SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2001

OR

[ ] TRANSITION REPORT PURSUANT SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 000-29472

AMKOR TECHNOLOGY, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	23-1722724
(STATE OF INCORPORATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

1345 ENTERPRISE DRIVE
WEST CHESTER, PA 19380
(610) 431-9600
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES AND ZIP CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: NONE
SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
COMMON STOCK, $0.001 PAR VALUE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days. Yes [X] No [ ]

The number of outstanding shares of the registrant's Common Stock as of November 1, 2001 was 161,437,940.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2001	2000	2001	2000
	(UNAUDITED)		(UNAUDITED)	
Net revenues	$ 334,716	$ 648,576	$ 1,165,508	$ 1,750,423
Cost of revenues -- including purchases from ASI	346,355	469,518	1,087,351	1,316,739
Gross profit	(11,639)	179,058	78,157	433,684
Operating expenses:				
Selling, general and administrative	47,847	50,257	153,206	139,386
Research and development	9,784	8,838	28,421	17,081
Amortization of goodwill and acquired intangibles	21,214	20,179	63,699	41,633
Total operating expenses	78,845	79,274	245,326	198,100

Operating income (loss)	(90,484)	99,784	(167,169)	235,584
Other expense (income):				
Interest expense, net	37,904	36,787	123,110	81,644
Foreign currency loss (gain)	(1,071)	2,015	(6)	4,607
Other expense (income), net	1,619	(613)	1,730	1,425
Total other expense	38,452	38,189	124,834	87,676
Income (loss) before income taxes, equity in loss of investees and minority interest	(128,936)	61,595	(292,003)	147,908
Provision (benefit) for income taxes	(24,498)	9,239	(55,481)	24,425
Equity in loss of investees	(23,661)	(7,185)	(76,254)	(10,220)
Minority interest	(645)	--	(1,473)	--
Net income (loss)	$ (128,744)	$ 45,171	$ (314,249)	$ 113,263
Per Share Data:				
Basic net income (loss) per common share	$ (0.80)	$ 0.30	$ (2.02)	$ 0.79
Diluted net income (loss) per common share	$ (0.80)	$ 0.28	$ (2.02)	$ 0.75
Shares used in computing basic net income (loss) per common share	160,581	151,831	155,594	143,744
Shares used in computing diluted net income (loss) per common share	160,581	158,833	155,594	151,663

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	SEPTEMBER 30, 2001 (UNAUDITED)	DECEMBER 31, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 328,224	$ 93,517
Accounts receivable:		
Trade, net of allowance for doubtful accounts of $2,126 and $2,426	242,390	301,915
Due from affiliates	1,168	1,634
Other	9,183	6,465
Inventories	79,834	108,613
Other current assets	48,289	36,873
Total current assets	709,088	549,017
Property, plant and equipment, net	1,476,609	1,478,510
Investments	407,435	501,254
Other assets:		
Due from affiliates	22,277	25,013
Goodwill and acquired intangibles, net	727,739	737,593
Other	177,437	101,897
	927,453	864,503
Total assets	$ 3,520,585	$ 3,393,284
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Bank overdraft	$ 15,530	$ 25,731
Short-term borrowings and current portion of long-term debt	161,772	73,586
Trade accounts payable	122,407	133,047
Due to affiliates	21,522	32,534
Accrued expenses	150,016	129,301
Accrued income taxes	55,487	52,232
Total current liabilities	526,734	446,431
Long-term debt	1,777,396	1,585,536
Other noncurrent liabilities	63,389	46,483
Total liabilities	2,367,519	2,078,450
Commitments and contingencies		
Minority interest	7,383	--
Stockholders' equity:		

Preferred stock	--	--
Common stock	162	152
Additional paid-in capital	1,119,968	975,026
Retained earnings	29,637	343,886
Receivable from stockholder	(3,276)	(3,276)
Accumulated other comprehensive loss	(808)	(954)
Total stockholders' equity	1,145,683	1,314,834
Total liabilities and stockholders' equity	$ 3,520,585	$ 3,393,284

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(IN THOUSANDS)

