



United Test and Assembly Center

A Leading Solutions Provider for Semiconductor Test and Assembly

FY04 Results Briefing

31 January 2005

By Mr J C Lee

President & CEO



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SS ISO 9001 : 2000



CERT NO.: 2003-0212
SS ISO 14001 : 1996



- **4Q04 and FY04 Highlights**

- Guidance and Growth Drivers

- Questions & Answers

4Q04 & FY04 Highlights

Highlights of FY04

Highlights:

- Successful IPO in February, raising US\$120m
- Met or exceeded every guidance since IPO
- Proposed acquisition of UTC (expected to complete end of 1Q05)
- New Customer Wins
- MP3 market inroads with Sigmatel and Synaptics
- UTAC Shanghai's 1st profitable quarter in 3Q04 despite starting operation only in Dec03

Industry Overview:

- Inventory correction from mid-04 affecting the communications sector
- Sharp slowdown in DVD player market brought on by credit tightening in China
- Reduced foundry loading in 4Q
- DDR2 penetration pick-up slower than expected

UMCI

Seagate
We turn on ideas

QUALCOMM®

SIGMATEL™

Synaptics

SMIC™

SANYO

Amkor
Technology

NEC

Launched by Motorola
freescale™
semiconductor

ATHEROS®
COMMUNICATIONS

Micron®

Financial Performance Highlights

- FY04 Revenue up 47.0% to \$169.6 million
- Q404 revenue up 12.6% to \$49.8 million over Q304
- Net profit margin for FY04 rose to 8.0% compared to losses in FY03
- 4Q04 net profit up 5.8% sequentially to \$4.1 million
- 6th consecutive quarter of revenue and profit growth
- FY04 EBITDA margin 39.9% vs 36.9% in FY03
- FY04 EPS 1.66 cent vs negative 1.37 cent
- FY04 NAV per share 30.37 cents vs 20.86 cents in FY03

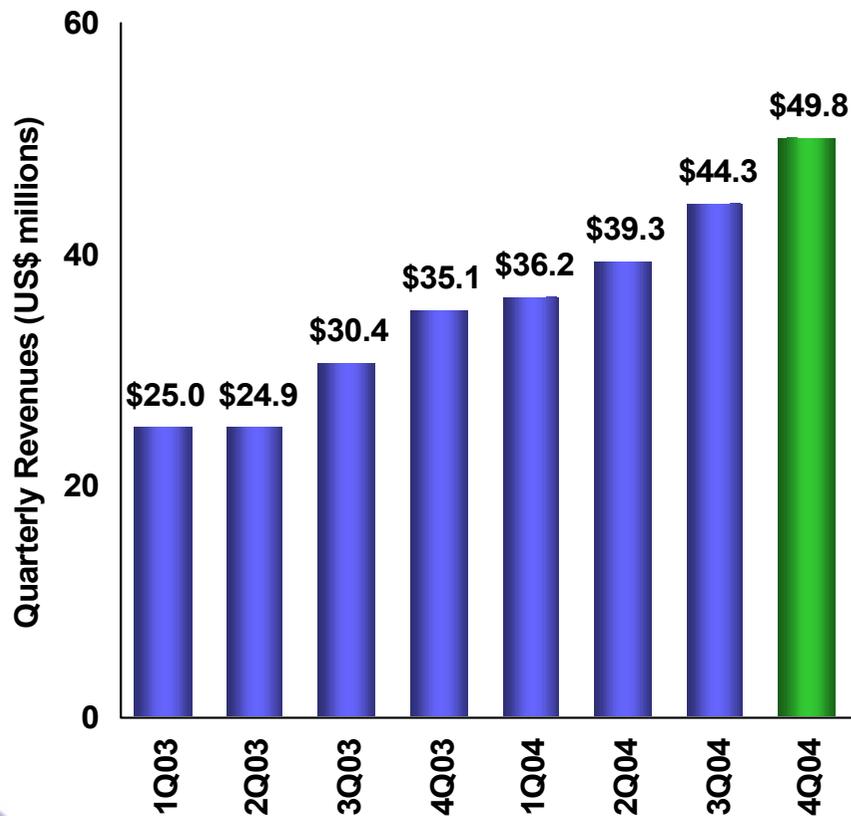
Note: All figures in US\$ unless otherwise stated



