



UTAC Completion of Merger with UltraTera Corporation

March 31, 2005

***Creating a Top 5 Global Test-Centric Group and
Independent Memory Service Providers***



■ **UTAC Completion of Merger with UTC**

■ Growth Strategy and Drivers

■ Summary

UTAC Overview

UTAC Group is a leading independent provider of test and assembly services for a wide range of semiconductor devices including memory, mixed-signal/RF and logic ICs with manufacturing facilities strategically located in Singapore, Taiwan and Shanghai.

Key Facts

- **Headquarters:** Singapore
- **Established:** 1997
- **Sales Offices:** Singapore, China, US, Italy, Japan and Korea
- **Full Turnkey Services:** Wafer sort / laser repair, assembly, test , burn-in, mark-scan-pack and drop shipment

Proforma Group Financials:

- **Revenue 2004:** \$ 246.2 mm
- **Net Profit 2004⁽¹⁾:** \$ 17.7 mm
- **Market Cap⁽²⁾:** \$ 522 mm

(1) UTC's Net Profit includes a write-down and long-term investment loss totalling NT\$482m

(2) Based on expected total outstanding shares as at 1 April 2005 and UTAC share price as of March 29, 2005, and assuming US\$1 = S\$1.65

Leading Customers

- Our customers comprise IDMs, fabless companies and wafer foundries:



Note: Only small selection of existing customers. Please refer to "Combining Blue Chip Customer Portfolios" for more detailed customer overview.

Experienced Management

- Management team has on average more than 10 yrs of experience in the semiconductor industry
- 2 Key Pools of Technical Expertise:
 - Memory Test Experience from Texas Instruments and UTC
 - Mixed-Signal/RF & Logic Experience from STATS and leading IDMs

Merger Summary

Consideration

All stock transaction
Fixed exchange ratio of 1.33 UTAC shares for every Ultratera share
Pro-forma total of 651.6M UTAC shares is being issued for Ultratera shares

Structure

UltraTera Corporation is now a wholly-owned subsidiary of UTAC and is renamed UTAC (Taiwan) Corporation ("UTC")

Financial Highlights

- 1. Enlarged UTAC had a pro-forma FY04 revenues of US\$246.2 m.**
- 2. Pro-forma net profit was \$17.7M⁽¹⁾.**
- 3. Enlarged UTAC has one of the highest EBITDA margins in the industry with a pro-forma EBITDA margin of 46.7%.**
- 4. Pro-forma goodwill is \$64M⁽²⁾. The new Singapore Accounting Standards do not require goodwill amortization and take an 'Impairment-Only-Approach'**

Leadership

Charles Chen will be Chairman of the combined group
Lee Joon Chung, current UTAC CEO, will be CEO of the combined group
No change to current management at UTC

Board of Directors

14 directors to comprise the board
11 UTAC board members and 3 UTC board members

- 1. Includes the diminution in value of long-term investments of UTC of approx. [NT\$438 million (or approx. US\$12.8 million based on the exchange rate as of 28 July 2004 of NT\$34.206:US\$1)] as reflected in UTC's FY04 financial results and a provision for a gain from disposal of fixed assets by UTC of approximately [NT\$55 million (or approximately US\$1.6 million based on the exchange rate as of 28 July 2004 of NT\$34.206:US\$1)]*
- 2. **Based on certain** assumptions, incl. UTAC Average Price of S\$0.6498 on 28 July 2004. Final goodwill recorded will depend on the UTAC share price prevailing on the date the last substantive condition of the Proposed Acquisition is met, and the actual number of new shares to be issued and therefore could be materially different.*

Creating a World Class MSLP/ Memory Powerhouse

- UTAC Group will become a first class test-centric group and one of the largest independent memory service providers**
- Complementary business fit – the combined UTAC Group is a key player in DRAM, NAND Flash and Mixed-Signal & Logic**
- Strong customer fit – marginal customer overlap with a customer portfolio that includes Broadcom, Nanya, Infineon, Hynix, Sandisk, Sigmatel, etc. Largest customer to contribute 15-20% of group revenue**
- Strong geographic fit – strategic locations of Taiwan, Singapore and Shanghai**
- Excellent product fit – leverage UTC's presence in Taiwan as launch pad for Mixed-Signal and Logic (MSLP) business and accelerate growth of UTAC (Taiwan)'s assembly business through UTAC's mass manufacturing expertise**
- Combination of UTAC's packaging mass production experience and UTC's packaging patent portfolio and to tap the growth potential from UTC's entry in assembly**

Significant Synergies

Little overlap - Integration costs not expected to exceed \$1-2mm

Portfolio Synergies

- Diversified product portfolio with Mixed-Signal, Logic, DRAM and Flash memory
- Combination of strong patent portfolios

Cost Synergies

- Economies of scale including cost reduction potential due to greater purchasing power
- Centralization of R&D activities and sales activities

Optimize Capex

- Reduction of UTAC + UTC's capex requirements
- Flexibility to align production capacity for better utilization

Financial Synergies

- Stronger balance sheet with increased financial flexibility and better access to capital markets
- Larger company with a market capitalization exceeding \$500 mm

