



2010 3rd Quarter Results Investor Conference

11 November, 2010

**Advanced Semiconductor Manufacturing
Corporation Limited**

Agenda

❖ Welcome

❖ 2010 Q3 Financial Results

Ms. Cheng Jianyu
Executive Director, Vice President & CFO

❖ 2010 Q4 Outlook

Mr. Zhou Weiping
Executive Director, President and CEO

❖ Q&A



2010 Q3 Overview (QoQ)

- Revenue increased 12.5% sequentially to RMB276.5 million in 3Q2010
- Gross margin improved to 26.7% in 3Q2010 from 24.0% in 2Q2010, mainly attributable to an increase in fab utilization
- The 8-inch equivalent wafer shipments increased by 8.8% to 125,399 pieces in 3Q2010 from 115,262 pieces in 2Q2010
- The overall capacity utilization rate increased from 68% in 2Q2010 to 75% in 3Q2010
- The Company's cash position as at 30 September 2010 was RMB390.7 million, compared to RMB364.5 million as at 30 June 2010
- The Company recorded a net income of RMB49.1 million, earnings per share of RMB3.20 cents in 3Q2010, compared to a net income of RMB42.7 million, earnings per share of RMB2.78 cents in 2Q2010



Q3' 2010 Results Review

Amount: RMB Million	Q3'2010	Q2'2010	Q3'2009
Sales	276.5	245.8	178.9
Net Income	49.1	42.7	(35.1)
Cash & Cash Equivalent	390.7	364.5	308.0
Interest-Bearing Loans	137.0	167.9	178.3
Shareholders' Equity	727.6	678.5	646.3
FAB Utilization (%)	75%	68%	46%
ROE (%)	27.0%	25.2%	-21.7%



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Q3' 2010 Income Statement

(QoQ Comparison)

Amount: RMB Million

	Q3'2010 Actual		Q2'2010 Actual		QoQ
	Amount	%	Amount	%	%
Net Sales	276.5	100%	245.8	100%	12%
Cost of Goods Sold (COGS)	(202.7)	-73%	(186.9)	-76%	8%
Gross Profit	73.7	27%	58.9	24%	25%
Other income and gains	5.7	2%	2.7	1%	114%
Operating expenses	(23.2)	-8%	(15.7)	-6%	47%
Other expenses	(5.4)	-2%	(1.4)	-1%	282%
Finance costs	(1.8)	-1%	(1.8)	-1%	2%
Income/(Loss) Before Tax	49.1	18%	42.7	17%	15%
Income Taxes Credit/ (expense)	-	-	-	-	-
Net Income/(Loss)	49.1	18%	42.7	17%	15%



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Q3' 2010 Income Statement (YoY Comparison)

Amount: RMB Million

	Q3'2010 Actual		Q3'2009 Actual		YoY
	Amount	%	Amount	%	%
Net Sales	276.5	100%	178.9	100%	55%
Cost of Goods Sold (COGS)	(202.7)	-73%	(165.2)	-92%	23%
Gross Profit	73.7	27%	13.6	8%	441%
Other income and gains	5.7	2%	2.4	1%	142%
Operating expenses	(23.2)	-8%	(28.4)	-16%	-19%
Other expenses	(5.4)	-2%	(20.4)	-	-74%
Finance costs	(1.8)	-1%	(2.2)	-1%	-20%
Income/(Loss) Before Tax	49.1	18%	(35.1)	-20%	-240%
Income Taxes Credit /(Expense)	-	-	-	-	-
Net Income/(Loss)	49.1	18%	(35.1)	-20%	-240%



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Q3' 2010 Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	Q3'2010		Q2'2010		Q3'2009	
	Amount	%	Amount	%	Amount	%
Total Assets	1089.0	100%	1044.1	100%	1015.3	100%
Cash & Cash Equivalent	390.7	36%	364.5	35%	308.0	30%
Accounts Receivables & Other	137.9	13%	127.2	12%	86.9	9%
Inventory	159.2	15%	129.0	12%	105.5	10%
Total Current Assets	687.8	63%	620.7	59%	500.4	49%
Accounts Payable	156.3	14%	135.2	13%	87.1	9%
Current Portion of Loans	137.0	13%	167.9	16%	178.3	18%
Accrued Liabilities & Others	52.7	5%	49.2	5%	103.7	10%
Total Current Liabilities	346.0	32%	352.3	34%	369.0	36%
Long Term Debt	15.4	1%	13.2	1%	0.0	0%
Total Equity	727.6	67%	678.5	65%	646.3	64%
Accounts Receivable Turnover (Days)	35		36		43	
Inventory Turnover (Days)	80		75		77	
Current Ratio	1.99		1.76		1.36	
Net Working Capital	341.9		268.4		131.4	



