



Advanced Semiconductor Manufacturing Corporation Limited

1988





# Agenda

❖ **Welcome**

❖ **2011 Q3 Financial Results**

**Ms. Wendy Cheng**

Vice President

❖ **2011 Q4 Outlook**

**Dr. Joseph Xie**

Executive Director & President

❖ **Q&A**



## 3Q2011 Overview

- Revenue slightly increased to RMB264.9 million in 3Q2011 from RMB262.4 million in 2Q2011
- Gross margin improved to 22.1% in 3Q2011 from 19.2% in 2Q2011, mainly attributable to lower parts and service costs, a favorable product mix and lower depreciation charges
- The 8-inch equivalent wafer shipments amounted to 125,651 units in 3Q2011, compared to 126,573 units in 2Q2011
- The overall capacity utilization rate was 75% in 3Q2011, remained flat from 2Q2011
- Net cash flow from operations increased from RMB78.2 million in 2Q2011 to RMB107.7 million in 3Q2011
- The Company has been making solid progress in the MEMS project, and has become the first volume production line of MEMS technology platform in China
- The Company recorded net income of RMB26.5 million, earnings per share of RMB1.73 cents in 3Q2011, compared to net income of RMB26.3 million, earnings per share of RMB1.72 cents in 2Q2011



# 3Q2011 results review

Amount: RMB Million	Q3'2011	Q2'2011	Q3'2010
<b>Sales</b>	264.9	262.4	276.5
<b>Net Income</b>	26.5	26.3	49.1
<b>Cash &amp; Cash Equivalent</b>	348.8	377.9	390.7
<b>Interest-Bearing Loans</b>	69.9	90.6	137.0
<b>Shareholders' Equity</b>	795.2	768.7	727.6
<b>FAB Utilization (%)</b>	75%	75%	75%
<b>ROE (%)</b>	13.3%	13.7%	27.0%



# 3Q2011 Income Statement (QoQ)

Amount: RMB Million

	Q3'2011 Actual		Q2'2011 Actual		QoQ
	Amount	%	Amount	%	%
<b>Net Sales</b>	<b>264.9</b>	<b>100%</b>	262.4	100%	1%
<b>Cost of Goods Sold (COGS)</b>	<b>(206.5)</b>	<b>-78%</b>	(212.0)	-81%	-3%
<b>Gross Profit</b>	<b>58.4</b>	<b>22%</b>	50.4	19%	16%
Other income and gains	2.8	1%	4.7	2%	-40%
Operating expenses	(32.1)	-12%	(25.5)	-10%	26%
Other expenses	(1.9)	-1%	(2.4)	-1%	-19%
Finance costs	(0.7)	0%	(0.9)	0%	-23%
<b>Income/(Loss) Before Tax</b>	<b>26.5</b>	<b>10%</b>	26.3	10%	1%
<b>Income Taxes Credit/ (expense)</b>	-	-	-	-	-
<b>Net Income/(Loss)</b>	<b>26.5</b>	<b>10%</b>	26.3	10%	1%



# 3Q2011 Income Statement (YoY)

Amount: RMB Million

	Q3'2011 Actual		Q3'2010 Actual		YoY
	Amount	%	Amount	%	%
<b>Net Sales</b>	<b>264.9</b>	<b>100%</b>	276.5	100%	-4%
<b>Cost of Goods Sold (COGS)</b>	<b>(206.5)</b>	<b>-78%</b>	(202.7)	-73%	2%
<b>Gross Profit</b>	<b>58.4</b>	<b>22%</b>	73.7	27%	-21%
Other income and gains	2.8	1%	5.7	2%	-51%
Operating expenses	(32.1)	-12%	(23.2)	-8%	39%
Other expenses	(1.9)	-1%	(5.4)	-	-64%
Finance costs	(0.7)	0%	(1.8)	-1%	-61%
<b>Income/(Loss) Before Tax</b>	<b>26.5</b>	<b>10%</b>	49.1	18%	-46%
<b>Income Taxes Credit /(Expense)</b>	<b>-</b>	<b>-</b>	-	-	-
<b>Net Income/(Loss)</b>	<b>26.5</b>	<b>10%</b>	49.1	18%	-46%