Strong Product Fit

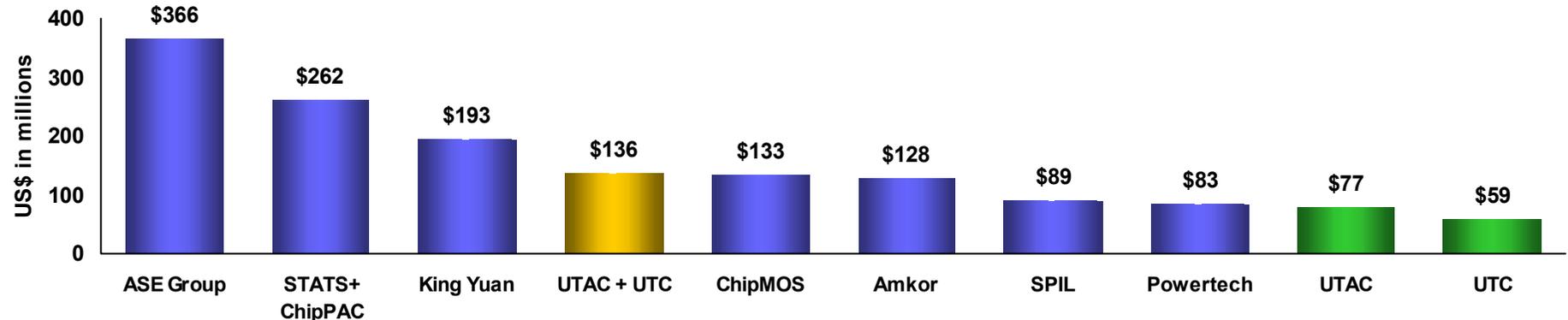
UTC and UTAC complementary product lines will strengthen the position of the combined entity.

Test			Comments
<i>Memory</i>	STRONG	STRONG	<ul style="list-style-type: none"> Limited overlap, improves negotiating leverage
<i>Mixed Signal</i>	STRONG	NONE	<ul style="list-style-type: none"> Immediate footprint for UTAC to launch mixed-signal business in Taiwan
Assembly	<hr/>		
<i>Memory</i>	STRONG	LEADING TECHNOLOGY Limited Manufacturing	<ul style="list-style-type: none"> Leverage UTC patents for UTAC Group Help UTC with manufacturing ramp-up
<i>Mixed Signal</i>	STRONG	NONE	<ul style="list-style-type: none"> Grow mixed signal assembly in Taiwan

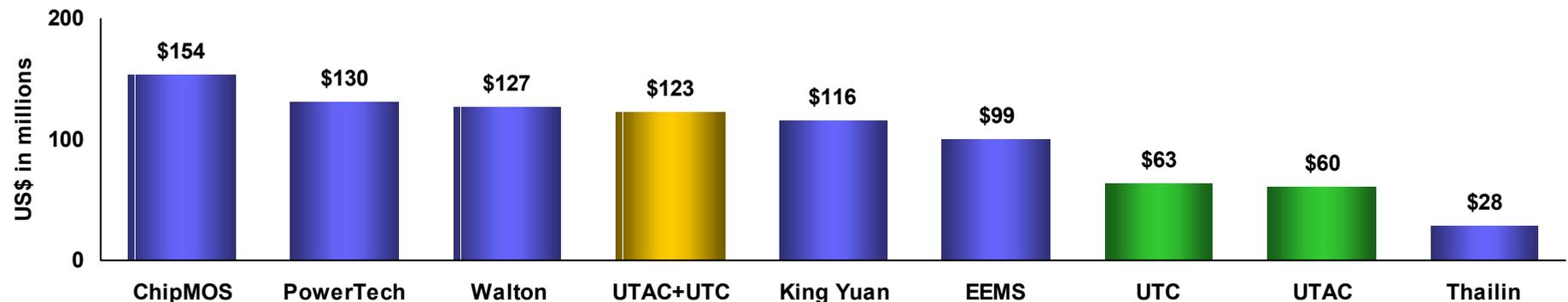
Creating a Leading Test & Memory Centric Company

The combination of UTAC and UTAC (Taiwan) will create a Top 5 World Class MSLP and Memory

2003 Testing Revenues



2003 Memory Revenues



Source: Gartner June 2004, Company filings, press releases and Wall Street Estimates.

STATS + ChipPAC proforma for merger. King Yuan assuming 100% test revenues.

ChipMOS based on revenues for the fiscal year ended December 31, 2003. Revenue breakdown for memory as of 2002.

Powertech and EEMS assuming 100% memory revenues.

Thailin for the fiscal year ended December 31, 2003 assuming 100% memory revenues.

Combining Blue Chip Customer Portfolios

Strong customer fit. The combined group will serve the world's leading IDM's, foundries and fabless companies.



IDM's



FUJITSU

TEXAS INSTRUMENTS

Foundries & Fabs



PSC

NANYA

MXIC HYNIX

Winbond Electronics Corp.