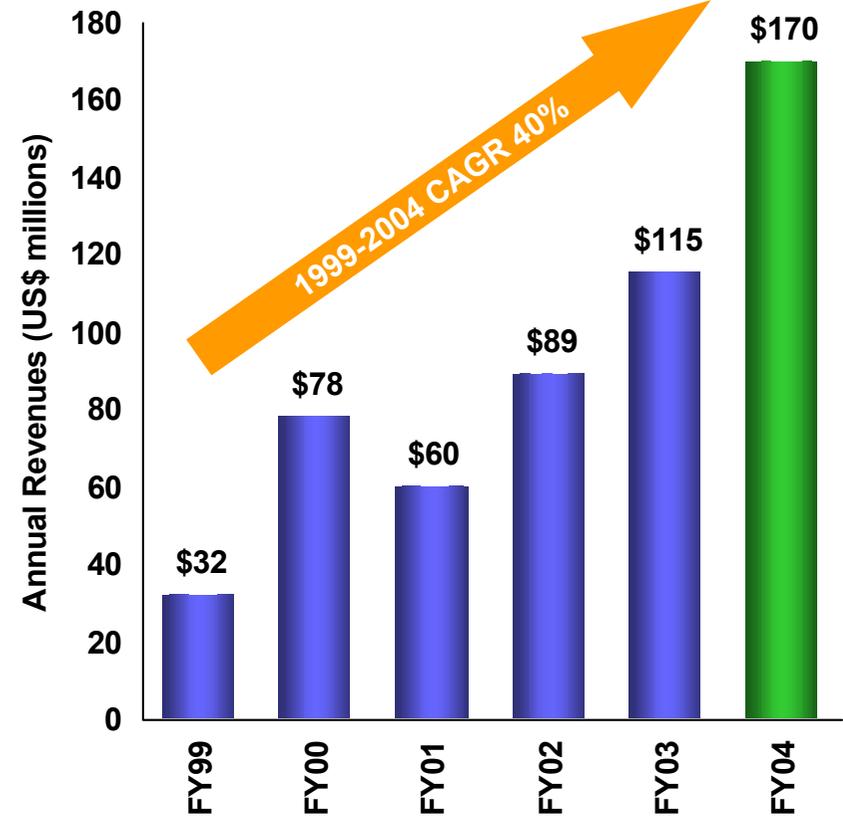
Revenue Trends

6th consecutive quarters of sequential growth

Quarterly Revenues



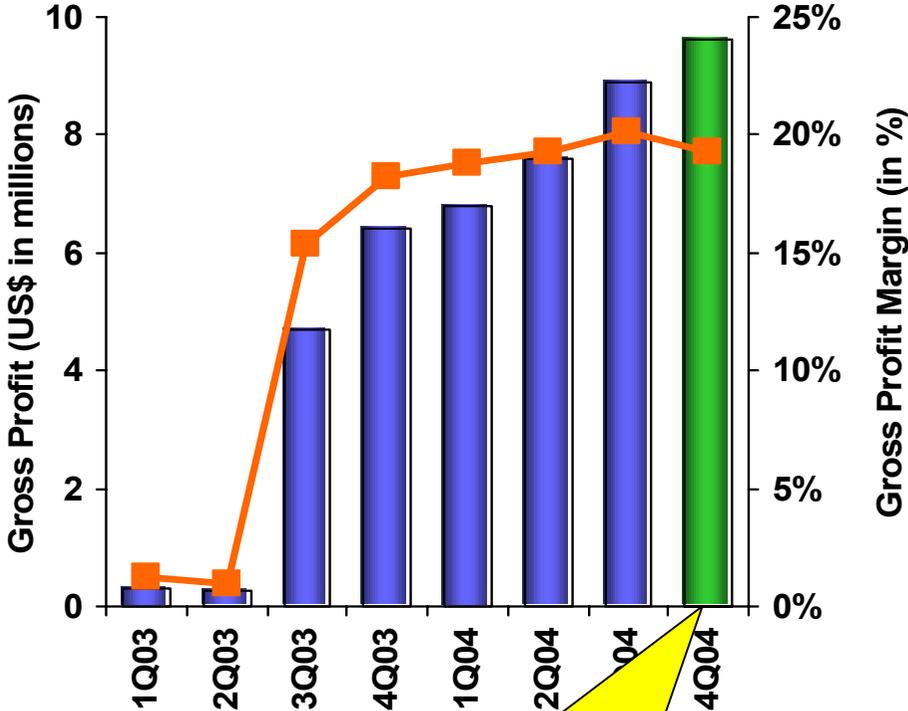
Annual Revenues



Gross Profit Trends

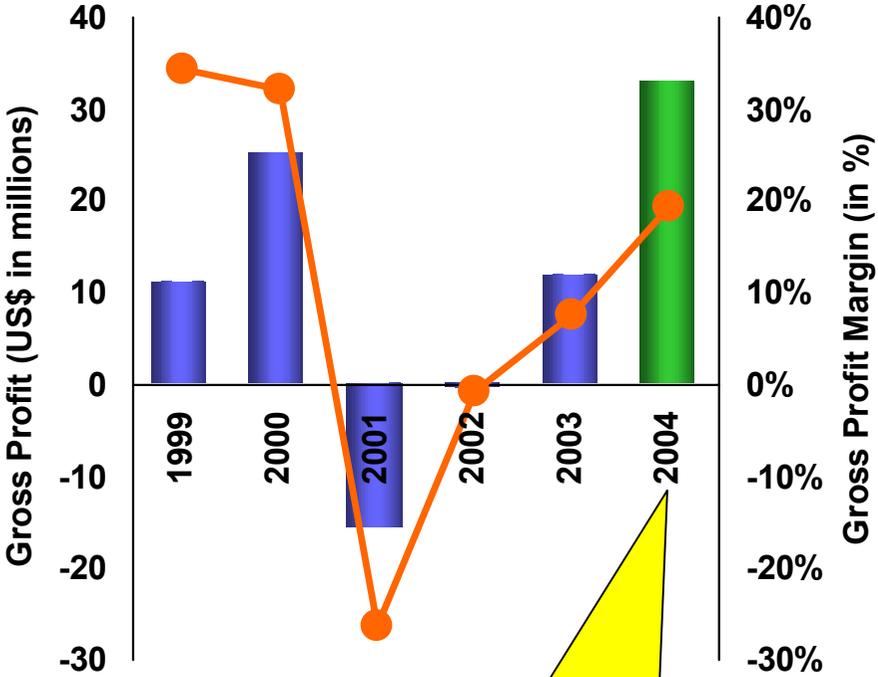
6th consecutive quarters of sequential gross profit growth

Quarterly Gross Profit



4Q04 Gross Margin of 19.5%

Annual Gross Profit



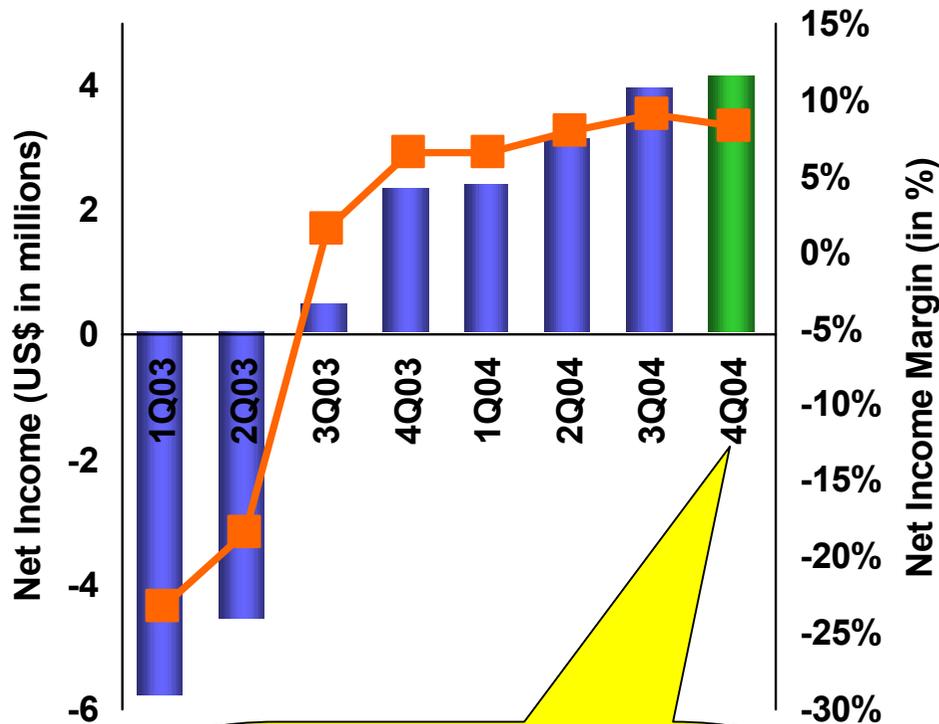
FY04 Gross Margin of 19.5%



Net Profit Trends

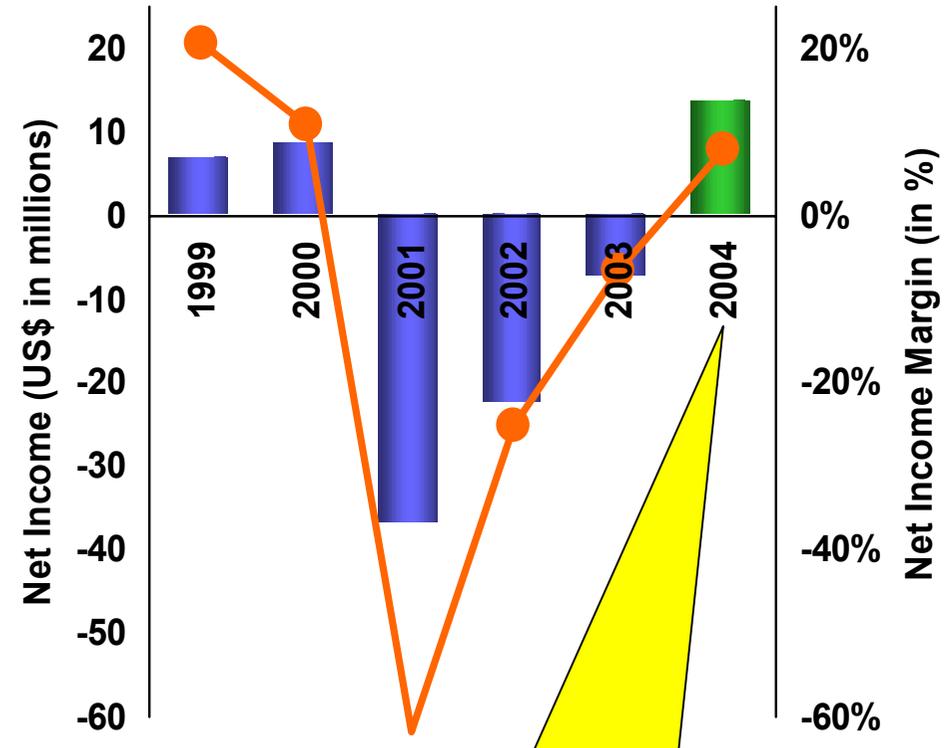
6th consecutive quarters of sequential net profit growth

