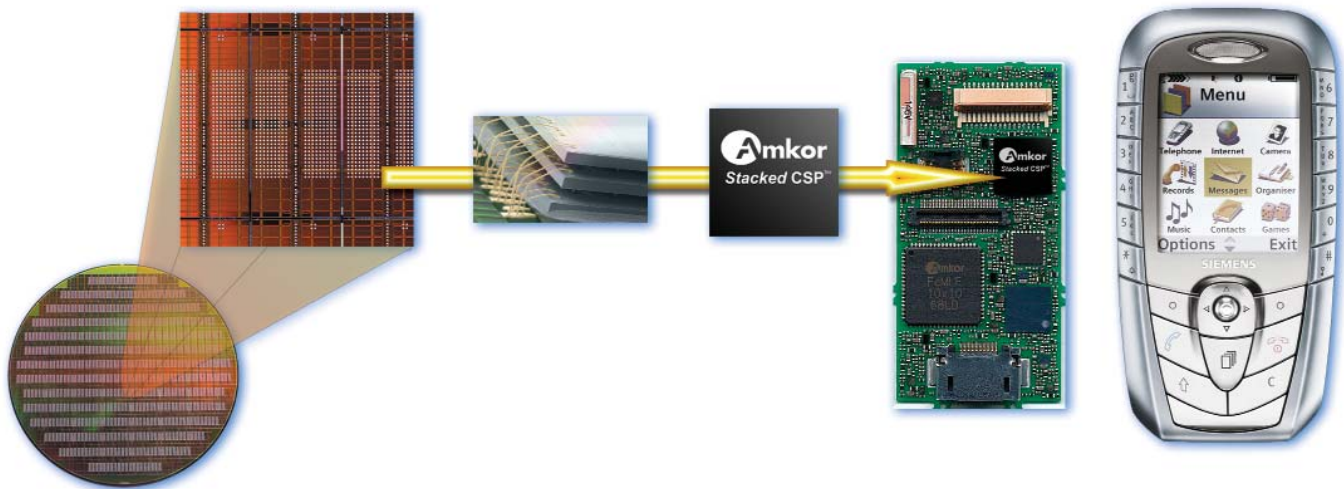


# Enabling a Microelectronic World®

Amkor is one of the world's largest providers of contract semiconductor assembly and test services. Founded in 1968, Amkor pioneered the concept of having a highly focused third party provide assembly and test to semiconductor manufacturers. By capitalizing on strong outsourcing trends and consistently meeting customer needs, Amkor has enjoyed significant growth over the past three decades.

Today we are a strategic manufacturing partner for many of the world's leading semiconductor companies and electronics OEMs, providing our customers with the industry's broadest array of package design, assembly and test solutions. Amkor's operational base encompasses more than 4 million square feet of manufacturing facilities, product development centers, and sales & support offices located in key electronics manufacturing regions in Asia, Europe and the United States.



Semiconductor manufacturing is generally defined in two stages. In the first stage, called the "front end", millions of transistors and complex electronic circuitry are deposited onto silicon wafers through a process called wafer fabrication. In the "back end", also known as **packaging, or assembly**, the silicon wafer is cut into individual chips, and each chip is placed in a protective housing that allows the chip to properly connect with the system board. For most advanced semiconductor devices, these packages are custom designed for specific applications.

The assembly process is responsible for managing the electrical connections between the very fine pitch of the chip and the larger geometry of the system board. Amkor's industry-leading technology, design, assembly and test capabilities represent critical operational requirements for many the world's leading semiconductor companies.

If you look inside a microelectronic product you won't see Amkor's name on the actual packages, but you will see the names of our customers - more than 175 of the world's leading semiconductor suppliers.



# LETTER TO SHAREHOLDERS

**2003** *marked a return to profitability following an extended cyclical decline in the semiconductor industry.*

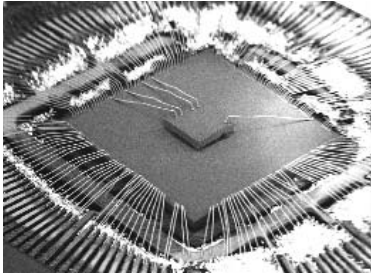
2003 was a year of significant accomplishment for Amkor and marked a return to profitability following an extended cyclical decline in the semiconductor industry. Our revenue grew 13% to \$1.6 billion from \$1.4 billion in 2002. For the full year we earned \$2 million, or \$0.01 per share, compared to a loss of \$827 million, or (\$5.04) per share in 2002.