Fabless



SanDisk

ATI

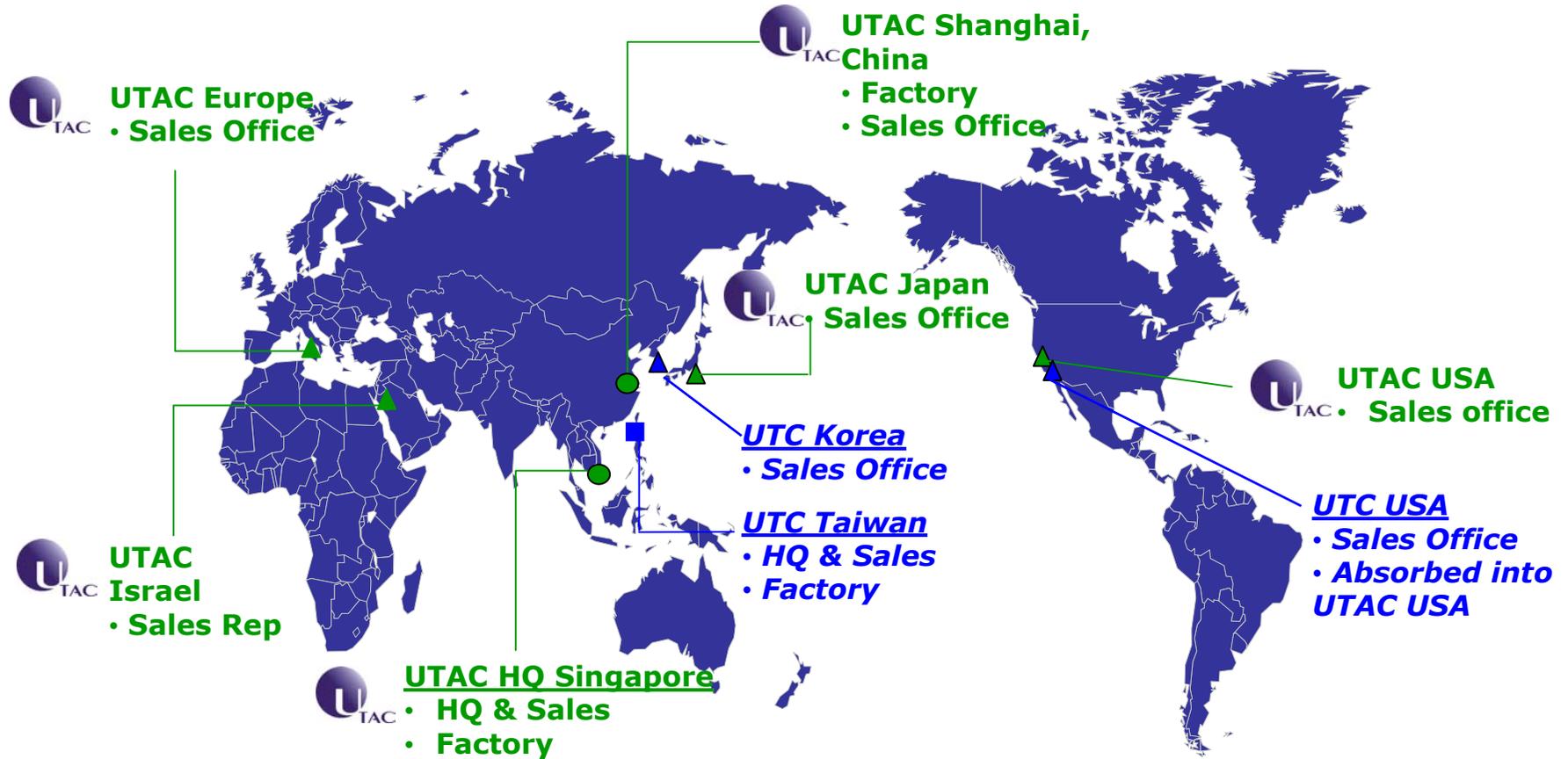
Diversified DRAM Penetration

<u>2004 DRAM Ranking</u>	<u>Remarks</u>
1 Samsung	Mostly in-house
2 Hynix	UTAC Taiwan – 1st source
3 Micron	UTAC – started small volume production
4 Infineon	UTAC – select product lines and overflow
5 Elpida	UTAC – overflow business through NEC
6 Powerchip	UTAC – 2nd source
7 Nanya	UTAC – 1st source and Beta site
8 ProMOS	No current involvement
9 Winbond	UTAC Taiwan customer
10 Mosel Vitelic	No current involvement

Source: Ranking data from Gartner, 18 February 2005

Strong Presence in Key Semiconductor Markets

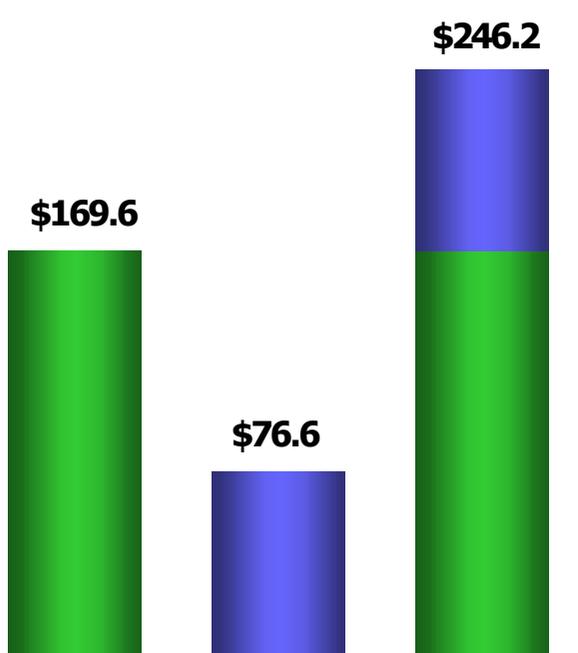
Strategic manufacturing operations in key semiconductor markets in Asia, including Singapore, Taiwan and China with no overlap in manufacturing facilities.



Strong Financial Performance

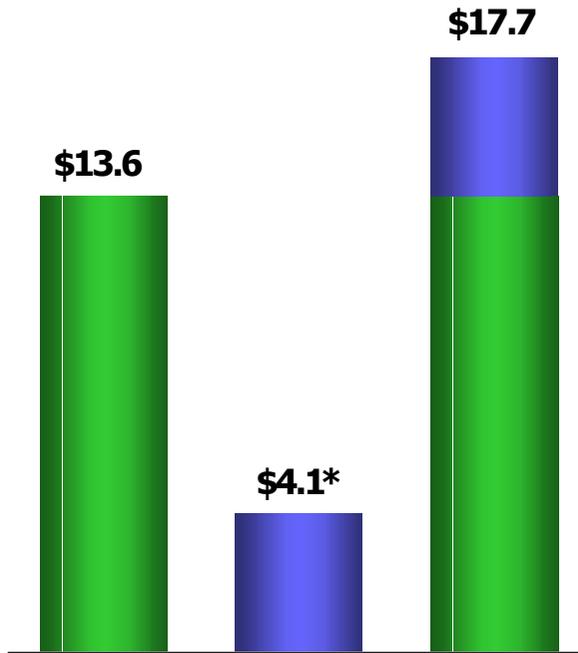

FY04 Pro-forma Revenue
 UTC 聯測科技
 UltraTera Corporation

(US\$ in millions)