Quarterly Net Profit Before Tax



**4Q04 Net Profit of \$4.1m
4Q04 Net Margin of 8.3%**

Annual Net Profit Before Tax



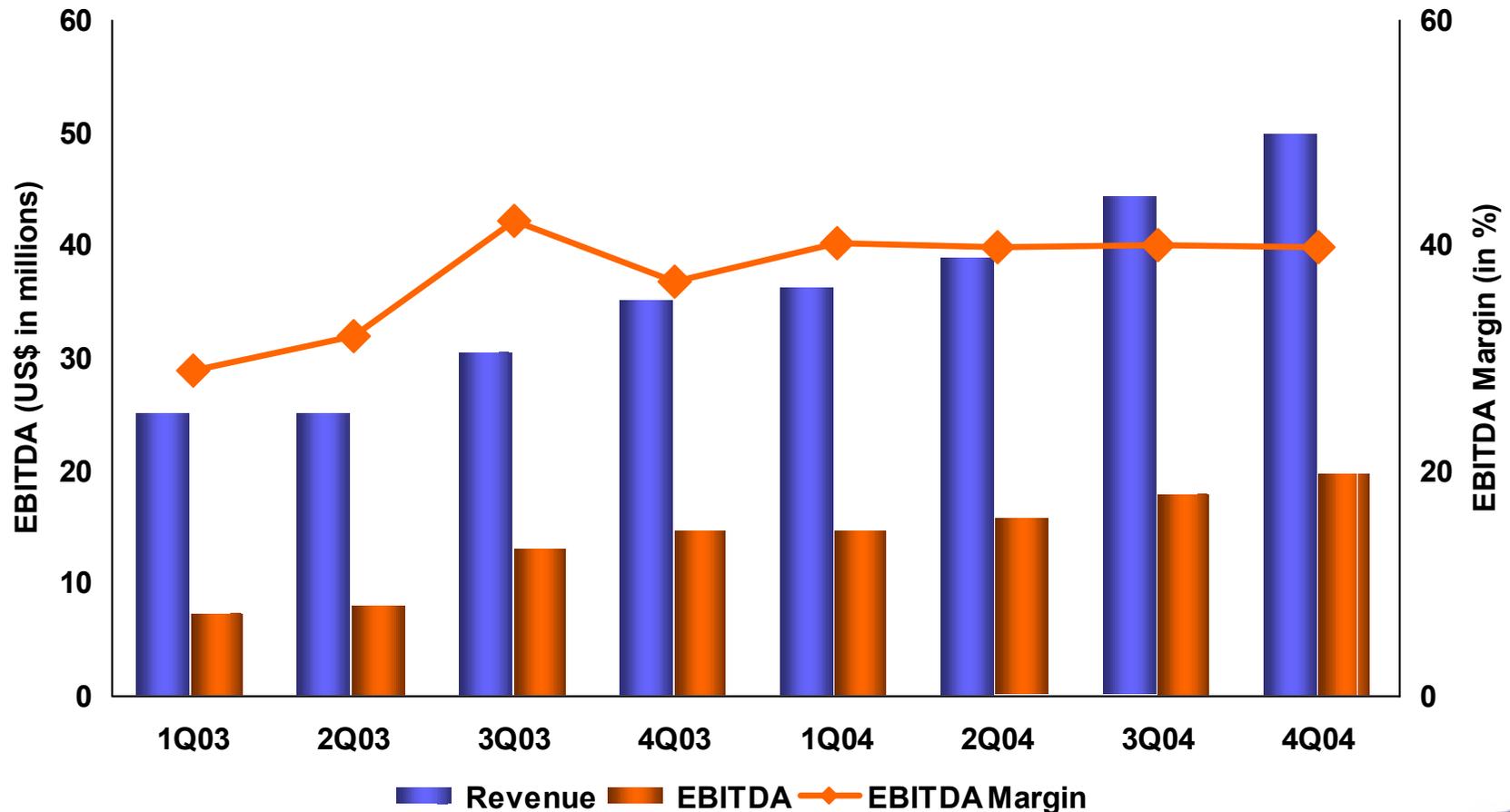
**FY04 Net Profit of \$13.6m
FY04 Net Margin of 8.0%**



