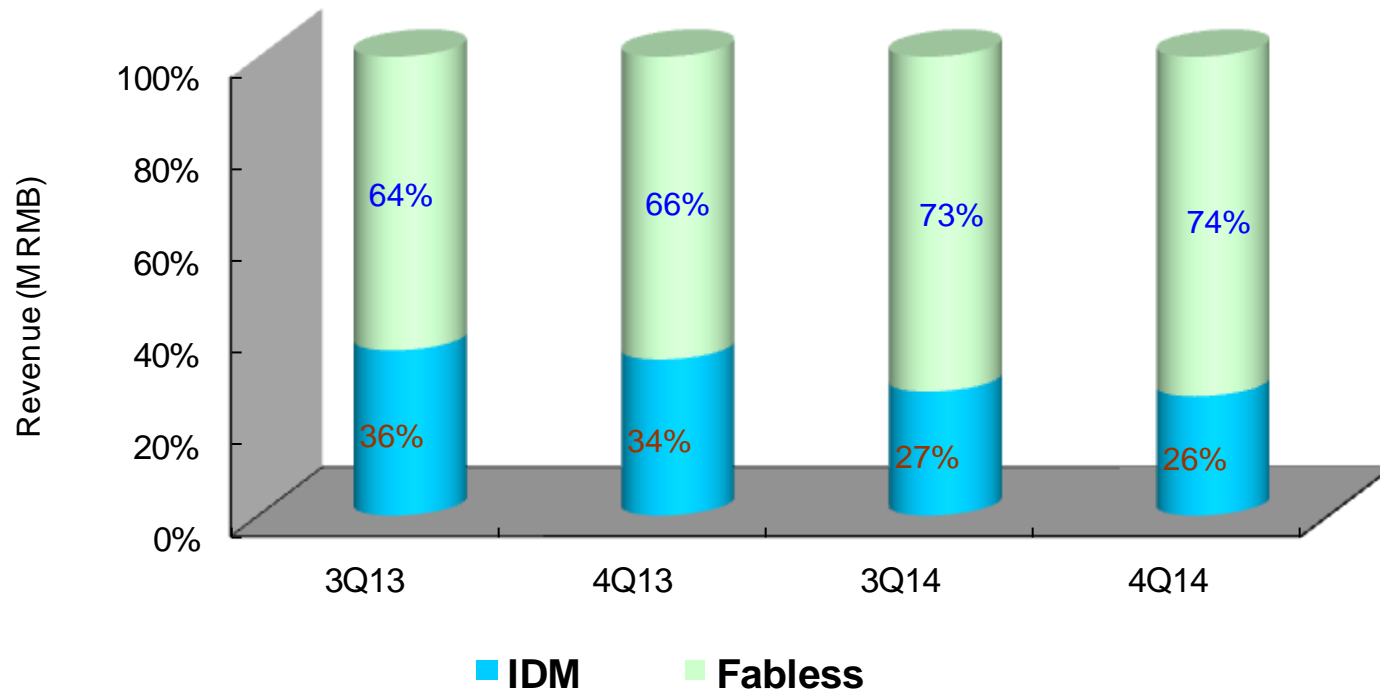
Sales Breakdown by Geography (QoQ)