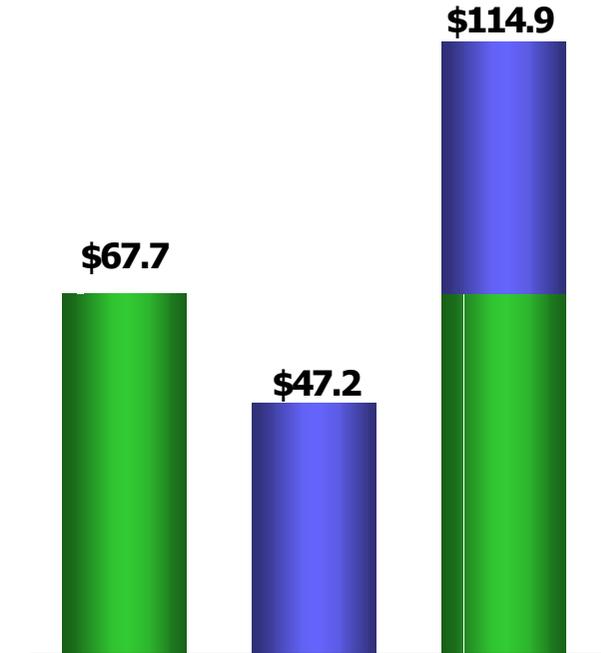

FY04 Pro-forma Net Profit
 UTC 聯測科技
 UltraTera Corporation

(US\$ in millions)




FY04 Pro-forma EBITDA
 UTC 聯測科技
 UltraTera Corporation

(US\$ in millions)



■ UTAC ■ UTC

Assumes an average of US\$ 1 = NTD 33.3 for FY04

* Includes impairment of and the diminution in value of long-term investments of UTC of approximately NT\$482M

Strong Combined Balance Sheet



	31 Dec 04	31 Dec 04
Cash	\$28.5	\$13.3
Other Current Assets	54.3	58.2
Fixed Assets	252.1	100.8
LT Investments	0	21.9
Other Assets	0	16.8
Total Assets	334.9	211.0
Total Debt	26.3	20.5
Other Liabilities	52.3	22.4
SH' Equity	256.3	168.1
Total Liab. & Equity	334.9	211.0
Total Debt-Cash	(2.2)	7.2
Debt/ SH Equity	10.3%	12.2%

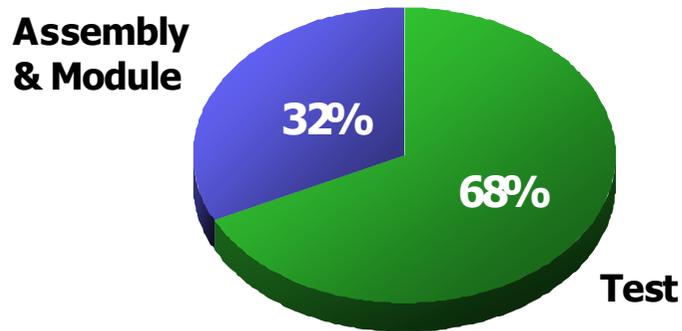
Assumes average of .US\$1 = NTD 32.2 for Dec04. No adjustments for GAAP differences made.