# 3Q2011 Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	Q3'2011		Q2'2011		Q3'2010	
	Amount	%	Amount	%	Amount	%
<b>Total Assets</b>	<b>1072.2</b>	100%	<b>1078.6</b>	100%	<b>1089.0</b>	100%
Cash & Cash Equivalent	348.8	33%	377.9	35%	390.7	36%
Accounts Receivables & Other	147.4	14%	123.1	11%	137.9	13%
Inventory	162.7	15%	157.4	15%	159.2	15%
<b>Total Current Assets</b>	<b>659.0</b>	61%	<b>658.3</b>	61%	<b>687.8</b>	63%
Accounts Payable	129.9	12%	155.5	14%	156.3	14%
Current Portion of Loans	69.9	7%	90.6	8%	137.0	13%
Accrued Liabilities & Others	63.0	6%	49.1	5%	52.7	5%
<b>Total Current Liabilities</b>	<b>262.8</b>	25%	<b>295.2</b>	27%	<b>346.0</b>	32%
<b>Long Term Debt</b>	<b>14.2</b>	1%	<b>14.7</b>	1%	<b>15.4</b>	1%
<b>Total Equity</b>	<b>795.2</b>	74%	<b>768.7</b>	71%	<b>727.6</b>	67%
<b>Accounts Receivable Turnover (Days)</b>	37		30		35	
<b>Inventory Turnover (Days)</b>	87		84		80	
<b>Current Ratio</b>	2.51		2.23		1.99	
<b>Net Working Capital</b>	396.2		363.1		341.9	



# 3Q2011 Cash Flow

Amount: RMB Million

	Q3'2011	Q3'2010
	Amount	Amount
<b>From Operation</b>		
<b>Profit Before Tax</b>		
<b>Depreciation &amp; Amortization</b>		
<b>Change in Working Capital</b>		
<b>Other Operating activities</b>		
<b>From Investment</b>		
<b>Capital Expenditures (Net)</b>		
<b>Other Investment Sources/(Uses)</b>		
<b>From Financing</b>		
<b>Repayment of -L</b>		





