



Advanced Semiconductor Manufacturing Corporation Limited



Agenda

❖ **Welcome**

❖ **1Q2012 financial results**

Ms. Wendy Cheng

Vice President

❖ **Outlook for 2Q2012**

Dr. Jeffrey Wang

Acting President

❖ **Q&A session**



1Q2012 Overview

- Revenue was RMB197.3 million in 1Q2012, a decrease of 12.6% from RMB225.8 million in 4Q2011, and remained flat on a yearly basis
- Gross margin was 3.9% in 1Q2012, compared to 16.7% in 4Q2011, mainly attributable to the significant decrease in production volume of both 5-inch and 6-inch wafers, and a less favorable product mix
- The 8-inch equivalent wafers shipment was 106,234 units in 1Q2012, up 15.0% from 92,412 units in 1Q2011, and down 3.7% from 110,324 units in 4Q2011
- The overall capacity utilization rate was 60% in 1Q2012, up 5 percentage points from 55% in 1Q2011, and was almost flat on a sequential basis
- The Company's cash position was RMB353.4 million as at 31 March 2012, compared to RMB371.6 million as at 31 December 2011
- The Company recorded a net loss of RMB7.1 million, EBITDA of RMB18.4 million in 1Q2012, compared to a net income of RMB10.3 million, EBITDA of RMB37.4 million in 4Q2011



1Q2012 Results Review

Amount: RMB Million	Q1'12	Q4'11	Q1'11
Sales	197.3	225.8	197.6
Net Income	(7.1)	10.3	(12.0)
Cash & Cash Equivalent	353.4	371.6	362.1
Interest-Bearing Loans	44.1	50.4	95.9
Shareholders' Equity	798.4	805.5	742.3
FAB Utilization (%)	60%	61%	55%
ROE (%)	-3.6%	5.1%	-6.5%



1Q2012 Income Statement (QoQ)

Amount: RMB Million

	Q1'2012 Actual		Q4'2011 Actual		QoQ
	Amount	%	Amount	%	%
Net Sales	197.3	100%	225.8	100%	-13%
Cost of Goods Sold (COGS)	(189.5)	-96%	(188.0)	-83%	1%
Gross Profit	7.8	4%	37.8	17%	-79%
Other income and gains	11.3	6%	10.7	5%	5%
Operating expenses	(25.0)	-13%	(36.5)	-16%	-31%
Other expenses	(0.6)	0%	(1.1)	0%	-47%
Finance costs	(0.5)	0%	(0.6)	0%	-13%
Income/(Loss) Before Tax	(7.1)	-4%	10.3	5%	-169%
Income Taxes Credit/ (Expense)	-	-	-	-	
Net Income/(Loss)	(7.1)	-4%	10.3	5%	-169%



1Q2012 Income Statement (YoY)

Amount: RMB Million

	Q1'2012 Actual		Q1'2011 Actual		YoY
	Amount	%	Amount	%	%
Net Sales	197.3	100%	197.6	100%	0%
Cost of Goods Sold (COGS)	(189.5)	-96%	(178.5)	-90%	6%
Gross Profit	7.8	4%	19.1	10%	-59%
Other income and gains	11.3	6%	2.5	1%	342%
Operating expenses	(25.0)	-13%	(30.5)	-15%	-18%
Other expenses	(0.6)	-	(2.0)	-	-72%
Finance costs	(0.5)	0%	(1.1)	-1%	-51%
Income/(Loss) Before Tax	(7.1)	-4%	(12.0)	-6%	-
Income Taxes Credit /(Expense)	-	-	-	-	-
Net Income/(Loss)	(7.1)	-4%	(12.0)	-6%	-