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Q3' 2010 Cash Flow

Amount: RMB Million

	Q3'2010	Q3'2009
	Amount	Amount
From Operation	65.0	44.7
Profit Before Tax	49.1	(35.1)
Depreciation & Amortization	33.7	39.2
Change in Working Capital	(14.6)	41.8
Other Operating activities	(3.2)	(1.3)
From Investment	(11.4)	(2.3)
Capital Expenditures (Net)	(11.4)	(2.3)
Other Investment Sources/(Uses)		
From Financing	(30.9)	(0.0)
Repayment of -L	(30.9)	(0.0)



Q3' 2010 Capital Expenditures

Amount: RMB Million

CAPEX

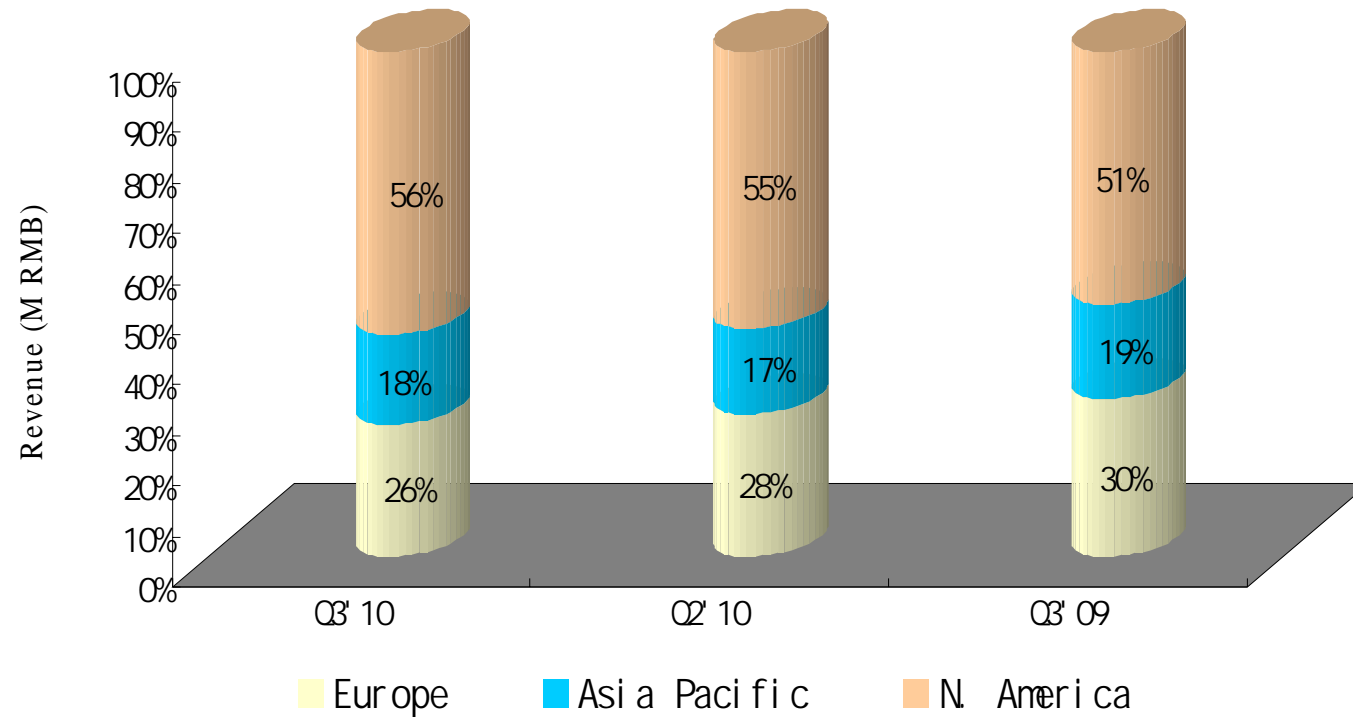
Q3'2010	Q2'2010	Q3'2009
Amount	Amount	Amount
11.4	7.5	2.3