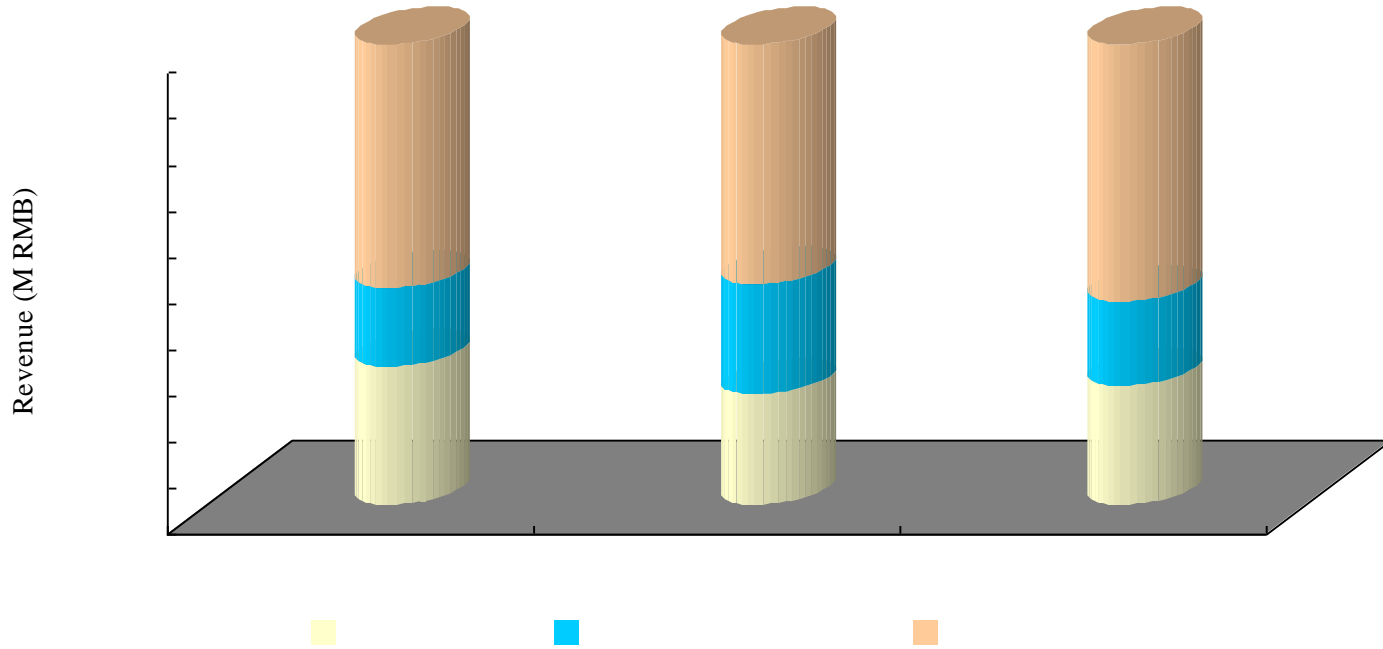
# 3Q2011 Capital Expenditures

Amount: RMB Million

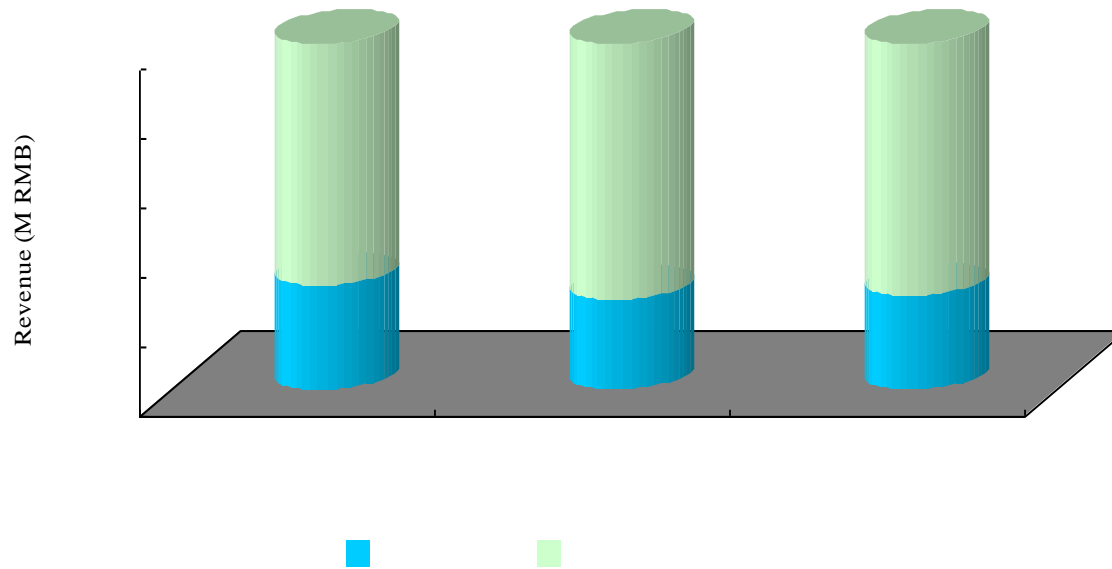
## CAPEX

<b>Q3'2011</b>	<b>Q2'2011</b>	<b>Q3'2010</b>
<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
<b>20.1</b>	<b>25.5</b>	<b>11.4</b>