As a result of improving industry conditions and consistently strong customer demand, our business strengthened as the year progressed. Fourth quarter revenue was 34% greater than in the first quarter. More important, our profitability continued to improve throughout the year. Driven primarily by higher capacity utilization, gross margin in the fourth quarter rose to 25% from 14% in our first quarter. Operating margin reached 12.5% in the fourth quarter, compared with an operating loss in the first quarter.

During the downturn many of our large customers with internal assembly and test operations reduced their investment in package development and in some cases actually decreased their package development staff. Throughout this period Amkor continued to invest in advanced package and test technology, such as MicroLeadFrame<sup>®</sup>, stacked die packages, ChipArray<sup>®</sup>BGA, flip chip, System-in-Package, memory cards, camera modules and strip test, all of which support high-demand end market applications. All of these development efforts bore fruit in 2003.

When the year began, the semiconductor industry was slowly recovering from an extended downturn. The electronics supply chain had poor visibility and our customers' forecasts reflected an abundance of caution. Our equipment utilization rates were well below normal, and we were carefully managing our capital investments.

As business conditions started to improve during the first half of 2003, visibility increased, and customer forecasts rose dramatically and unexpectedly. Much of the strength in our customer forecasts was for advanced packages, and as the year pro-



gressed, an increasing number of customers were over-supporting their forecasts. During the second half of the year we devoted considerable energy aggressively expanding our capacity in these high growth areas in order to support strengthening customer demand. These capacity expansion efforts are continuing in 2004 in the face of what we believe is acceleration in the outsourcing of assembly and test.

### Strengthening our Financial Position

During the year we took a series of actions designed to enhance our liquidity, reduce interest expense and strengthen our balance sheet.

- In the first quarter we sold our wafer fabrication services business for a net gain of approximately \$52 million. We also reduced our investment in Anam Semiconductor, Inc. (ASI) by selling 7 million ASI shares.
- In the second quarter we took advantage of favorable capital markets to replace \$425 million in 9 ¼% Senior Notes due 2006 with \$425 million in 7 ¾% Senior Notes due 2013. We also replaced a \$197 million credit facility with a \$200 million facility that provided additional liquidity and a more relaxed covenant structure.
- In the third quarter we purchased \$30 million of 9.25% Senior Notes in the open market. In

addition, we further reduced our investment in ASI by selling 5 million ASI shares.

- In the fourth quarter we issued 7.3 million shares of common stock and used the entire net proceeds to reduce debt.

These activities significantly strengthen Amkor's liquidity and reduce our annualized interest expense by more than \$15 million.

### Key Business Initiatives

During 2003 we achieved several important business objectives.

- We entered into a strategic manufacturing relationship with Texas Instruments to provide assembly and test capability for TI's Digital Light Processing™ technology. As a result of this successful collaboration, and in response to strong consumer demand for DLP™ technology, we have embarked on a series of capacity expansions in our Taiwan factory to accommodate this business.

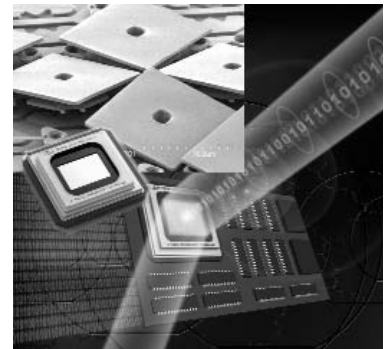


Photo courtesy of Texas Instruments

- In response to strong business growth in Taiwan, we formed an alliance with FICTA Technology, Inc. to substantially increase our final test and wafer probe capacity. Early in 2004, we acquired FICTA's 354,000 square foot building, more than doubling our operational footprint in Taiwan.
- We significantly increased production capacity for several advanced packages experiencing

strong customer demand, including MicroLeadFrame<sup>®</sup>, ChipArray<sup>®</sup>BGA, Stacked die packages, camera modules, memory cards and System-in-Package.

- We completed the third and final year of our successful assembly and test joint venture with Toshiba. In January 2004 we acquired the remaining interest in this 147,000 square foot factory, which is located in Kitakami, Japan.