1Q2012 Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	Q1'12		Q4'11		Q1'11	
	Amount	%	Amount	%	Amount	%
Total Assets	1018.4	100%	1086.1	100%	1044.3	100%
Cash & Cash Equivalent	353.4	35%	371.6	34%	362.1	36%
Accounts Receivables & Other	125.0	12%	135.1	12%	99.4	10%
Inventory	148.2	15%	162.9	15%	160.0	16%
Total Current Assets	626.6	62%	669.6	62%	621.4	61%
Accounts Payable	111.1	11%	152.9	14%	141.0	14%
Current Portion of Loans	44.1	4%	50.4	5%	95.9	9%
Accrued Liabilities & Others	51.6	5%	63.6	6%	51.6	5%
Total Current Liabilities	206.8	20%	266.9	25%	288.5	28%
Long Term Debt	13.2	-	13.7	-	13.5	-
Total Equity	798.4	78%	805.5	74%	742.3	73%
Accounts Receivable Turnover (Days)	46		45		39	
Inventory Turnover (Days)	95		98		100	
Current Ratio	3.03		2.51		2.15	
Net Working Capital	419.8		402.7		333.0	



1Q2012 Cash Flow

Amount: RMB Million

	Q1'12	Q1'11
	Amount	Amount
From Operation		
Profit Before Tax		
Depreciation & Amortization		
Change in Working Capital		
Other Operating activities		
From Investment		
Capital Expenditures (Net)		
Other Investment Sources/(Uses)		
From Financing		
Repayment of -L		