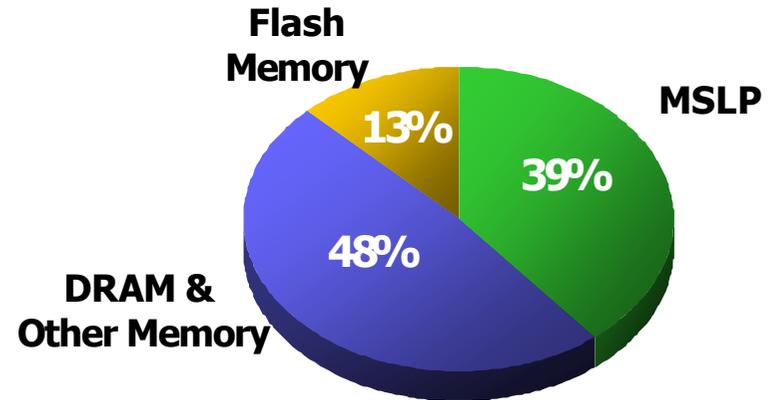
Pro-forma 2004 Revenue Breakdowns

Test focus, Balanced product/application mix

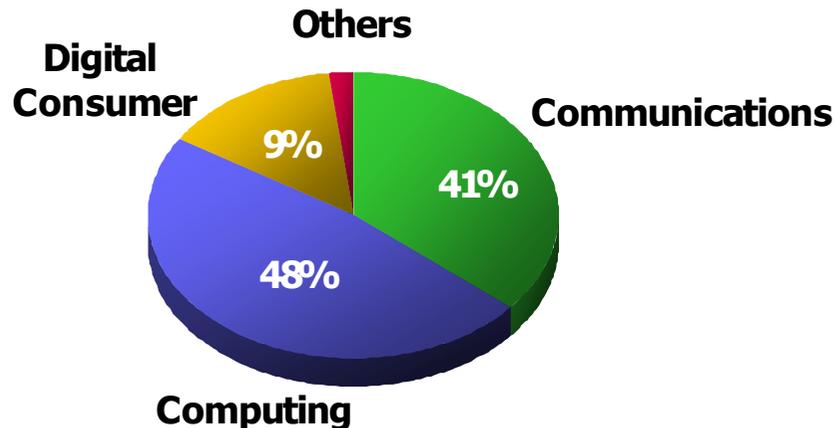
Revenue by Business Activity



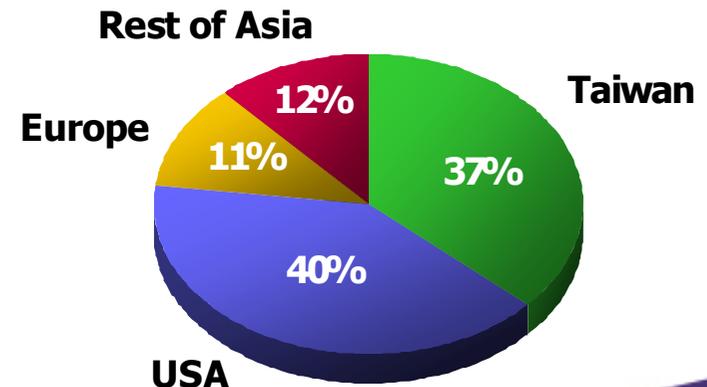
Revenue by Product Mix



Revenue by Application



Revenue by Geographical Region



■ UTAC (Taiwan) Completion of Merger

■ **Growth Strategy and Drivers**

■ Summary

Growth Strategies

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



Broadband



Mobile



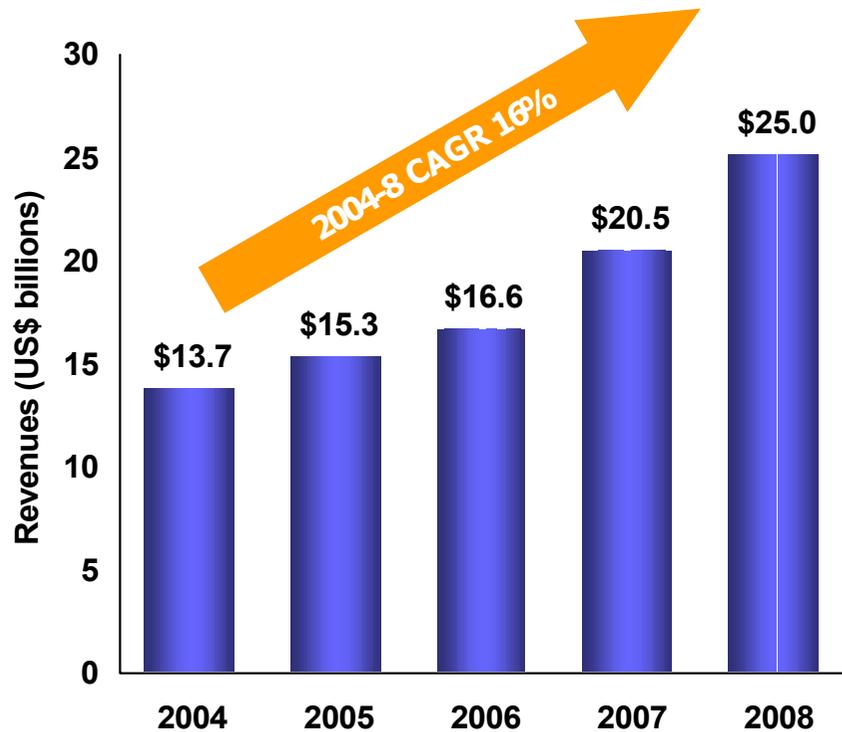
Wireless

- **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**

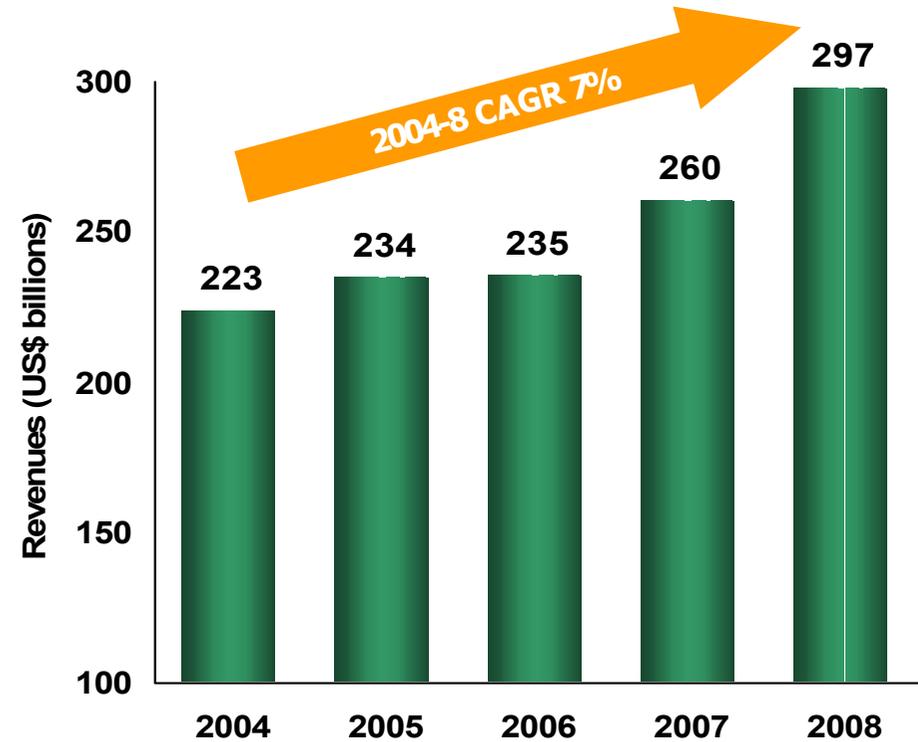
Outsourced SATS to Outpace Overall Semiconductor