EBITDA & EBITDA Margin

6th consecutive quarters of EBITDA margins are holding around 40%

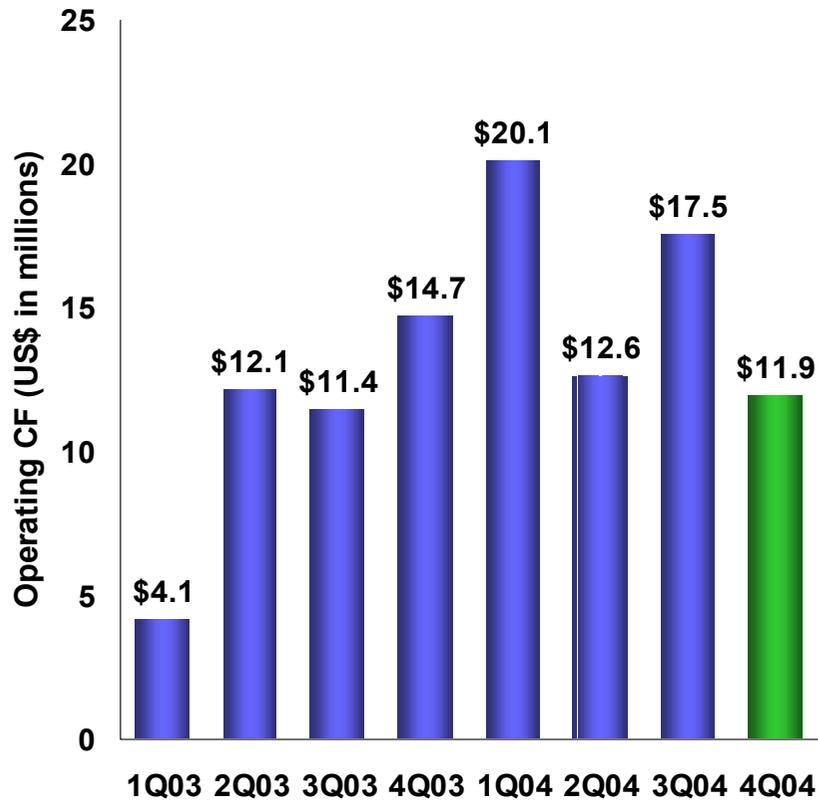
Quarterly EBITDA and EBITDA Margins



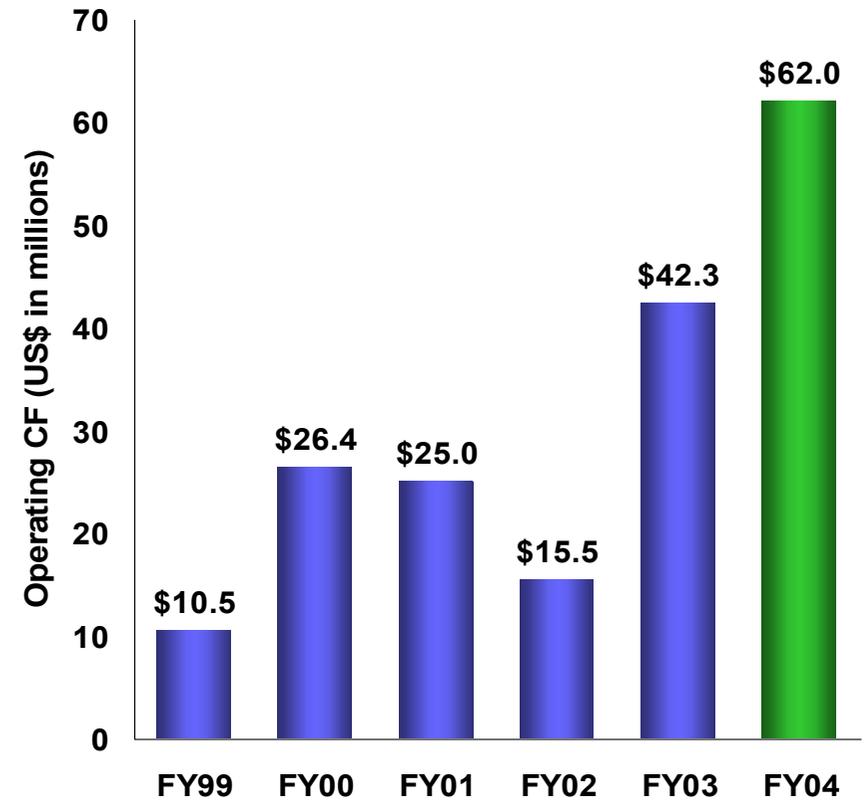
Operating Cashflow

Healthy Cash Flows

Quarterly Operating Cash Flow



Annual Operating Cash Flow



Balance Sheet Summary

Net Cash Position

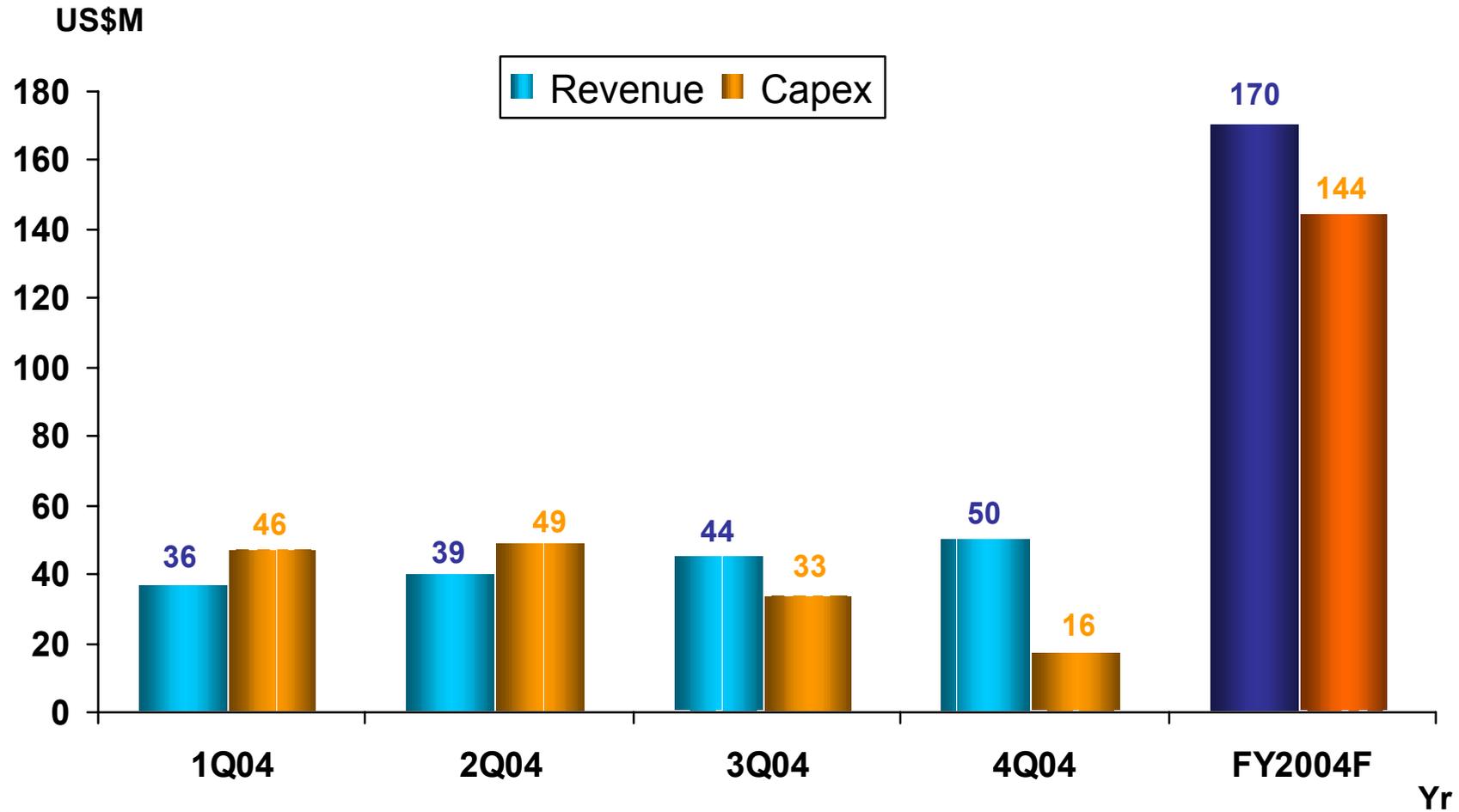
in US\$ millions

31 Dec 2004

Current Assets	82.8
Cash & cash equivalents	28.5
Fixed Assets	252.1
Current Liabilities	65.9
Non-Current Liabilities	12.7
Net Assets	256.3
Total Borrowings	26.3
Leverage Ratio (x)	(0.01)

Note: Leverage Ratio defined as Total Borrowings less Cash divided by Total Shareholders' Equity.