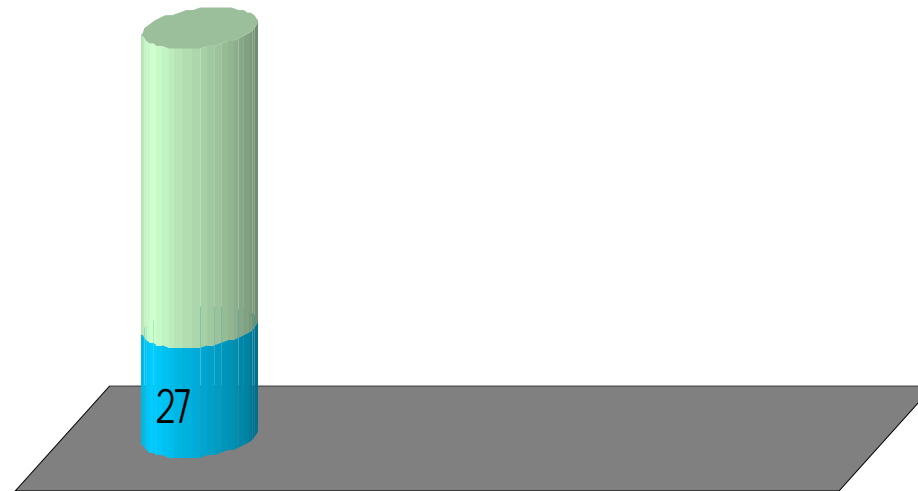
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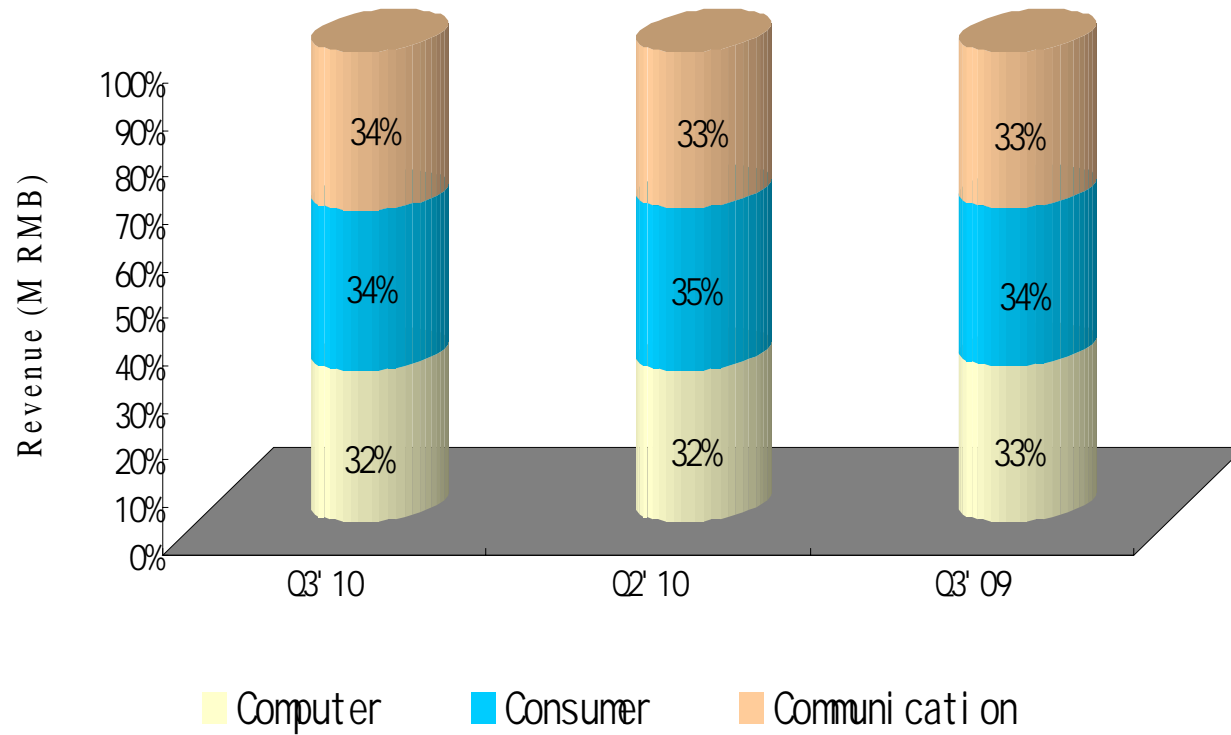
Sales Breakdown by Geography