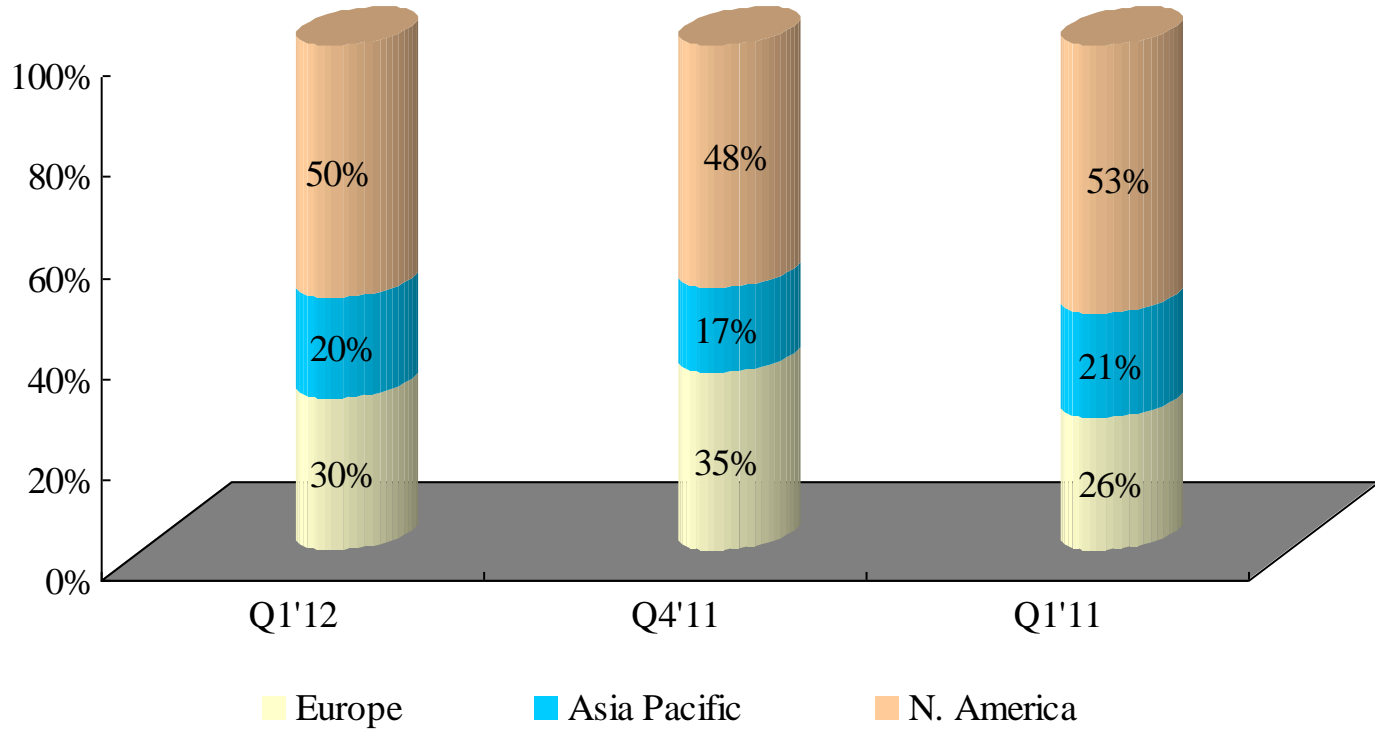
1Q2012 Capital Expenditures

Amount: RMB Million

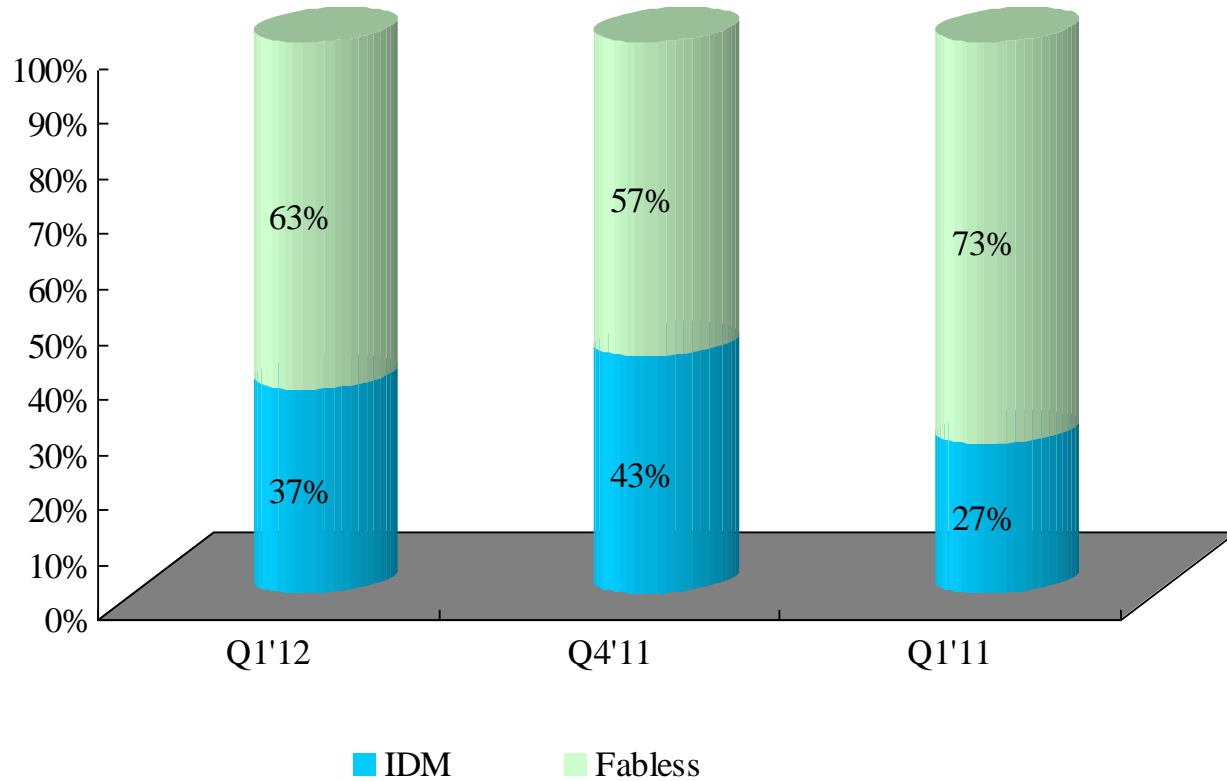
CAPEX

Q1'12	Q4'11	Q1'11
Amount	Amount	Amount
0.7	29.6	49.1

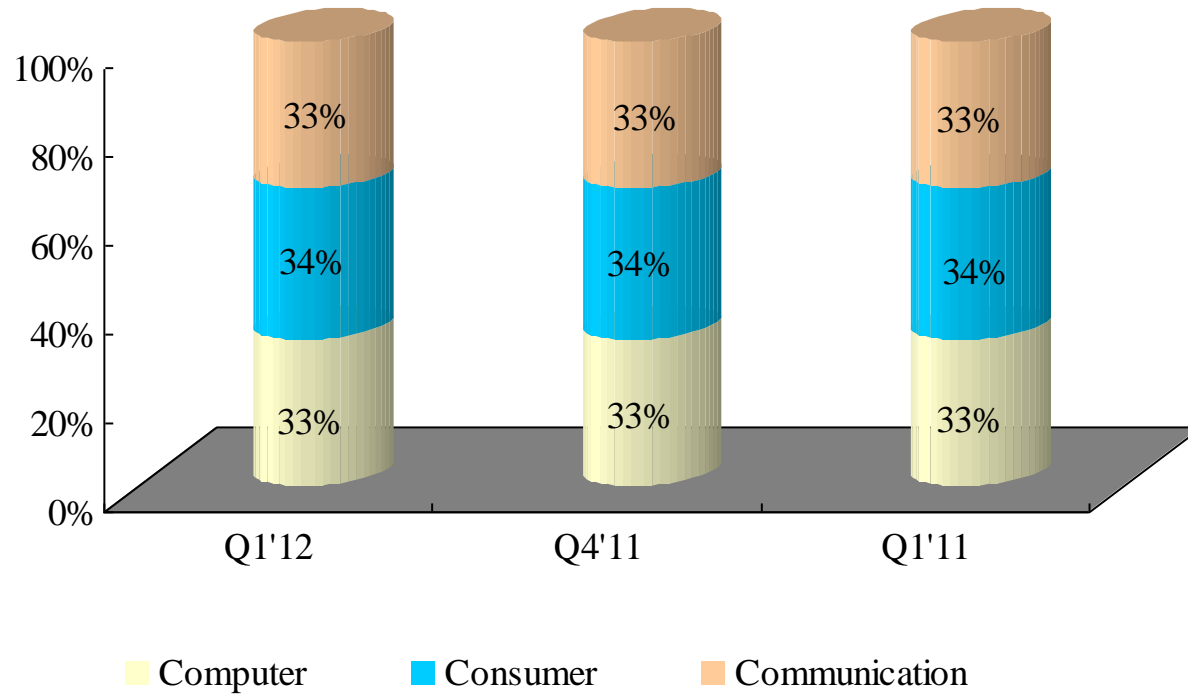
Sales Breakdown by Geography



Sales Breakdown by Customer



Sales Breakdown by Application



Sales Breakdown by 5", 6" and 8"





FAB Installed Capacity (8" Equivalent)

FAB / (Wafers in thousand)	Q1'12	Q4'11	Q1'11
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

Notes:

1. The Company estimated the capacities 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.
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. After taking into account the 6-inch wafers equipment consignment arrangement with a customer described above, the installed quarterly capacity of 6-inch wafers of the Company's total equipment for the first quarter of 2012 and fourth quarter of 2011 was 94K 8-inch equivalent wafers respectively. As a result, total installed quarterly capacity of the Company's total equipment of the first quarter of 2012 and fourth quarter of 2011 was 163K 8-inch equivalent wafers accordingly.