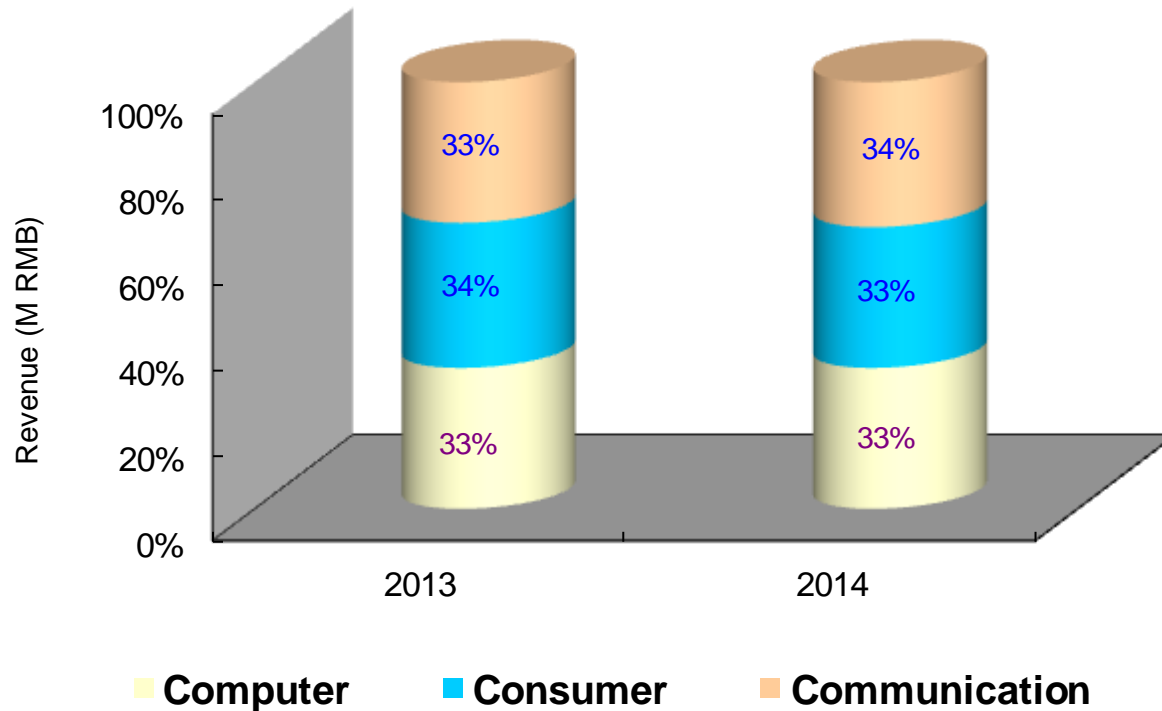
Sales Breakdown by Customer Type (YoY)



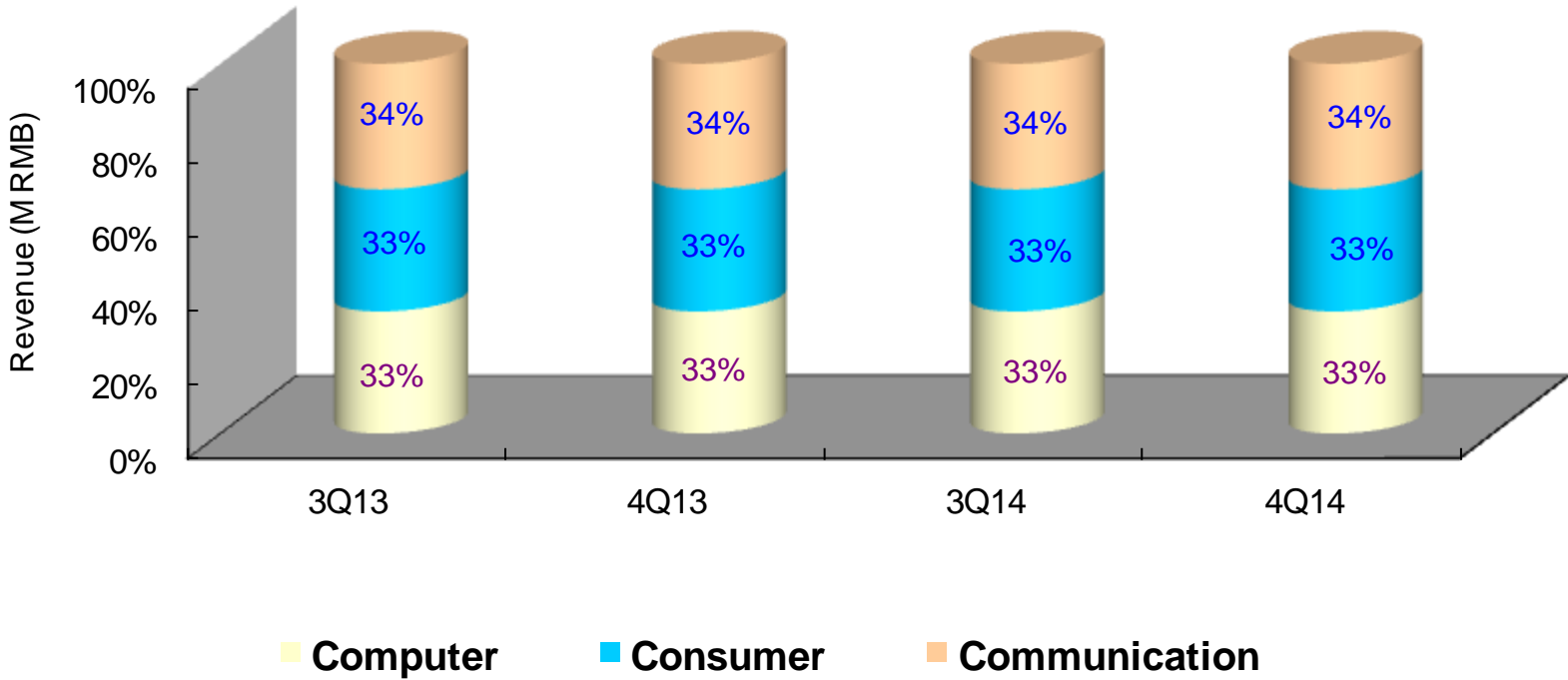
Sales Breakdown by Customer (QoQ)