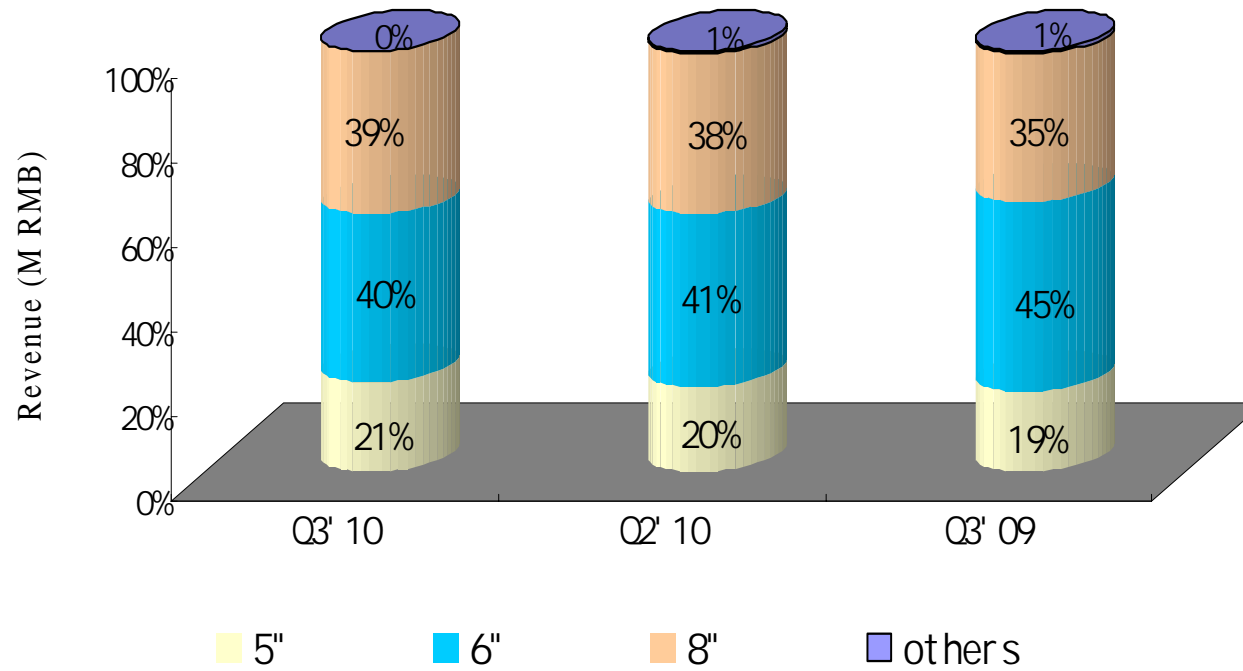
Sales Breakdown by Customer



Sales Breakdown by Application



Sales Breakdown by 5" 6" 8"



FAB Installed Capacity (8" Equivalent)

FAB / (Wafers in thousand)	Q3'2010	Q2'2010	Q3'2009
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

Note:

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 equipments 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 2010 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 2010 was 163K 8-inch equivalent wafers accordingly.