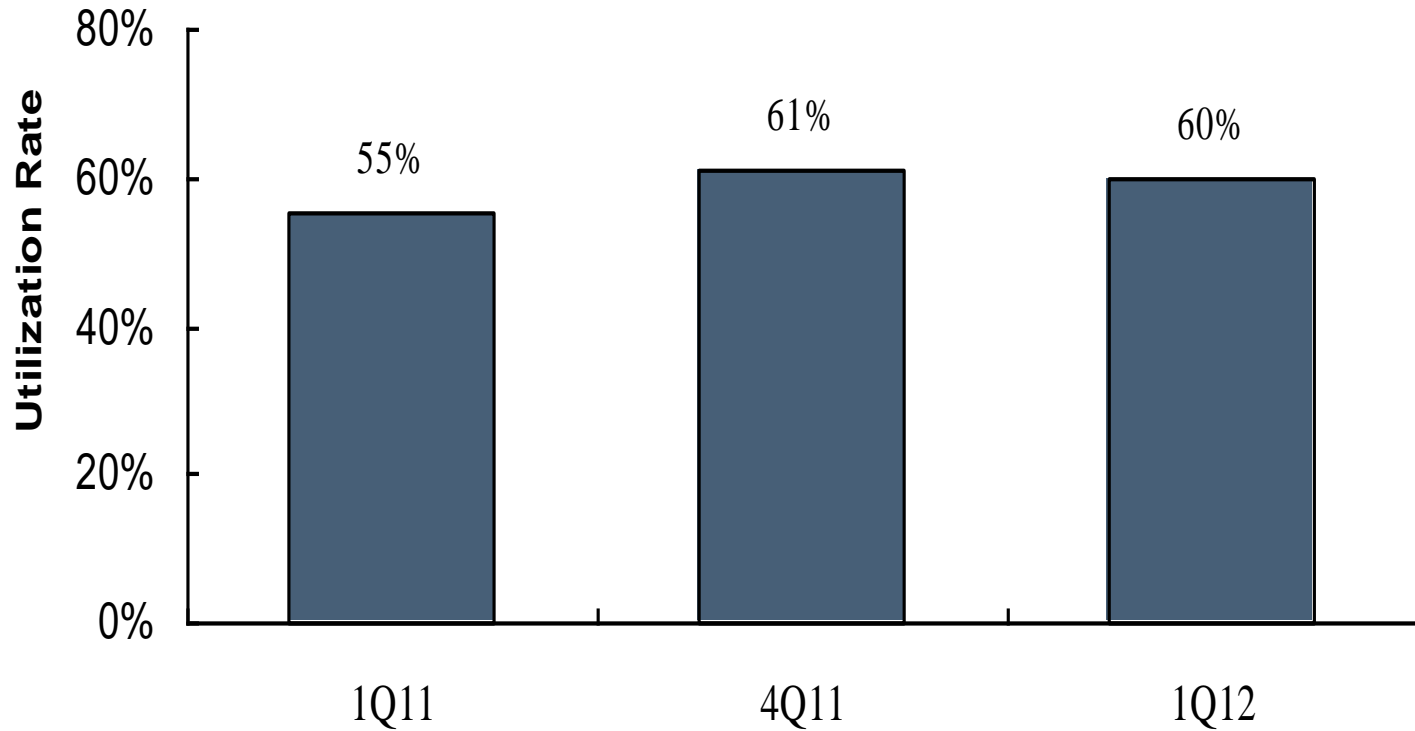
Capacity Utilization Rate by Fab

FAB	Q1'12	Q4'11	Q1'11
Fab 1/2			
5-inch wafers	43%	69%	54%
6-inch wafers	55%	65%	42%
Fab 3			
8-inch wafers	72%	52%	69%
Overall Capacity Utilization Rate	60%	61%	55%

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. After taking into account 6-inch wafers produced using equipment consigned under arrangement with a customer, the utilization rate of the Company's total 6-inch wafer equipment in 1Q2012 was 50%, compared to 59% in 4Q2011. As a result, the overall capacity utilization rate of the Company's total equipment in 1Q2012 was 57%, compared to 58% in 4Q2011.

Overall Capacity Utilization Rate



Outlook for 2Q2012

- The semiconductor market is likely to see an improving outlook in the second quarter of 2012, primarily boosted by inventory restocking activities and the traditional seasonal demand
- The Company, leveraging the gradual recovery in the market demand, will focus on improving profitability while increasing the production capacity by de-bottlenecking its manufacturing facilities to catch growth momentum going forward
- The Company expects its sales in the second quarter of 2012 to increase on a sequential quarter-to-quarter basis



For further information

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