



Media Release

(all figures in US\$ unless otherwise stated)

GATE Announces FY2014 Revenue Of \$734.1M

Singapore, 2 February 2015 – Global A&T Electronics Ltd (GATE or the Company), subsidiary of UTAC Holdings Ltd (UTAC), a global semiconductor testing and assembly services provider headquartered in Singapore, today announced unaudited fourth quarter (4Q14) revenue of \$189.2M, up 9.4% year-on-year (yoy) and down 5.2% quarter-on-quarter (qoq). For the full year of 2014 (FY2014), GATE reported revenue of \$734.1M, down 1.9% from \$748.4M.

“We have made significant progress in recovering customer share in 2014; arresting the sales decline seen in previous years. We not only regained share and expanded our partnership with many of our key customers, but also secured multiple blue chip customers in 2014 who have appointed UTAC as their strategic supplier for upcoming projects.

At the same time, we implemented initiatives to enhance our business performance and operational efficiency. This includes selling one of our Singapore facilities and consolidating the Singapore operations in 2014. Together with our continued cost reduction, we were able to improve our margins while regaining market share,” said Dr. John Nelson, Chief Executive Officer of UTAC.

4Q14 Results Highlight

- Gross profit margin continued to improve, rising to 19.6% in 4Q14 from 11.9% in 4Q13 on higher revenue and cost reduction efforts. It was also higher sequentially compared to 18.3% in 3Q14 due to a favorable product mix with higher test contribution and lower depreciation. Test contribution went up to 35.8% of revenue from 33.5% of revenue in 3Q14.
- SG&A rose to \$18.7M from \$16.9M in 3Q14 due to higher infrastructure, legal cost as well as provision for variable staff compensation in 4Q14.
- Operating profit rose to \$15.9M from \$2.8M in 4Q13 but declined from \$16.8M in 3Q14, in line with the sequential decline in revenue.
- Tax expense rose to \$5.4M in 4Q14 from \$3.0M in 3Q14 due to additional capital gain tax on asset sales. There was a tax credit of \$2.5M in 4Q13 primarily due to adjustments of over provision of income tax in the previous quarters.
- Adjusted EBITDA was \$56.9M representing 30.1% of 4Q14 revenue, compared to \$44.1M and \$61.0M representing 25.5% and 30.6% of revenue in 4Q13 and 3Q14 respectively.

- Cash and cash equivalents was higher at \$241.3M as at end 4Q14 compared to \$208.4M as at end 3Q14 mainly due to bond interest payment of \$56.9M in 3Q14. Company generated cash from operations of \$59.5M compared to \$47.4M in 3Q14. Cash used in investing activities was \$25.9M, mainly comprising capex of \$37.6M which was partially offset by the disposal of memory assets of \$11.1M in 4Q14.

FY2014 Results Highlight

- Gross margin rose to 16.6% from 13.1% in FY2013 on cost reduction and lower depreciation.
- Operating profit rose to \$45.1M from \$27.2M as a result of gross margin improvement.
- Other income/other expense was \$30.6M. Other income was \$42.3M compared to \$31.6M in FY2013. FY2014 other income comprise mainly of a \$28.1M disposal gain from the Singapore building sale in 3Q14. Other operating expense (OOE) rose to \$11.7M from \$10.1M in FY2013. FY2014 OOE comprised mainly of \$6.3M in impairment of fixed assets and \$4.2M in restructuring cost.
- Adjusted EBITDA was \$213.3M representing 29.1% of revenue, compared to \$203.2M representing 27.2% in FY2013.
- Net cash provided by operating activities rose to \$188.7M from \$184.1M with higher operating profit.
- GATE spent \$118.8M in capex mainly for Mixed Signal & Logic Processing (MSLP) test and wafer level chip scale packaging (WLCSP) assembly in FY2014, compared to capex of \$50.5M in FY2013. The capex was funded from higher cash from operations and asset sales of \$72.8M. GATE ended the financial year with cash of \$241.3M compared to \$217.9M in FY2013.

Looking ahead, Dr. Nelson said, *"We will continue to make capex investments in growth areas such as WLCSP and new QFN packages, and broaden our site capabilities such as adding MSLP testing in Taiwan and automotive in Thailand. These efforts will strengthen our competitive edge and better leverage our manufacturing footprint to serve customers better."*

"We have put in place a new senior management team that is focused on solid execution and are positive of our growth ahead."