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Capacity Utilization Rate by Fab

FAB	Q3'2010	Q2'2010	Q3'2009
Fab 1/2			
5-inch wafers	73%	64%	43%
6-inch wafers	67%	59%	42%
Fab 3			
8-inch wafers	84%	79%	52%
Overall Capacity Utilization Rate	75%	68%	46%

Note:

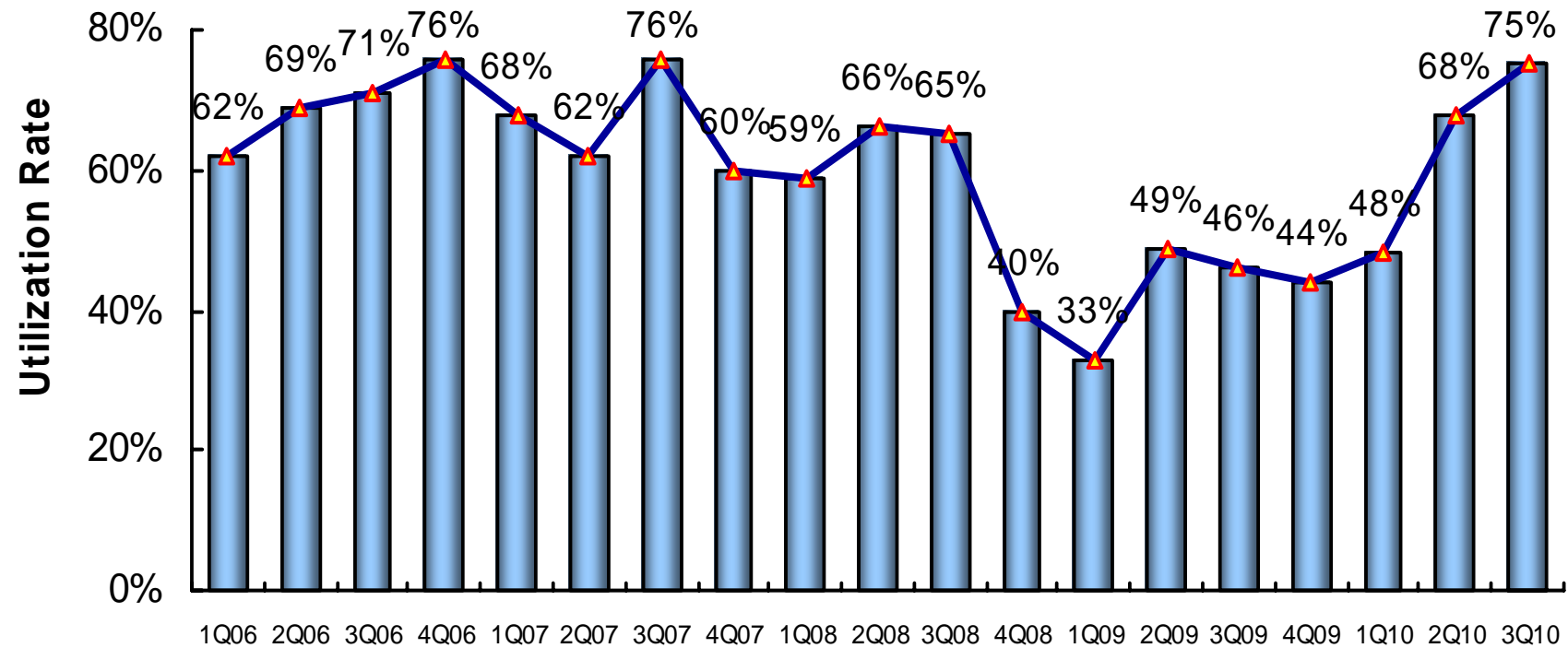
1. The capacity utilization rate represents the percentage of the actual number of processing steps (measured by the number of masks used) for the number of semiconductor wafers shipped in the reporting period divided by the total number of processing steps a fab is capable to produce during the corresponding 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 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 3Q2010 was 61%, compared to 53% in 2Q2010. As a result, the overall capacity utilization rate of the Company total equipment in 3Q2010 was 72%, compared to 64% in 2Q2010.



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The Sequential Quarterly Improvement in UT



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Outlook for the fourth quarter of 2010

- The market demand for semiconductor related products is expected to soften in the short term as a result of the still recovering world economy and the traditional slow season
- Given the slow economic growth, along with the associated low consumer sentiment in major developed countries, end-product makers are to keep their inventory in low level, which will result in the Company's lower order intake from some of its major customers
- The Company's sales in the fourth quarter of 2010 are expected to decrease on a sequential quarter-to-quarter basis



For further information

Thank You!

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