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	RECEIVABLE FROM STOCKHOLDER	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL	COMPREHENSIVE INCOME
	SHARE	AMOUNT						
Balance at December 31, 1999	130,660	$ 131	$ 551,964	$ 189,733	$ (3,276)	$ (811)	$ 737,741	
Net income	--	--	--	113,263	--	--	113,263	$ 113,263
Unrealized losses on investments, net of tax	--	--	--	--	--	(144)	(144)	(144)
Comprehensive income								$ 113,119
Issuance of 20.5 million common stock shares and 3.9 million common stock warrants	20,500	21	409,979	--	--	--	410,000	
Issuance of stock through employee stock purchase plan and stock options	445	--	5,477	--	--	--	5,477	
Debt conversion	248	--	3,460	--	--	--	3,460	
Balance at September 30, 2000	151,853	$ 152	$ 970,880	$ 302,996	$ (3,276)	$ (955)	$1,269,797	
Balance at December 31, 2000	152,118	$ 152	$ 975,026	$ 343,886	$ (3,276)	$ (954)	$1,314,834	
Net income (loss)	--	--	--	(314,249)	--	--	(314,249)	$ (314,249)
Unrealized gains on investments, net of tax	--	--	--	--	--	--	--	--
Cumulative translation adjustment	--	--	--	--	--	146	146	146
Comprehensive loss								$ (314,103)
Issuance of stock for acquisitions	4,948	5	87,869	--	--	--	87,874	
Issuance of stock through employee stock purchase plan and stock options	650	1	8,125	--	--	--	8,126	
Debt conversion	3,716	4	48,948	--	--	--	48,952	
Balance at September 30, 2001	161,432	$ 162	$1,119,968	$ 29,637	$ (3,276)	$ (808)	$1,145,683	

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001	2000
	(UNAUDITED)	
Cash flows from operating activities:		
Net income (loss)	$ (314,249)	$ 113,263
Adjustments to reconcile net income to net cash provided by operating activities --		
Depreciation and amortization	328,920	227,075
Deferred debt issuance costs	16,446	4,814
Debt conversion expense	--	272
Provision for accounts receivable	(300)	--
Provision for excess and obsolete inventory	13,794	3,500

Deferred income taxes	(69,656)	3,353
Equity in (income) loss of investees	76,254	10,220
Loss on sale of fixed assets and investments	6,254	1,355
Minority interest	1,473	--
Changes in assets and liabilities excluding effects of acquisitions --		
Accounts receivable	82,124	(82,628)
Repurchase of accounts receivable under securitization agreement	--	(71,500)
Other receivables	(2,718)	1,141
Inventories	30,353	(12,453)
Due to/from affiliates, net	(7,810)	6,040
Other current assets	(3,381)	(19,237)
Other noncurrent assets	6,102	(9,766)
Accounts payable	(21,080)	45,956
Accrued expenses	(1,464)	45,414
Accrued income taxes	3,510	2,680
Other long-term liabilities	5,843	10,462
Net cash provided by operating activities	150,415	279,961
Cash flows from investing activities:		
Purchases of property, plant and equipment	(134,947)	(402,317)
Acquisitions, net of cash acquired	(11,057)	(17,702)
Acquisition of K1, K2 and K3, net of cash acquired	--	(927,290)
Investment in ASI	--	(459,000)
Proceeds from the sale of property, plant and equipment	1,105	--
Proceeds from the sale (purchase) of investments	(257)	136,881
Net cash used in investing activities	(145,156)	(1,669,428)
Cash flows from financing activities:		
Net change in bank overdrafts and short-term borrowings	3,746	5,376
Net proceeds from issuance of long-term debt	750,486	1,028,203
Payments of long-term debt	(532,636)	(48,769)
Net proceeds from the issuance of 20.5 million common shares in a private equity offering	--	410,000
Proceeds from issuance of stock through employee stock purchase plan and stock options	8,126	5,477
Net cash provided by financing activities	229,722	1,400,287
Effect of exchange rate fluctuations on cash and cash equivalents	(274)	--
Net increase (decrease) in cash and cash equivalents	234,707	10,820
Cash and cash equivalents, beginning of period	93,517	98,045
Cash and cash equivalents, end of period	$ 328,224	$ 108,865
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 102,805	$ 66,396
Income taxes	$ (195)	$ 17,533

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. INTERIM FINANCIAL STATEMENTS

The consolidated financial statements and related disclosures as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 are unaudited, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In our opinion, these financial statements include all adjustments (consisting only of normal recurring adjustments) necessary for the fair presentation of the results for the interim periods. These financial statements should be read in conjunction with our latest annual report as of December 31, 2000 filed on Form 10-K with the Securities and Exchange Commission. The results of operations for the three and nine months ended September 30, 2001 are not necessarily indicative of the results to be expected for the full year.

Certain previously reported amounts have been reclassified to conform with the current presentation.