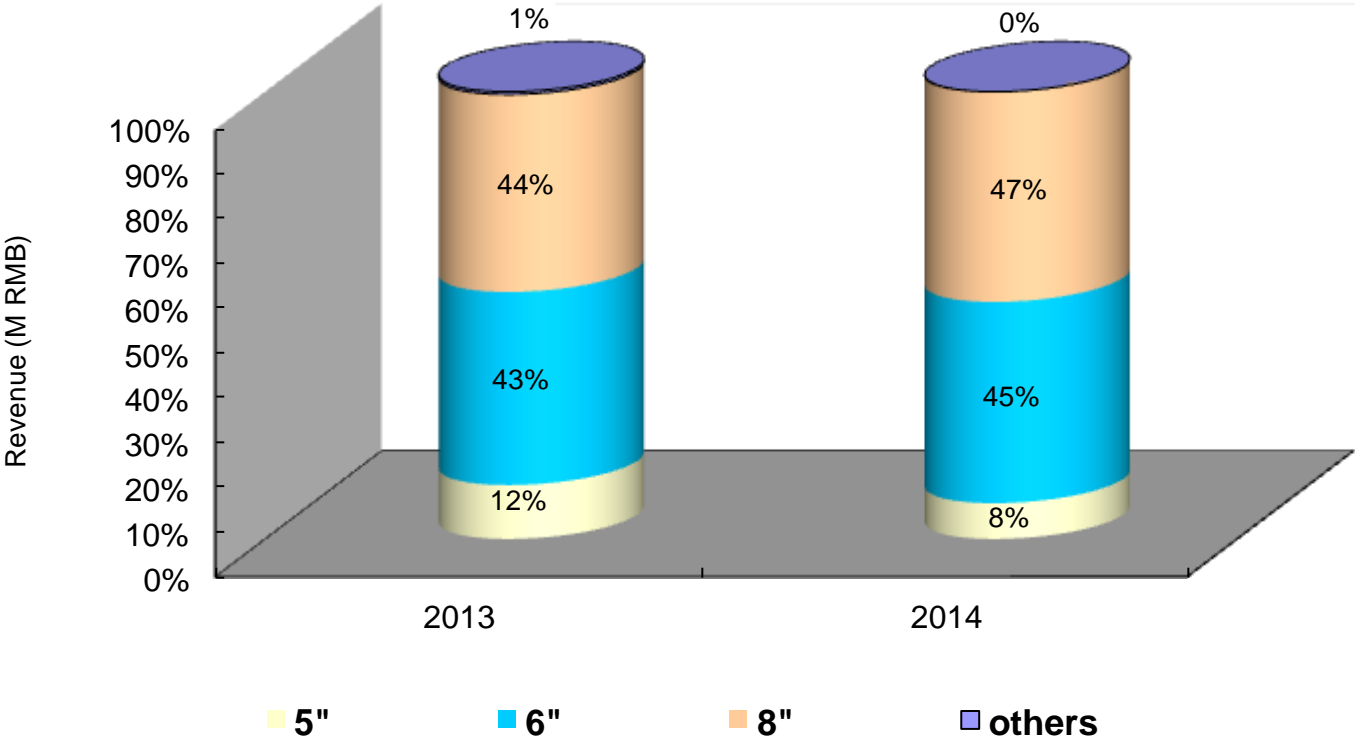
Sales Breakdown by Application (YoY)