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

OSATS 2004-8



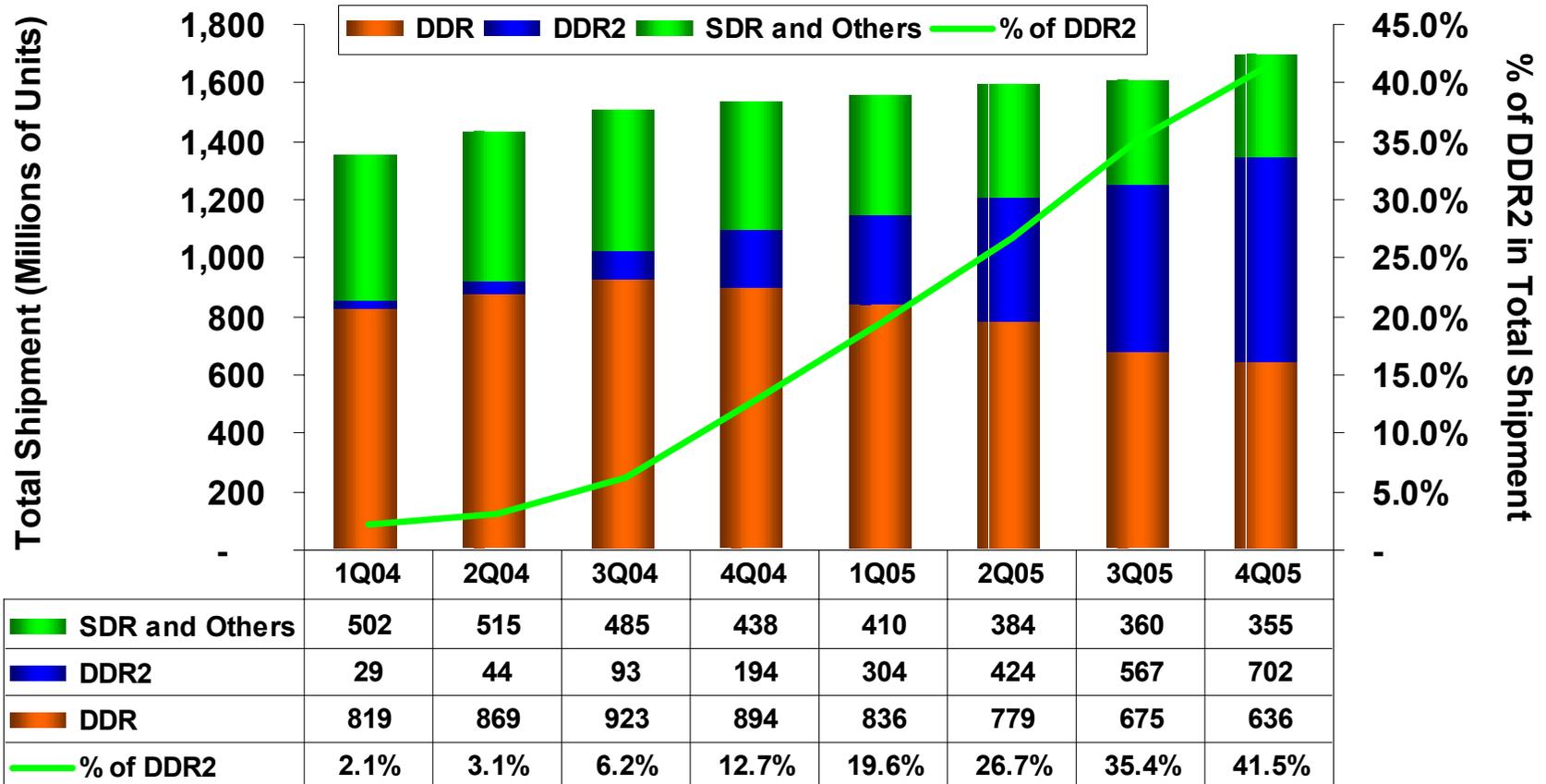
Semiconductor 2003-8



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

2005 – DDR2 Transition Year

DRAM Quarterly Shipment Forecast 2004~2005

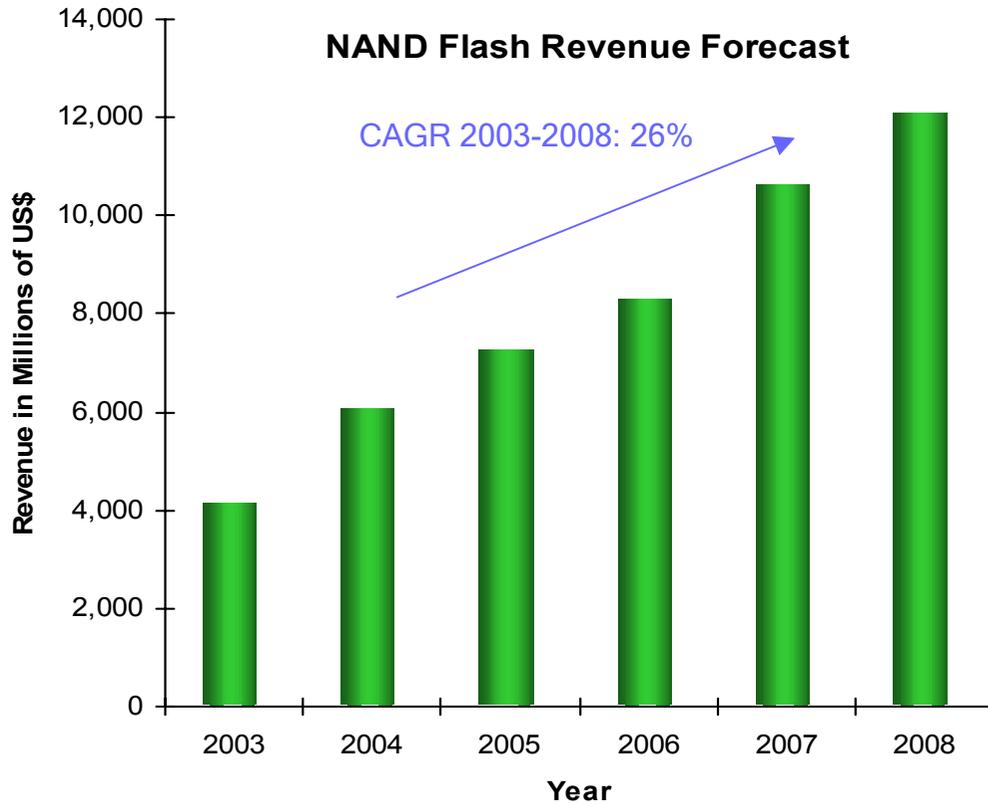


Source: Gartner Dataquest DRAM Supply and Demand, Worldwide, 1Q03-4Q05 (4Q04 Update), Nov 04