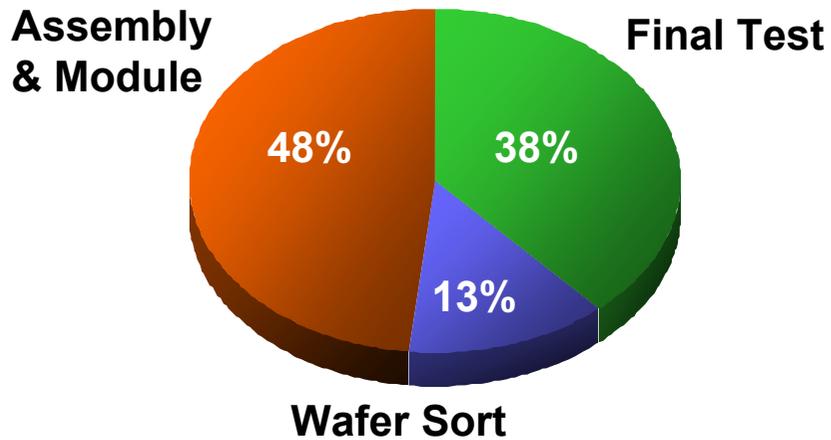
Capex in Support of Revenue Growth



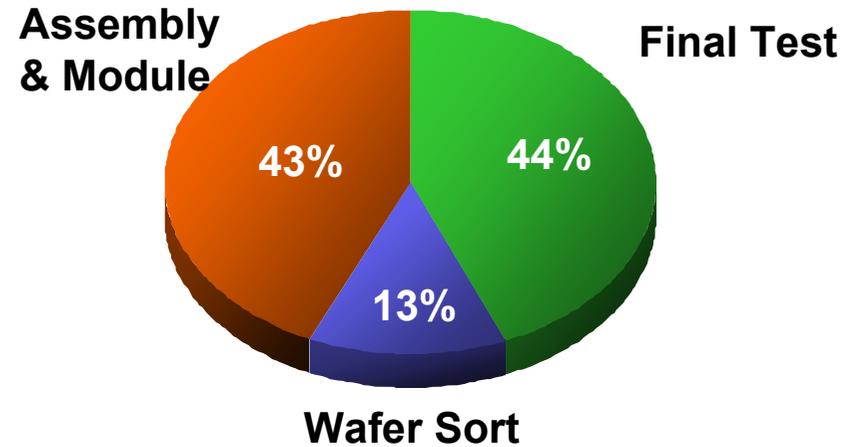
Revenue By Business Activity

Module Strategy and Wafer Sort Focus Paying Off

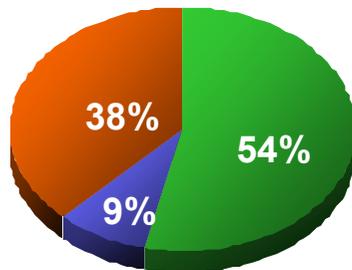
4Q04 vs 4Q03



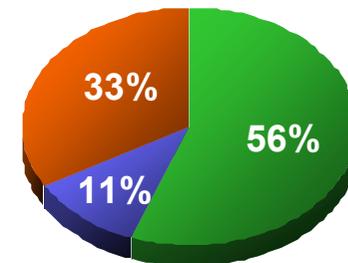
FY04 vs FY03



4Q03



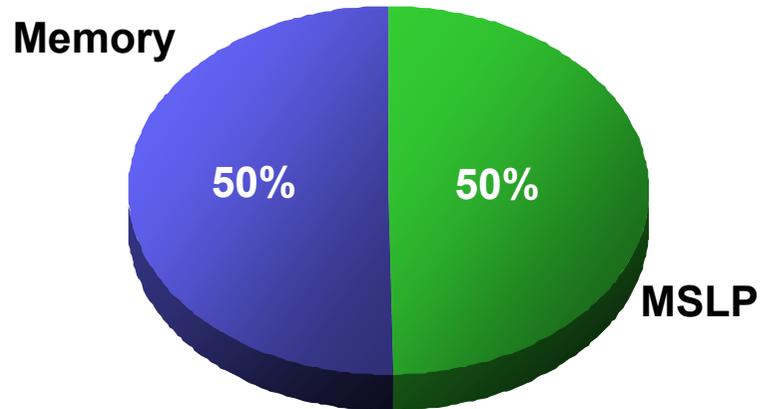
FY03



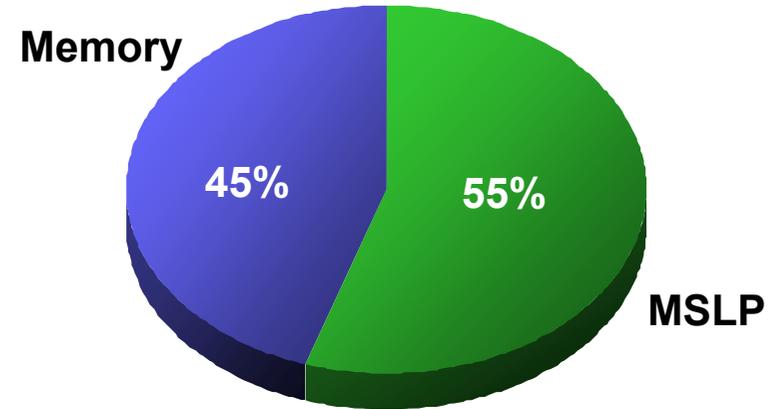
Revenue by Product Mix

Twin Growth Engine Strategy Paying Off

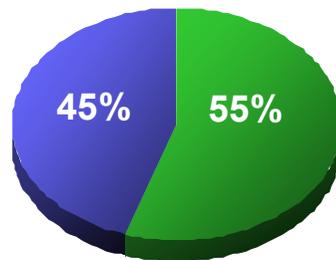
4Q04 vs 4Q03



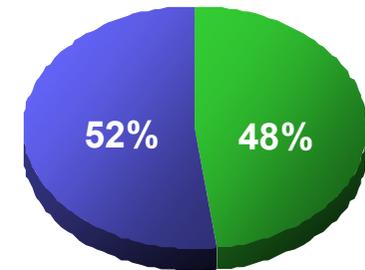
FY04 vs FY03



4Q03



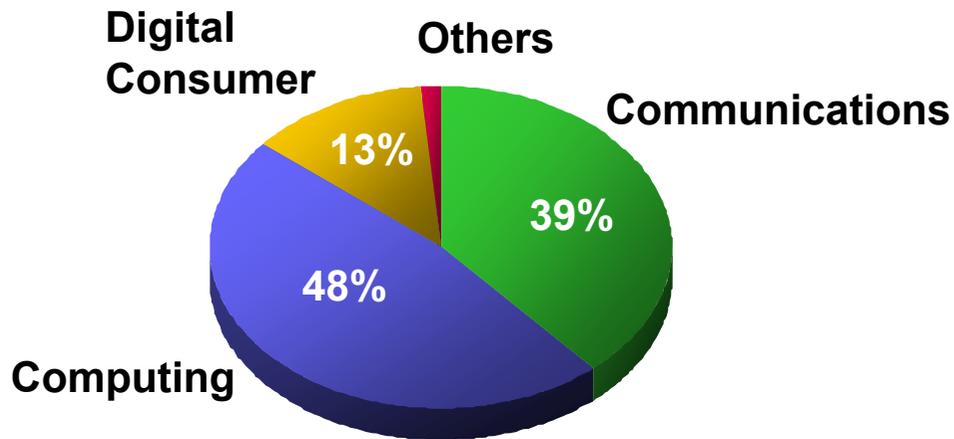
FY03



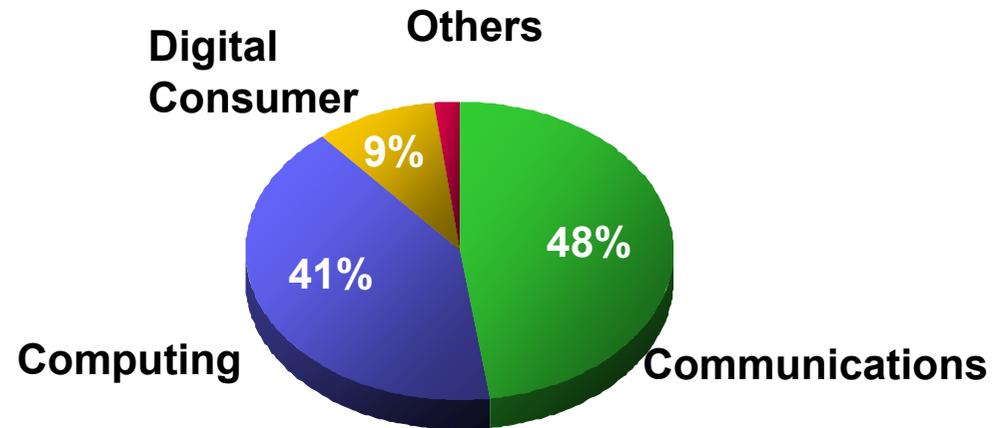
Revenue by Applications

Digital consumer – additional growth driver

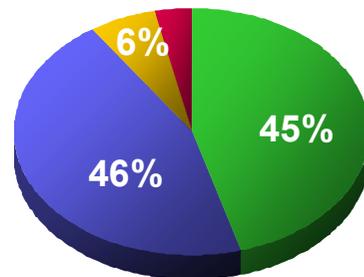
4Q04 vs 4Q03



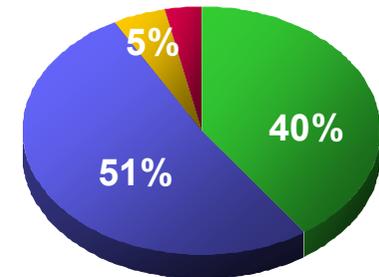
FY04 vs FY03



4Q03



FY03

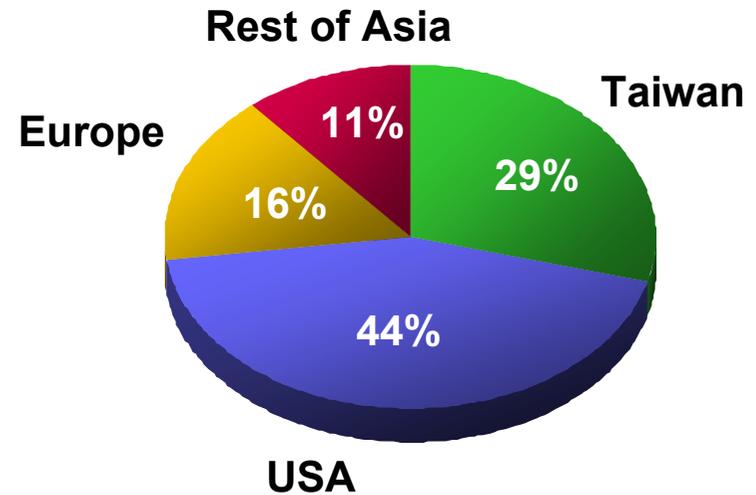
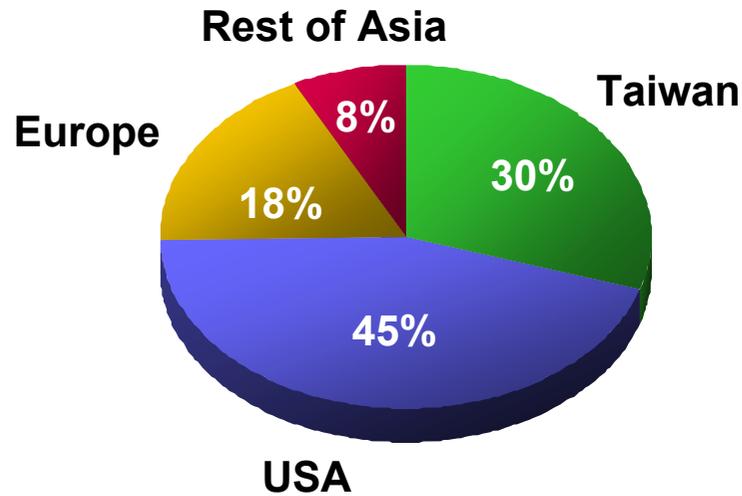


Revenue by Geographical Region

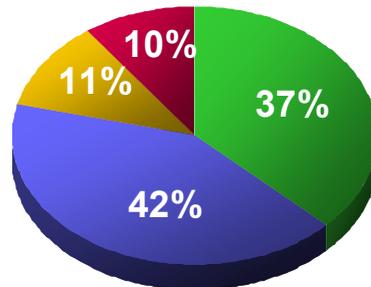