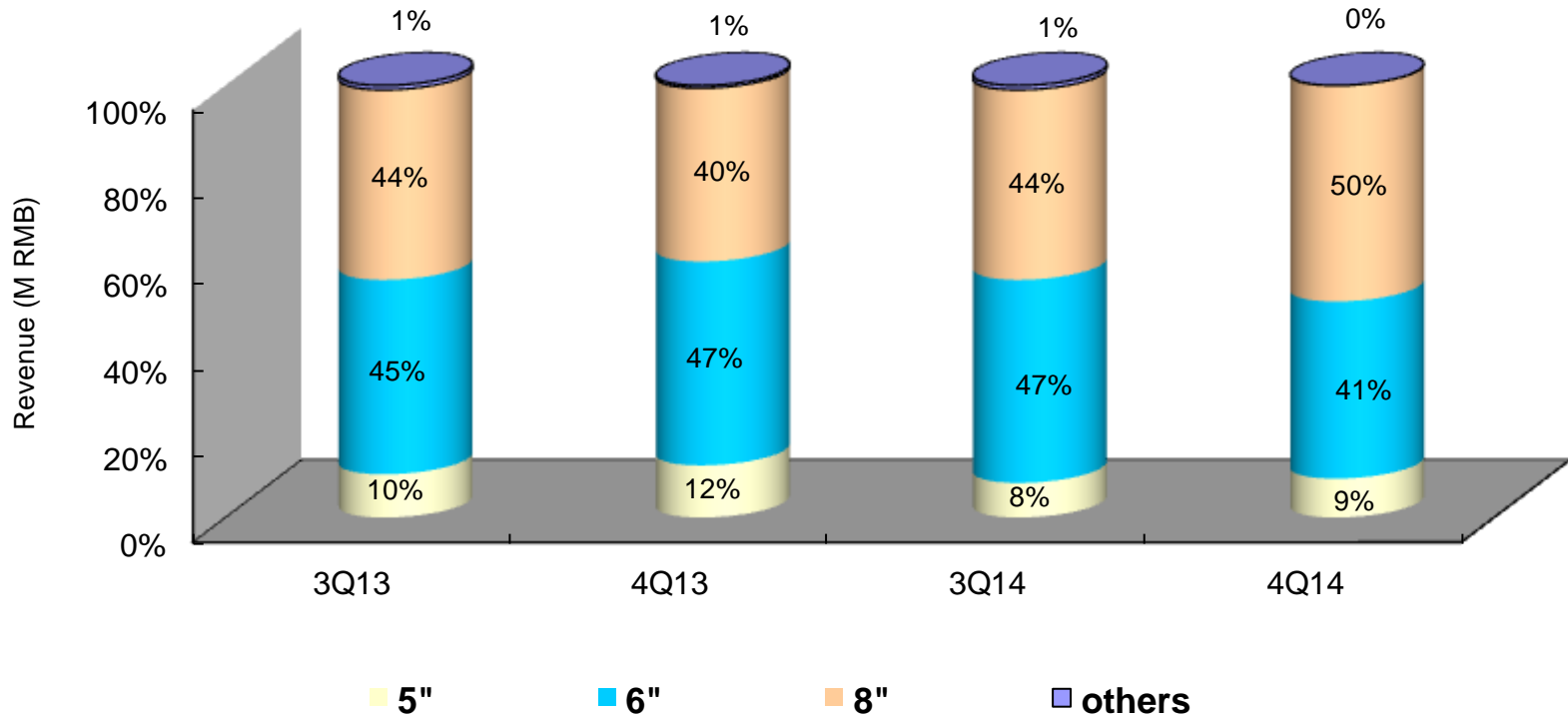
Sales Breakdown by Application (QoQ)