NAND Flash Industry Poised for Growth

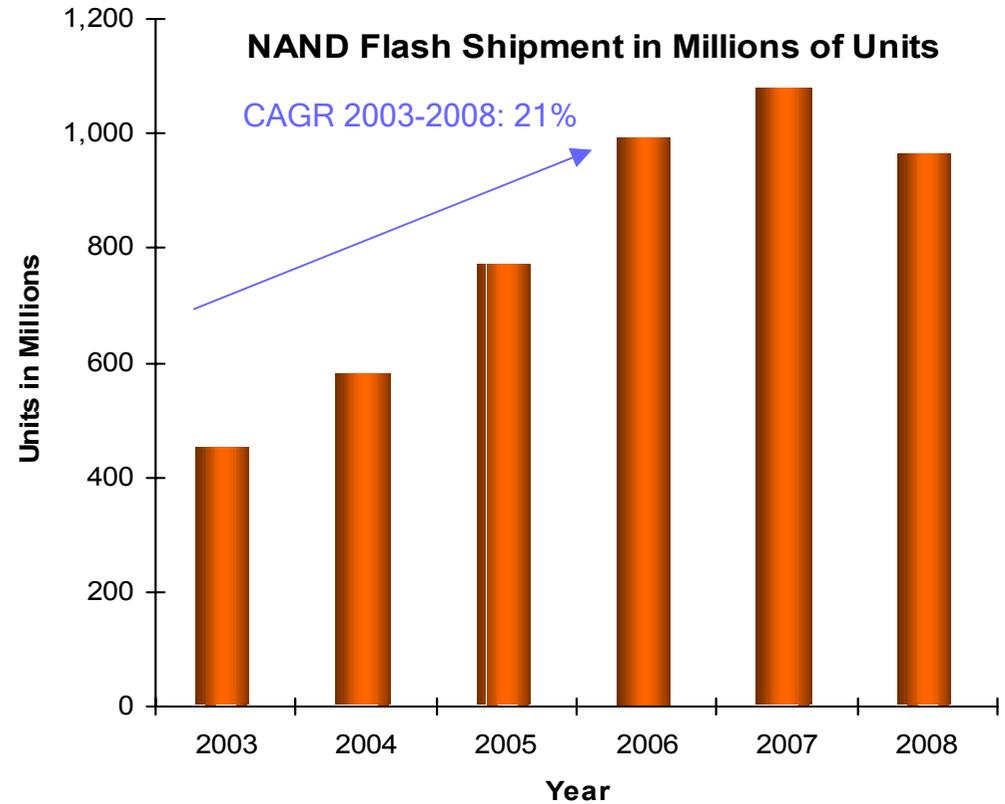
NAND Flash Revenue Forecast

CAGR 2003-2008: 26%



NAND Flash Shipment in Millions of Units

CAGR 2003-2008: 21%

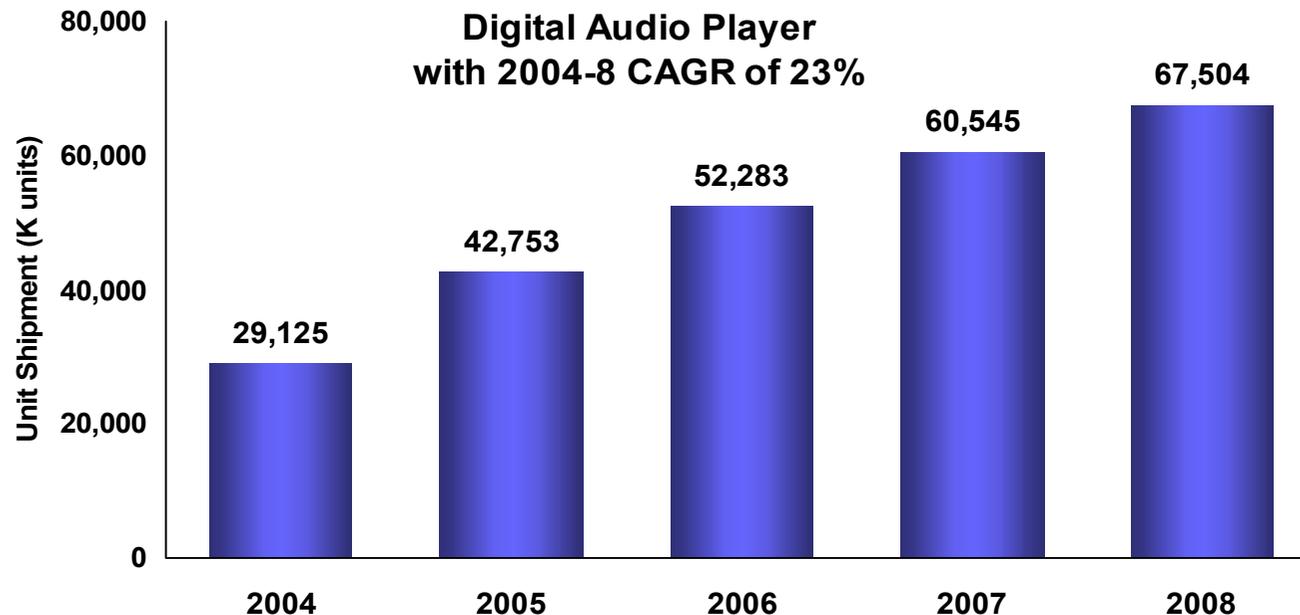


Source: Gartner Dataquest, Feb 2005



Strong Growth in Digital Consumer

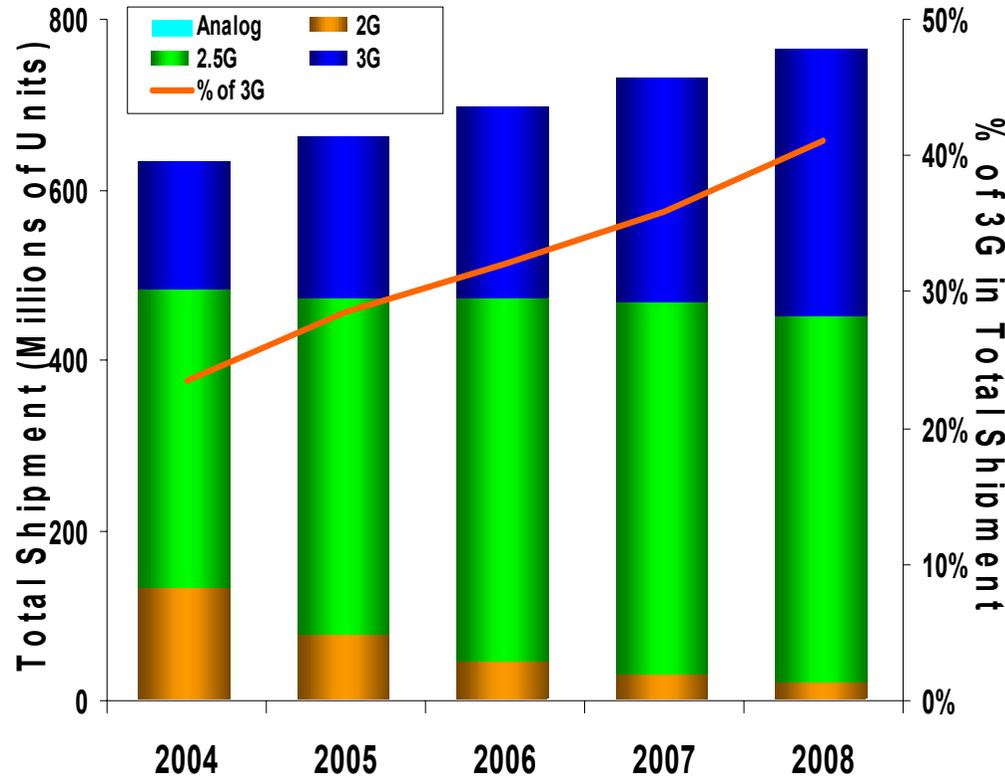
- **IDC projected that DVD semiconductor revenues will grow to US\$3.7B in 2008, up from US\$2.4B in 2004**
 - ✓ Growth will come from transition to DVD recorders, with a 2004-8 CAGR of 39%
- **Gartner projects that the digital audio player market will grow by a CAGR of 23% from 2004-2008**



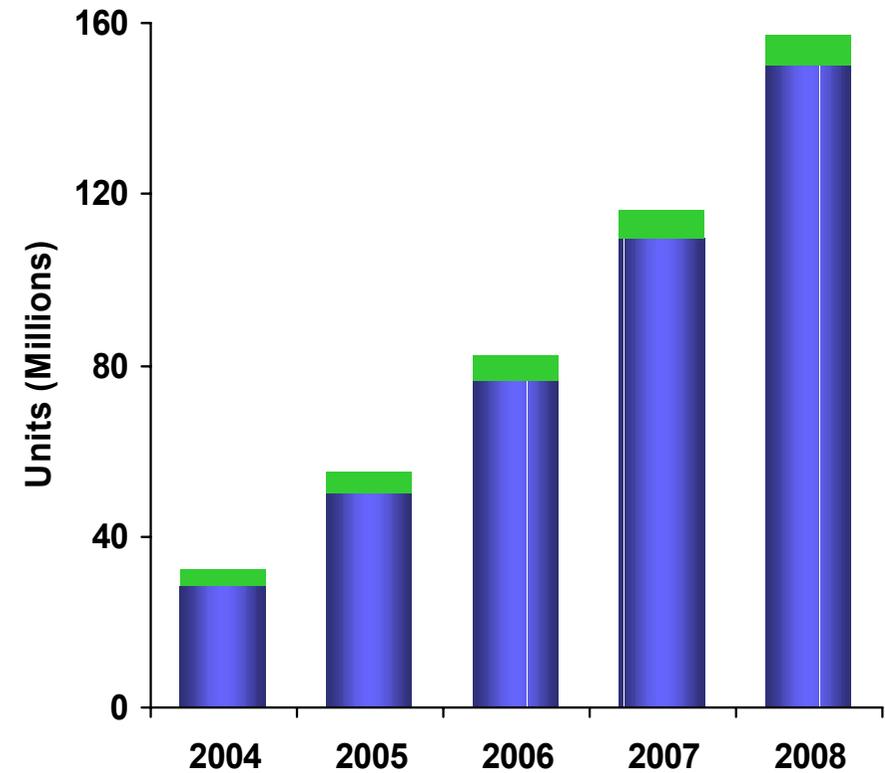
Source: Gartner Semiconductor Forecast Worldwide, Forecast Database
by Pia Rieppo, 12 November 2004

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**

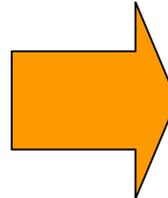


Source: Gartner, Market Focus, Semiconductors in Mobile Phones Worldwide
2004-2008, Dec 2004

- UTAC (Taiwan) Completion of Merger
- Growth Strategy and Drivers
- **Summary**

Strengths

- **Strategic geographical locations**
 - Presence in Taiwan, Singapore and Shanghai
- **Strong management team**
 - Proven track record
 - Strong technical expertise
- **Extends leadership in Test**
 - Advanced Memory
 - Mixed signal/RF & Logic
- **Boost Growth Drivers**
 - Outsourced Test Market
 - Digital Consumer
 - 3G Comms & Smartphones
 - DDR2 Transition
- **Coherent strategy & strong execution**
 - Diversified twin engines of growth
 - Capability, not just Capacity
 - To achieve #1/2 supplier status
 - Anchor fabs for wafer sort
 - Strategic M&A, Alliance



Performance

- **Fast growth**
 - Revenue growth at 40% YoY since inception
 - Seeing continued healthy growth for 2005
- **Outperformed Industry Benchmarks**
 - Faster growth than industry
 - Market share gains
 - Higher margins than peers
- **Strong financials**
 - Net cash position
 - Ample potential to leverage debt market
- **Global Top 5 Industry Player**
 - Top 5 in test services
 - Top 5 in memory turnkey services
- **Blue-chip client base**
 - Diversified customer base
 - 7 of top ten DRAM vendors