Increasing inroads into US and European markets

4Q04 vs 4Q03

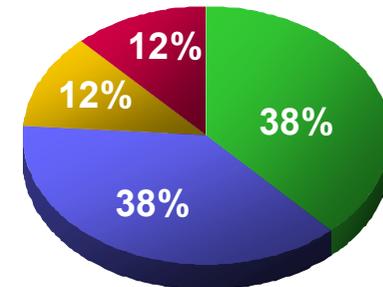
FY04 vs FY03



4Q03



FY03



■ 4Q04 and FY04 Highlights

■ **Guidance and Growth Drivers**

■ Questions & Answers

Guidance

- **1Q05 revenue to be 0% to 5% sequentially higher than 4Q04**
- **Healthy growth in FY05**
- **Memory strength to continue at least into 1Q05**
- **DDR2 volume ramp to accelerate in 2H05**
- **Communication market still slow in 1Q05**
- **Digital consumer sector experiencing steep ramp**
- **2005 capex budget of up to \$100m**

Growth Strategies

- **Twin Engines of Growth in Memory and Mixed-Signal & Logic Products (MSLP)**
 - Memory growth driver - DDR2 Transition
 - MSLP & BM/W strategy growth drivers – digital consumer & 3G communications



Broadband



Mobile



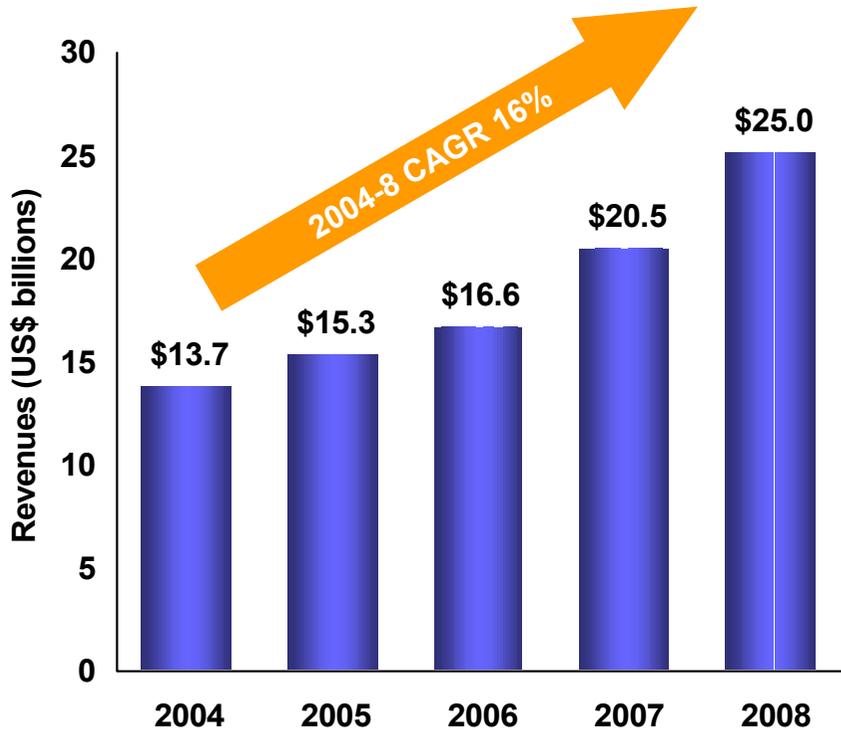
Wireless

- **Capability, not just Capacity**
- **To achieve #1 or #2 supplier status to customers**
- **Anchor foundries and fabs for wafer sort business**
- **Develop strategic partnership and M&A opportunities**