Sales Breakdown by 5", 6" and 8" (YoY)



Sales Breakdown by 5", 6" and 8" (QoQ)



FAB Installed Capacity (8" Equivalent)

FAB / (Wafers in thousand)	Q4'14	Q3'14	Q4'13
Fab 1/2			
5-inch wafers	9	9	33
6-inch wafers	71	71	85
Fab 3			
8-inch wafers	70	70	44
Total 8" Equivalent	150	150	162

Notes:

1. The Company estimated the capacities of its 5-inch and 6-inch on the basis of 9 and 10 mask steps per wafer respectively and 5-inch and 6-inch wafers were converted to 8-inch equivalent wafers by dividing their wafer number using 2.56 and 1.78 respectively.
2. The installed capacity of the Company's fabrication facilities is calculated assuming continuous production of an optimum product mix, which in practice is unlikely ever to be achieved. In consequence, the actual operating capacity is less than the figures stated in the table.
3. The basis on which the capacity of the Company's 8-inch wafers was estimated changed from 22 mask steps per wafer to 14 mask steps per wafer, which became effective on 1 January 2014.

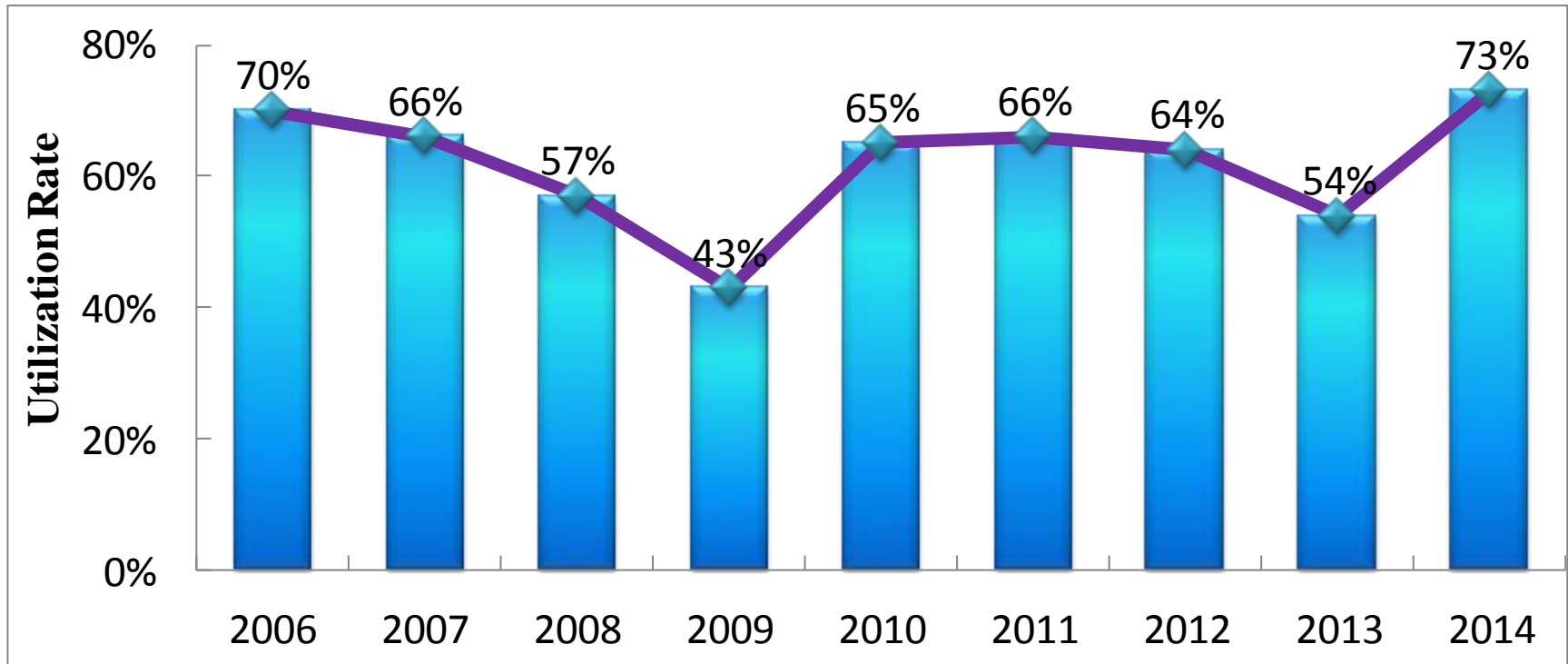
Capacity Utilization Rate by Fab

FAB	Q4'14	Q3'14	Q4'13
Fab 1/2			
5-inch wafers	85%	90%	28%
6-inch wafers	66%	86%	57%
Fab 3			
8-inch wafers	69%	77%	52%
Overall Capacity Utilization Rate	68%	81%	51%

Notes:

1. 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.
2. The capacity utilization rates stated in the table are calculated on the basis of the theoretical capacity of the Company's fabrication facilities, as discussed in notes 2 to slide 14. In consequence, the utilization rates of actual operating capacity are higher than the figures stated in the above table
3. The utilization of the Company's 8-inch wafers in fab3 was calculated on the basis of 325,000 masks per month which became effective on 1 July 2013
4. The installed capacity of 5-inch wafers changed from 252,000 masks per month to 66,000 masks per month, which became effective on 1 January 2014. As a result, the utilization rate of the Company's 5-inch wafers for the third and fourth quarter of 2014 was calculated on the basis of 66,000 masks per month.