GATE's 1Q15 outlook

UTAC is considering options to optimize its capital structure, including a potential Initial Public Offering (IPO). No decisions have been made or timetables established at this point in time. UTAC will promptly announce plans at the appropriate time. For these reasons, GATE will not be providing guidance beyond 1Q15 at this point in time.

Based on current visibility, GATE has the following expectations for 1Q15:

- GATE 1Q15 revenue expected to decline 4 - 8 % qoq due to seasonality and gross margin to be in the range of 17 -18% in line with the lower revenue.
- GATE 1Q15 cash balance will be lower sequentially due to interest payment on the bonds, which occurs every 1Q and 3Q of the financial year.

UTAC* Financials

*(*UTAC is the holding company of GATE and UMS)*

UTAC's revenue was \$240.3M for 4Q14, down from \$256.6M in 3Q14, and FY2014 revenue was \$861.1M. UTAC closed FY2014 with cash of \$301.2M, up from \$257.5M in 3Q14.

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Global A&T Electronics Ltd
Summary of Unaudited Consolidated Statement of Income
(all figures in US\$)

Income Statement (\$'000)

	Q4'13	Q3'14	Q4'14	FY2013	FY2014
Sales	172,940	199,500	189,183	748,396	734,121
Cost of Sales	(152,276)	(163,061)	(152,054)	(650,649)	(612,194)
Gross Profit	20,664	36,439	37,129	97,747	121,927
<i>Gross Profit Margin</i>	<i>11.9%</i>	<i>18.3%</i>	<i>19.6%</i>	<i>13.1%</i>	<i>16.6%</i>
SG&A	(14,784)	(16,919)	(18,650)	(58,310)	(65,676)
R&D	(3,061)	(2,717)	(2,569)	(12,278)	(11,109)
*Operating Profit	2,819	16,803	15,909	27,159	45,142
Other Income/Expense	3,705	26,395	4,050	21,489	30,630
Interest	(30,916)	(29,723)	(28,589)	(120,655)	(118,861)
Taxes	2,480	(3,014)	(5,444)	(2,463)	(11,007)
Share of loss of associated companies	(3,074)	-	-	(4,457)	-
Net Income	(24,986)	10,461	(14,074)	(78,927)	(54,097)
EBIT	3,450	43,198	19,959	44,191	75,771
Gain on exchange note	-	-	-	(21,073.5)	-
Depreciation and Amortization	40,614	36,885	35,789	168,135.9	148,558.9
Restructuring cost	2,026	1,013	384	10,118.3	4,206.4
Impairment of fixed assets	1,665	6,295	33	1,665.3	6,327.7
Share of loss in Nepes	3,074	-	-	4,456.5	-
External legal expenses	(983)	872	1,106	1,587.0	2,634.8
Write back of unclaimed monies	(4,846)	-	-	(4,846.0)	-
Others (forex, etc)	(926)	(27,269)	(401)	(990.3)	(24,189.4)
EBITDA (adjusted for non operating items)	44,074	60,994	56,870	203,244	213,310
<i>Adjusted EBITDA Margin</i>	<i>25.5%</i>	<i>30.6%</i>	<i>30.1%</i>	<i>27.2%</i>	<i>29.1%</i>

Cash Flow (\$'000)

Cash and Cash Equivalents at the beginning of Period	208,141	187,359	208,306	201,219	217,806
Net Income	(24,982)	10,461	(14,074)	(78,923)	(54,097)
Depreciation	36,546	32,933	31,840	151,734	132,576
Amortisation	4,067	3,953	3,949	16,408	15,988
Change in Working Capital	7,453	(790)	6,414	11,483	5,762
Net Interest Expense	25,680	29,229	29,882	119,629	118,861
Others	(5,655)	(28,363)	1,492	(36,210)	(30,424)
Net Cash Provided by Operating Activities	43,109	47,423	59,503	184,121	188,666
Payment for Fixed Assets/Intangible Assets	(13,181)	(29,052)	(37,644)	(50,506)	(118,839)
Proceeds from the Sale of Fixed Assets	16,034	59,917	11,092	18,149	72,789
Interest	319	198	216	942	1,078
Others	(2,279)	-	452	(2,260)	(10,548)
Net Cash Provided (Used) in Investing Activities	893	31,063	(25,884)	(33,675)	(55,520)
Interest paid	2,653	(56,944)	(616)	(70,643)	(106,792)
Proceed/repayment loan and borrowing, net	(4,984)	(73)	(74)	(29,482)	(263)
Others	(32,006)	(522)	(21)	(33,734)	(2,683)
Net Cash Provided (Used) in Financing Activities	(34,337)	(57,539)	(711)	(133,859)	(109,738)
Cash and Cash Equivalents at the End of Period	217,855	208,354	241,260	217,855	241,260