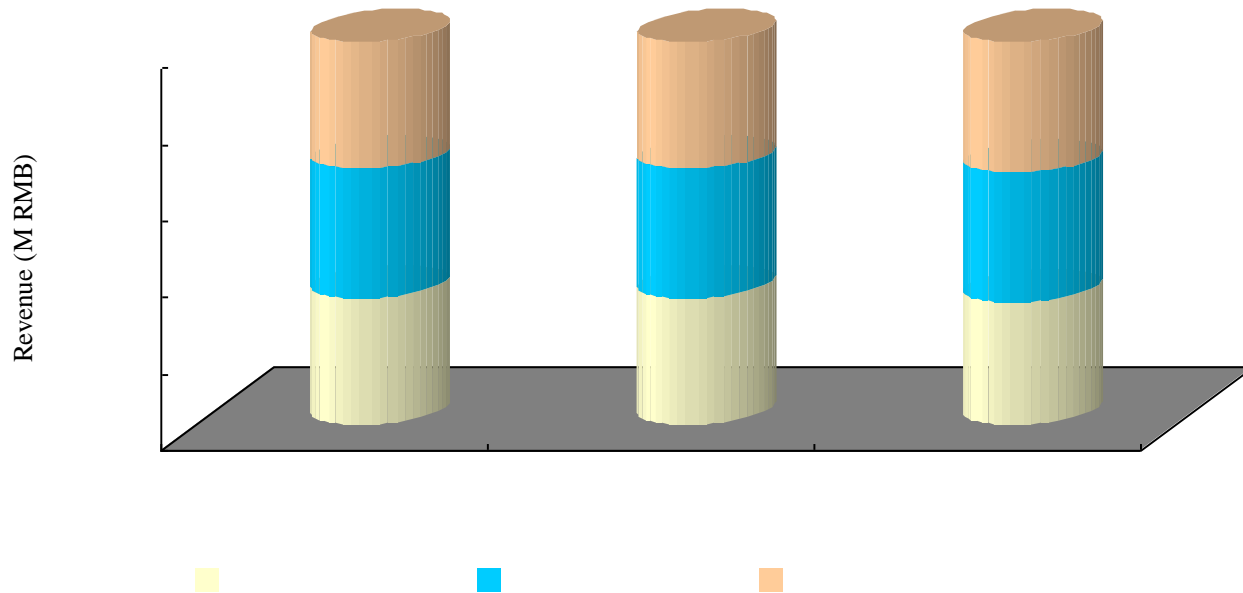
# Sales Breakdown by Geography



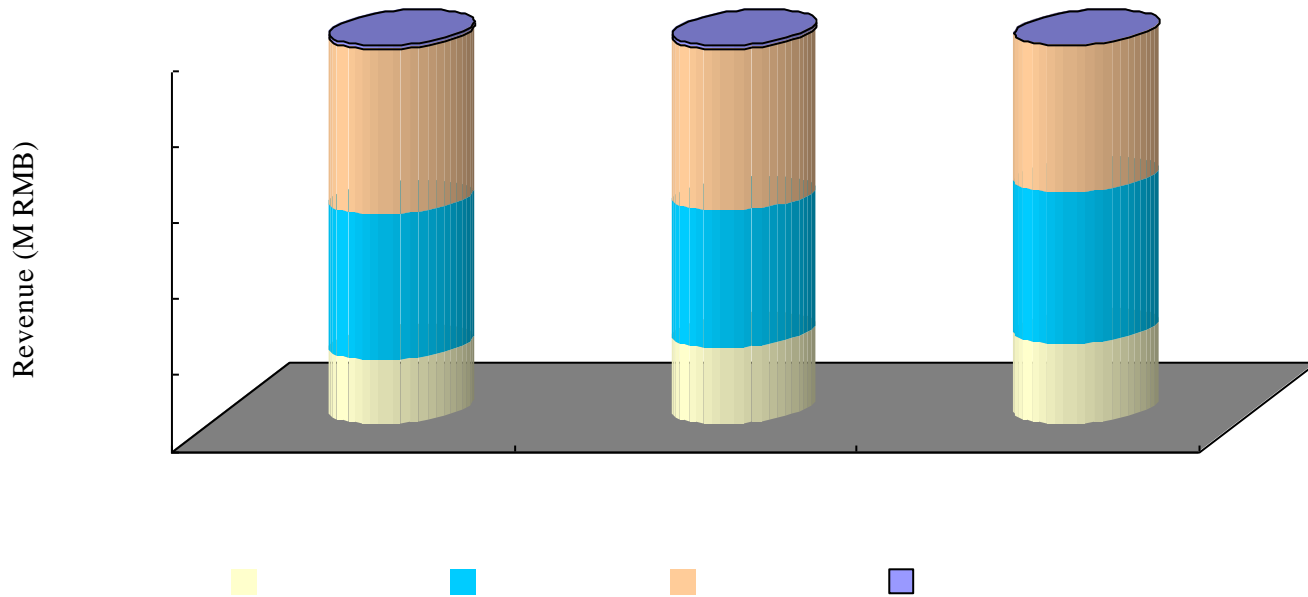
# Sales Breakdown by Customer



# Sales Breakdown by Application



# Sales Breakdown by 5", 6" and 8"





# FAB Installed Capacity (8" Equivalent)

FAB / (Wafers in thousand)	Q3'2011	Q2'2011	Q3'2010
<b>Fab 1/2</b>			
5-inch wafers	33	33	33
6-inch wafers	85	85	85
<b>Fab 3</b>			
8-inch wafers	36	36	36
<b>Total 8" Equivalent</b>	<b>154</b>	<b>154</b>	<b>154</b>

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 by 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 third quarter and second 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 second and third quarter of 2011 was 163K 8-inch equivalent wafers accordingly.