5. The installed capacity of 6-inch wafers changed from 510,000 masks per month to 420,000 masks per month, which became effective on 1 January 2014. As a result, the utilization rate of the Company's 6-inch wafers for the third and fourth quarter of 2014 was calculated on the basis of 420,000 masks per month.

Yearly Utilization Rate Trends



2015 Outlook

- The semiconductor market is very likely to see a mediocre growth in 2015 as the global economy recovery is expected to continue, but is unlikely to see a higher growth rate in the near-term
- The Company will remain a cautious approach about the outlook of its business operation and financial performance in the coming year as the Company's existing business model is still highly exposed to economic conditions, international markets and a more volatile and cyclical nature of the semiconductor market
- Leverage its leading edge in analog IC specialty processes and in designated market, plus the Chinese government's encouragement for the development of semiconductor industry in China going forward, the Company continues enhancing its presence in the domestic market through establishing strategic industrial alliance with major IC producers in the supply chain
- The Company as always streamlines its operation, optimizes internal resources allocation and enhances cost-effective business management to seek its sustainable business growth
- The Company has always been committed to improving its competitiveness and consolidating its leading position in the analog specialty processes and technology by differentiating itself from its major peers and accelerating its drive for deeper market penetration with a focus on becoming a first-class Chinese analog IC producer and maximizing shareholder value

For Further Information

Thank You

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Stock code: 3355