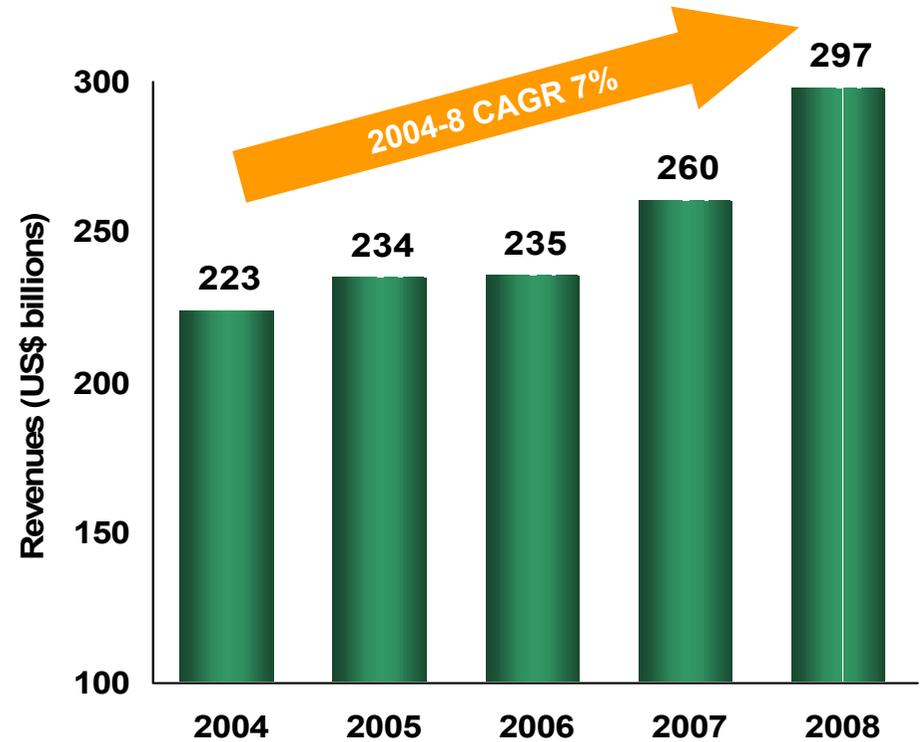
Outsourced SATS to Outpace Overall Semiconductor

OSAT 4-year CAGR of 16% vs 7% for overall semiconductor

OSATS 2004-8



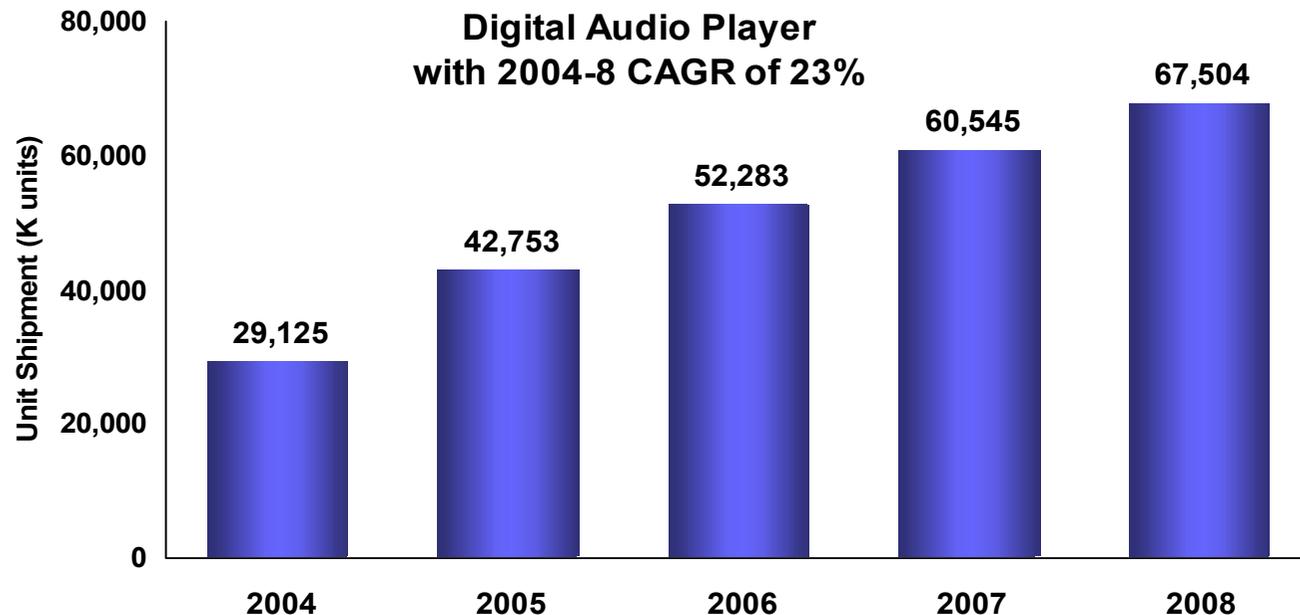
Semiconductor 2003-8



Source: Gartner, 1Q 2005 Semiconductor Manufacturing Update: Industry Corrects in 2005 and GartnerDatquest Nov 2004

Strong Growth in Digital Consumer

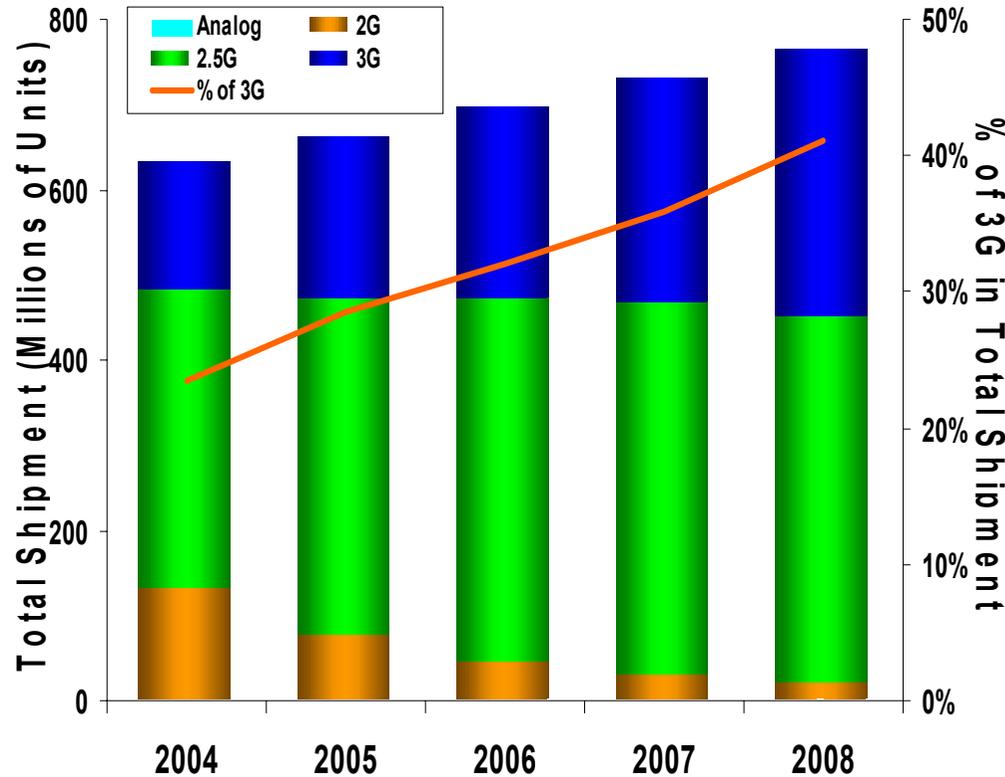
- IDC projected that DVD semiconductor revenues will grow to US\$3.7B in 2008, up from US\$2.4B in 2004
 - ✓ Growth will come from transition to DVD recorders, with a 2004-8 CAGR of 39%
- Gartner projects that the digital audio player market will grow by a CAGR of 23% from 2004-2008