# Capacity Utilization Rate by Fab

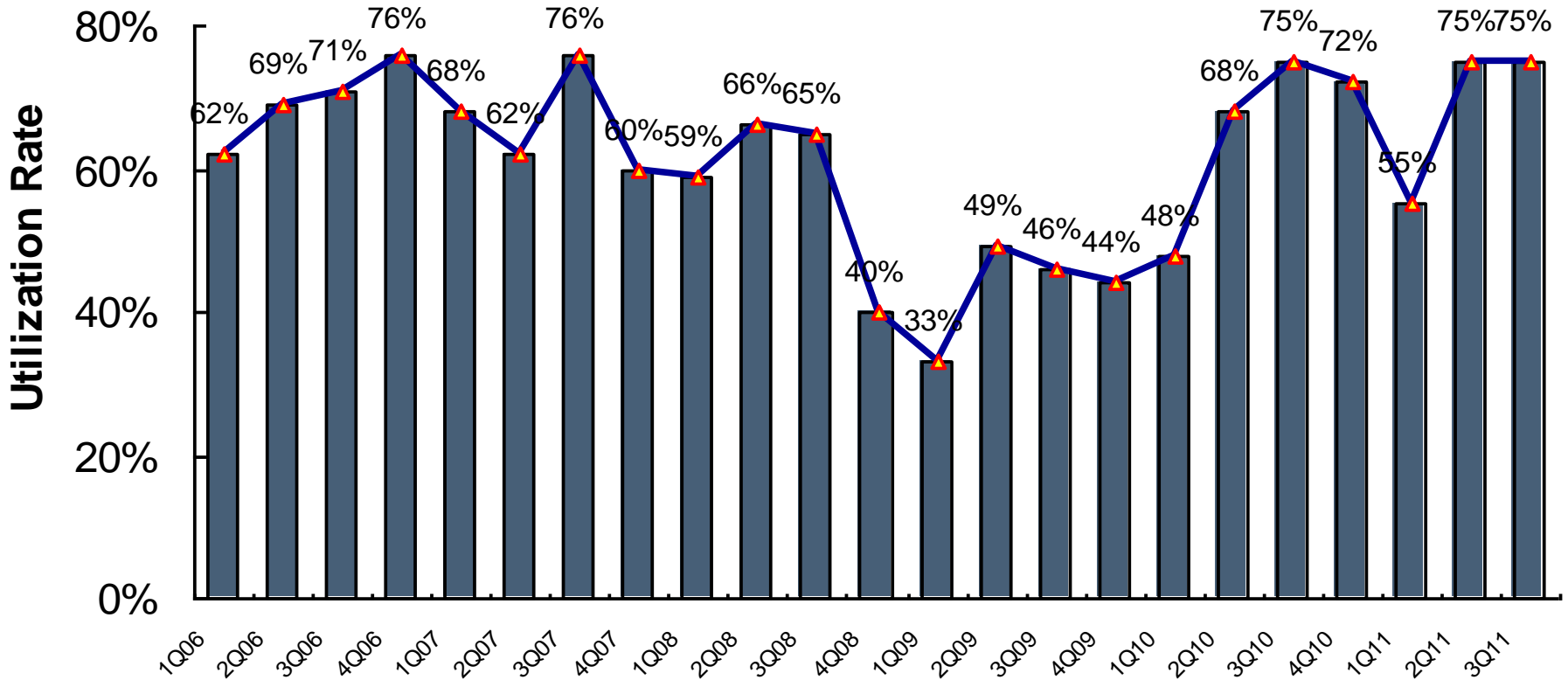
FAB	Q3'2011	Q2'2011	Q3'2010
<b>Fab 1/2</b>			
5-inch wafers	61%	69%	73%
6-inch wafers	59%	57%	67%
<b>Fab 3</b>			
8-inch wafers	98%	96%	84%
<b>Overall Capacity Utilization Rate</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>

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 of producing 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 note 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 3Q2011 was 54%, compared to 52% in 2Q2011. As a result, the overall capacity utilization rate of the Company's total equipment in 3Q2011 was 72%, flat from 2Q2011.



# Utilization Rate (QoQ/YoY)







# Outlook for 4Q2011

- The near-term demand outlook in semiconductor market remains weak owing to the lacklustre US economy and Europe debt crisis
- Given weak end-market demand and a prolonging inventory correction in the supply chain, coupled with the typical seasonal demand softness, many of the Company's customers deliberately keep their inventory low and become more cautious about placing new orders
- The Company's fourth-quarter sales are expected to decrease sequentially from the third quarter of 2011



## For further information

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