* Operating profit refers to profit before tax adjusted for net of other income and other expenses, interest and share of loss of associated company.

Global A&T Electronics Ltd
Summary of Unaudited Consolidated Balance Sheet
(all figures in US\$)

Balance Sheet (\$'000)	FY2013	Q3'14	FY2014
Current Assets			
Cash and Cash Equivalents	217,855	208,354	241,253
Trade and Other Receivables	106,747	137,172	123,349
Inventories	33,548	41,661	42,187
Other Current Assets	10,585	16,126	8,908
Total Current Assets	368,735	403,313	415,697
Non-Current Assets			
Plant Property and Equipment	536,157	499,273	502,344
Intangible Assets	708,745	696,874	693,084
Other Non-Current Assets	13,696	12,643	12,201
Total Non-Current Assets	1,258,598	1,208,790	1,207,629
Total Assets	1,627,333	1,612,103	1,623,326
Current Liabilities			
Trade and other payable	101,013	145,978	143,297
Other interest	39,398	18,788	46,969
Total Current Liabilities	140,411	164,766	190,266
Non-Current Liabilities			
Long Term Debt	1,093,674	1,097,474	1,098,977
Deferred Tax Liabilities	9,443	6,586	6,740
Long Term Benefit Obligations	21,841	22,274	21,597
Deferred Income	168	101	81
Total Non-Current Liabilities	1,125,126	1,126,435	1,127,395
Total Liabilities	1,265,537	1,291,201	1,317,661
Total Equity	361,796	320,902	305,665
Total Equity and Liabilities	1,627,333	1,612,103	1,623,326

About UTAC Holdings Ltd

UTAC Holdings Ltd (UTAC) is a leading independent provider of semiconductor assembly and testing services for a broad range of integrated circuits (ICs) including memory, mixed-signal, analog, logic and radio frequency ICs. The Company offers a full range of package and test development, engineering and manufacturing services and solutions to a worldwide customer base, comprising integrated device manufacturers (IDMs), fabless companies and wafer foundries. UTAC operates manufacturing facilities in Singapore, Thailand, Taiwan, Malaysia, Indonesia and China, in addition to its global network of sales offices in the United States, Europe, Japan, Korea, China and Singapore.

For more information, please visit www.utacgroup.com or contact:

Roger NG

Director, Investor Relations and Communications

DID: (65) 6714 2245; HP: (65) 9005 0132

Email: roger_ng@utacgroup.com

Sherena LIEW

Manager, Communications

DID: (65) 6714 2280; HP: (65) 9742 1436

Email: sherena_liewls@utacgroup.com

Forward-looking statements

This press release includes statements that are, or may be deemed to be, "forward-looking statements" within the meaning of U.S. securities laws. These statements appear in a number of places throughout this press release and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth and strategies.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the semiconductor industry may differ materially from those made in or suggested by the forward-looking statements contained in this annual report. Important factors that could cause those differences include, but are not limited to: the cyclical nature of the semiconductor industry; increased competition from other companies and our ability to retain and increase our market share; our reliance on certain major customers; our ability to generate growth and profitability; our ability to generate sufficient cash to meet our capital expenditure requirements; our ability to repay or refinance our indebtedness as it falls due; and general local and global economic conditions. Given the risks and uncertainties which may cause actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this press release, undue reliance must not be placed on those statements or information. UTAC and/or GATE do not represent or warrant that their actual future results, performance or achievements will be as discussed in those forward looking statements. Further, UTAC and/or GATE disclaim any responsibility, and undertake no obligation to update or revise any forward-looking statements contained in this press release to reflect any change in their expectations with respect to such statements or information after the date of this press release or to reflect any change in events, conditions or circumstances on which UTAC and/or GATE based any such statements.