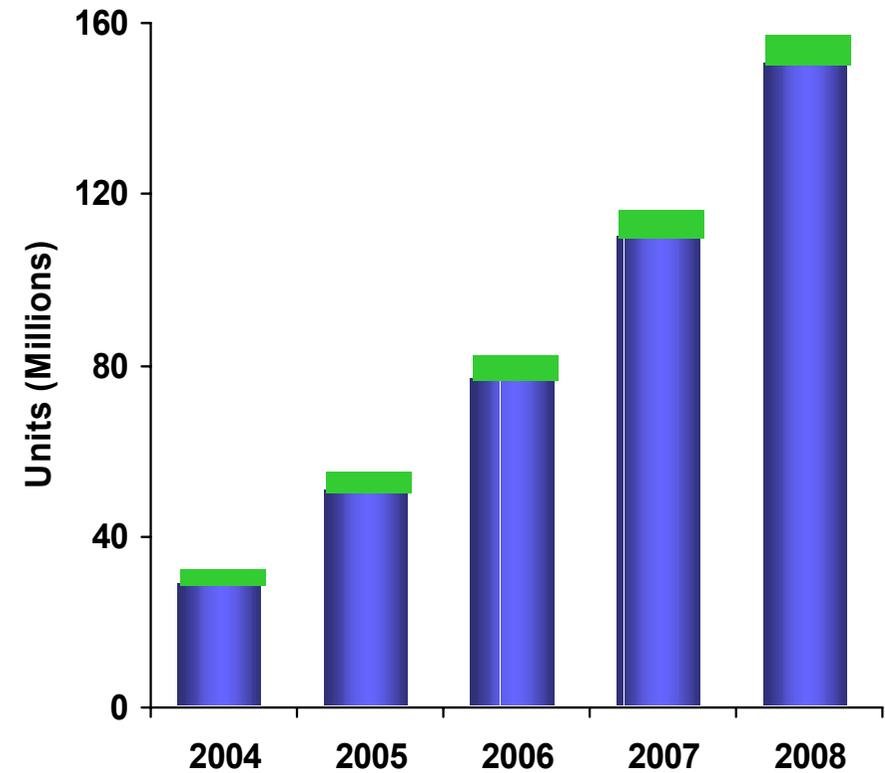
Source: Gartner Semiconductor Forecast Worldwide, Forecast Database by Pia Rieppo, 12 November 2004

3G and Smartphones To Drive Wireless Growth

3G: 4-year CAGR of 21% from 2004 to 2008



**Smartphones & Wireless PDAs:
4-year CAGR of 49% from 2004 to 2008**

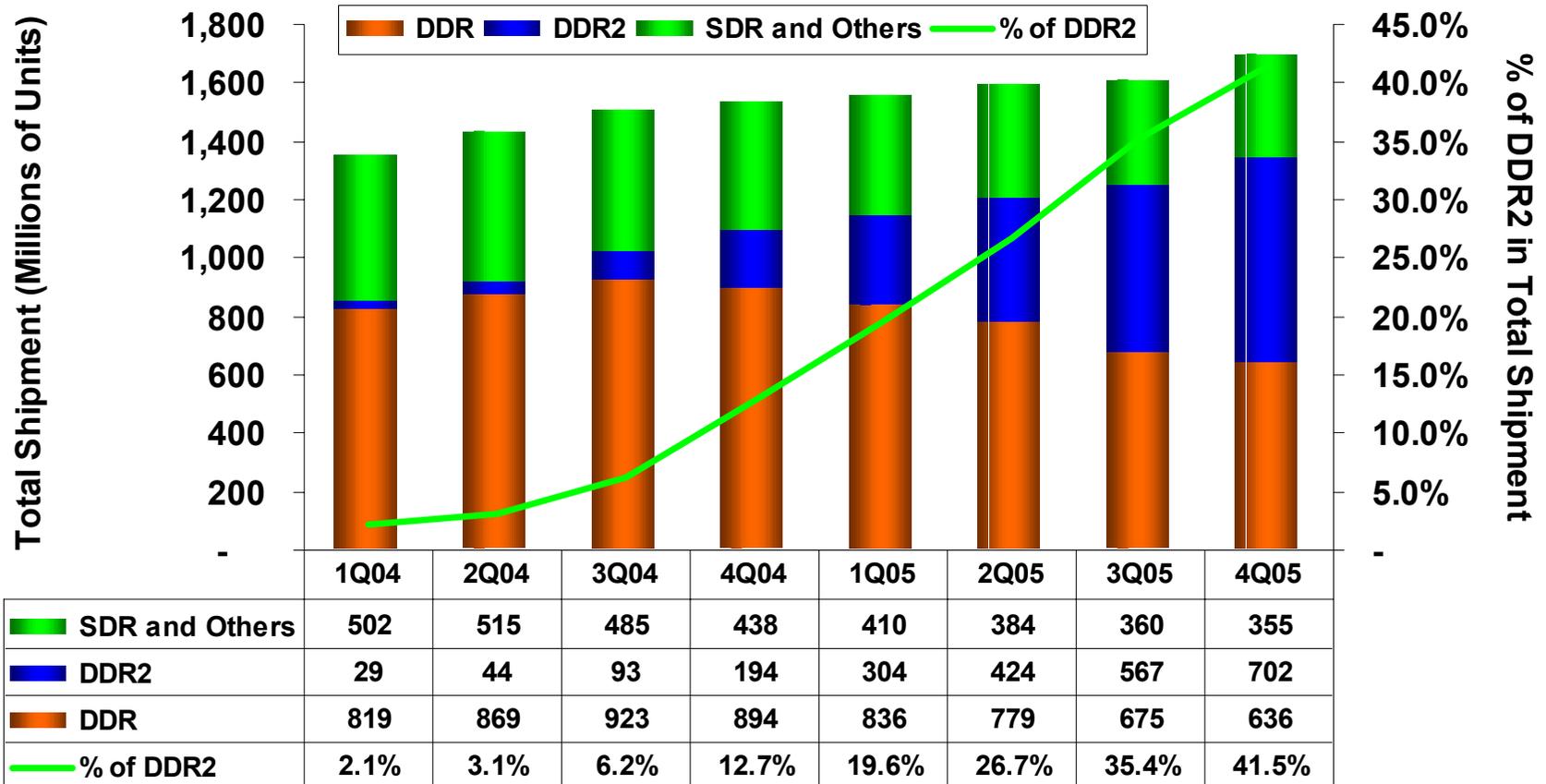


Source: Gartner, Market Focus, Semiconductors in Mobile Phones Worldwide 2004-2008, Dec 2004



2005 – DDR2 Transition Year

DRAM Quarterly Shipment Forecast 2004~2005



Source: Gartner Dataquest DRAM Supply and Demand, Worldwide, 1Q03-4Q05 (4Q04 Update), Nov 04

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- Guidance and Growth Drivers
- **Questions & Answers**