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." These standards change the accounting for business combinations by, among other things, prohibiting the prospective use of pooling-of-interests accounting and requiring companies to stop amortizing goodwill and certain intangible assets with an indefinite useful life created by business combinations accounted for using the purchase method of accounting. Instead, goodwill and intangible assets deemed to have an indefinite useful life would be subject to an annual review for impairment. For existing acquisitions, the provisions of the new standards will be effective for us in the first quarter of 2002. The new standards are generally effective for business combinations for which the date of acquisition is subsequent to June 30, 2001. We are in the process of quantifying the anticipated impact of adopting the provisions of SFAS No. 142, which is expected to be significant. Upon adoption, we will stop amortizing goodwill, including goodwill associated with our investment in ASI accounted for under the equity method of accounting. Based on the current levels of goodwill, this would reduce amortization expense and, with respect to equity investees, it would reduce equity in loss of investees, annually by approximately $80 million and $36 million, respectively.

In June 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations." This statement establishes standards for accounting for obligations associated with the retirement of tangible long-lived assets. The standard is required to be adopted by us beginning on January 1, 2003. In August 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets." This statement addresses financial accounting and reporting for the impairment and disposal of long-lived assets. This standard is required to be adopted by us beginning on January 1, 2002. We are currently in the process of evaluating the effect the adoption of these standards will have on our consolidated results of operations, financial position and cash flows, if any.

2. RISKS AND UNCERTAINTIES

Our future results of operations involve a number of risks and uncertainties. Factors that could affect future operating results and cause actual results to vary materially from historical results include, but are not limited to, dependence on the highly cyclical nature of the semiconductor industry, uncertainty as to the demand from our customers over both the long-and short-term, competitive pricing and declines in average selling prices we experience, our dependence on our relationship with Anam Semiconductor, Inc. (ASI) for all of our wafer fabrication output, the timing and volume of orders relative to our production capacity, the absence of significant backlog in our business, fluctuations in manufacturing yields, the availability of financing, our high leverage and the restrictive covenants contained in the agreements governing our indebtedness, our competition, our dependence on international operations and sales, our dependence on raw material and equipment suppliers, exchange rate fluctuations, our dependence on key personnel, difficulties integrating acquisitions, the enforcement of intellectual property rights by or against us, our need to comply with existing and future environmental regulations, the results of ASI as it impacts our financial results and political and economic uncertainty resulting from terrorist activities.

3. ACQUISITIONS

Taiwan Semiconductor Corporation and Sampo Semiconductor Corporation. In July 2001, we acquired, in separate transactions, Taiwan Semiconductor Technology Corporation (TSTC) and Sampo Semiconductor Corporation (SSC) in Taiwan. The combined purchase price was paid with the issuance of 4.9 million shares of our common stock valued at $87.9 million based on our closing share price two days prior to each acquisition, the assumption of $34.8 million of debt and $3.7 million of cash consideration, net of acquired cash. Both transactions have earn-out provisions that provide for additional purchase price based in part on the results of each of the acquisitions. Based on the earn-out provisions, we anticipate that we will be required to issue an additional 1.8 million shares in January 2002 and may pay additional cash consideration of approximately $9.0 million in July 2002. The results of TSTC and Sampo have been included in the accompanying consolidated financial statements since the acquisition dates. Goodwill and acquired intangibles as of the acquisition date, based on preliminary estimates of fair value, were $30.9 million. The acquired intangibles, which consist principally of patent rights, are amortized on a straight-line basis over 5 years. We do not expect that the final purchase price allocation will differ significantly from the preliminary purchase price allocation.

Amkor Iwate Corporation. In January 2001, Amkor Iwate Corporation commenced operations with the acquisition of a packaging and test facility at a Toshiba factory located in the Iwate prefecture in Japan. Amkor Iwate provides packaging and test services to Toshiba's Iwate factory under a long-term supply agreement. We currently own 60% of Amkor Iwate and Toshiba owns the balance of the outstanding shares. By January 2004 we are required to purchase the remaining 40% of the outstanding shares of Amkor Iwate from Toshiba. The share purchase price will be determined based on the performance of the joint venture during the three-year period but cannot be less than 1 billion Japanese yen and cannot exceed 4 billion Japanese yen. The results of Amkor Iwate have been included in the accompanying consolidated financial statements since the date of acquisition. Goodwill and acquired intangibles as of the acquisition date, based on preliminary estimates of fair value, were $21.9 million and are being amortized on a straight-line basis over 5 to 10 years. Acquired intangibles include the value of acquired technology and of a workforce-in-place.