### Acceleration in Outsourcing

Signs are pointing towards a strong semiconductor industry recovery. Most industry analysts are predicting that in 2004 the industry will grow by between 20% and 25%, and several analysts forecast even higher growth. Over our 35-year history Amkor's growth typically has outpaced the semiconductor industry, reflecting a general trend toward outsourcing and the fact that an increasing proportion of IC assembly requires advanced package technology.

Signs are also pointing to acceleration in the outsourcing of semiconductor assembly and test. Due to the high cost of investing in 300 mm wafer fabrication, an increasing number of integrated device manufacturers are outsourcing a greater portion of their wafer fabrication while limiting their investment in advanced package and test technology and related infrastructure. At the same time, demand for more advanced package and test solutions is increasing as the semiconductor industry supports rapid growth in high-performance consumer digital electronics.

### Positioned for Growth

The combined prospects of an industry recovery and accelerated outsourcing present Amkor with

exceptional opportunities, and we have worked hard to position the company for growth. We've strengthened our financial condition, improved our operational efficiency and expanded our product offerings. We've made excellent progress increasing business with Japanese semiconductor companies and believe that

Japan will be an exciting growth market for Amkor.

Our new operations in Taiwan and China are

gaining critical mass and are poised for significant business expansion.



In early 2004 we aligned our senior management structure for growth, creating the Office of the Chairman, elevating John Boruch to Vice Chairman and promoting Bruce Freyman to President and Chief Operating Officer.

We are excited about the future and remain committed to maintaining our industry leadership and to enhancing shareholder value.

Sincerely,

James J. Kim  
Chairman and  
Chief Executive Officer

John N. Boruch  
Vice Chairman

# Corporate Information

## Board of Directors

James J. Kim  
Chairman and  
Chief Executive Officer  
Amkor Technology, Inc.

John N. Boruch  
Vice Chairman  
Amkor Technology, Inc.

Winston J. Churchill <sup>1,2,3</sup>  
*Chair: Compensation Committee*  
Chairman  
Churchill Investment Partners, Inc.  
and CIP Capital, Inc.

Thomas D. George <sup>1</sup>  
Retired President and  
General Manager  
Semiconductor Products Sector  
Motorola, Inc.

Gregory K. Hinckley <sup>2</sup>  
Chief Operating Officer and  
Chief Financial Officer  
Mentor Graphics Corporation

Dr. Juergen Knorr  
Retired Group President  
Siemens Semiconductor Group,  
Siemens AG

John B. Neff <sup>2,3</sup>  
Retired Senior Vice President and  
Managing Partner  
Wellington Management Co.

James W. Zug <sup>2</sup>  
*Chair: Audit Committee*  
Retired Managing Director  
PricewaterhouseCoopers LLP

<sup>1</sup> Member Compensation Committee

<sup>2</sup> Member Audit Committee

<sup>3</sup> Member Nominating & Governance Committee

## Corporate Officers

James J. Kim  
Chairman and  
Chief Executive Officer

John N. Boruch  
Vice Chairman

Bruce J. Freyman  
President and  
Chief Operating Officer

Kenneth T. Joyce  
Executive Vice President and  
Chief Financial Officer

Oleg Khaykin  
Executive Vice President  
Corporate Development

Joo Ho Kim  
Executive Vice President  
Worldwide Manufacturing

## Corporate Headquarters

1345 Enterprise Drive  
West Chester, PA 19380  
Tel: 610.431.9600  
Fax: 610.431.5881

## Stock Trading

Amkor Technology, Inc.'s common  
stock is traded on the Nasdaq Stock  
Market under the symbol AMKR.

## Transfer Agent and Registrar

EquiServe Trust Company, N.A.  
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Kansas City, MO 64121-9045  
Attention: Shareholder Relations  
Phone: 877.282.1168  
Fax: 617.360.6900

## Independent Auditors

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Two Commerce Square, Suite 1700  
2001 Market Street  
Philadelphia, PA 19103-7042

## Legal Counsel

Wilson Sonsini Goodrich & Rosati PC  
650 Page Mill Road  
Palo Alto, CA 94304

A copy of the company's Form 10-K,  
filed with the Securities and Exchange  
Commission is available upon written  
request to:

Jeffrey Luth  
VP, Corporate Communications  
Amkor Technology, Inc.  
1900 South Price Road  
Chandler, AZ 85248

Please visit our Web Site:  
[www.amkor.com](http://www.amkor.com)





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