K1, K2 and K3. On May 1, 2000 we completed our purchase of ASI's three remaining packaging and test factories, known as K1, K2 and K3, for a purchase price of $950.0 million. In addition we made a commitment to make a $459.0 million equity investment in ASI. Pursuant to that commitment we made an equity investment in ASI of $309.0 million on May 1, 2000. We fulfilled the remaining equity investment commitment of $150.0 million in three installments of which $30.0 million was invested on September 30, 2000, and $60.0 million was invested on each of August 30, 2000 and October 27, 2000. We financed the acquisition and investment with the proceeds of a $258.8 million convertible subordinated notes offering, a $410.0 million private equity financing, $750.0 million of secured bank debt and approximately $103 million from cash on hand. As of September 30, 2001, we invested a total of $500.6 million in ASI and owned 42% of the outstanding voting stock. We report ASI's results in our financial statements through the equity method of accounting.

The amount by which the cost of our investment exceeds our share of the underlying assets of ASI as of the date of our investment is being amortized on a straight-line basis over a five-year period. The amortization is included in our consolidated statement of income within equity in income of investees. As of September 30, 2001, the unamortized excess of the cost of our equity investment in ASI above our share of the underlying net assets is $127.5 million.

The acquisition of K1, K2 and K3 was accounted for as a purchase. Accordingly, the results of K1, K2 and K3 have been included in the accompanying consolidated financial statements since the date of acquisition. Goodwill and acquired intangibles as of the acquisition date were $555.8 million and are being amortized on a straight-line basis over a 10 year period. Acquired intangibles include the value of acquired patent rights and of a workforce-in-place. The fair value of the assets acquired and liabilities assumed was approximately $394 million for fixed assets, $9 million for inventory and other assets, and $9 million for assumed liabilities.

Pro Forma Financial Information for Amkor

The pro forma information below assumes that the May 2000 acquisition of K1, K2 and K3 occurred at the beginning of 2000. The pro forma adjustments include a provision for amortization of goodwill and other identified intangibles, an adjustment of depreciation expense based on the fair market value of the acquired assets, interest expense on debt issued to finance the acquisitions and income taxes related to the pro forma adjustments. The pro forma results are not necessarily indicative of the results we would actually have achieved if the acquisition had been completed as of the beginning of 2000, nor are they necessarily indicative of future consolidated results.

	FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	ACTUAL 2001	PRO FORMA 2000
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	
Net revenues	$ 1,165,508	$ 1,760,644
Income before income taxes and equity in income (loss) of investees	(292,003)	166,383

Net income (loss)	(314,249)	131,628
Earnings per share:		
Basic net income (loss) per common share	(2.02)	0.83
Diluted net income (loss) per common share	(2.02)	0.80

The pro forma adjustments exclude the effects of our investments in ASI. Had we included pro forma adjustments for the nine months ended September 30, 2000 related to our investments in ASI, pro forma net income would have been $119.7 million and pro forma earnings per share on a diluted basis would have been $0.73.

Financial Information for ASI

The following summary consolidated financial information was derived from the consolidated financial statements of ASI. ASI's results of operation for the nine months ended September 30, 2000, reflected their packaging and test operations as discontinued operations. Net income for the nine months ended September 30, 2000 includes a $436.8 million gain on sale of K1, K2 and K3, which was eliminated for purposes of calculating our equity in income of ASI.

	NINE MONTHS ENDED	
	SEPTEMBER 30, 2001	SEPTEMBER 30, 2000
	(IN THOUSANDS)	
SUMMARY INCOME STATEMENT INFORMATION FOR ASI		
Net revenues	$ 111,771	$ 247,938
Gross profit	(60,201)	38,784
Loss from continuing operations	(118,650)	(17,211)
Net income (loss)	(118,650)	461,353

	SEPTEMBER 30, 2001	DECEMBER 31, 2000
	(IN THOUSANDS)	
SUMMARY BALANCE SHEET INFORMATION FOR ASI		
Cash, including restricted cash and bank deposits	$ 102,390	$ 224,629
Current assets	163,793	303,486
Property, plant and equipment, net	691,235	793,850
Noncurrent assets (including property, plant and equipment)	823,789	943,458
Current liabilities	148,938	158,910
Total debt and other long-term financing (including current portion)	270,271	370,976
Noncurrent liabilities (including debt and other long-term financing)	197,779	326,708
Total stockholders' equity	640,865	761,326

4. INVENTORIES

Inventories consist of raw materials and purchased components that are used in the semiconductor packaging process.

	SEPTEMBER 30, 2001	DECEMBER 31, 2000
	(IN THOUSANDS)	
Raw materials and purchased components	$ 69,684	$ 99,570
Work-in-process	10,150	9,043
	$ 79,834	$ 108,613

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	SEPTEMBER 30, 2001	DECEMBER 31, 2000
	(IN THOUSANDS)	
Land	$ 88,791	$ 80,048
Buildings and improvements	481,345	445,785
Machinery and equipment	1,661,073	1,506,774
Furniture, fixtures and other equipment	91,821	79,691
Construction in progress	106,014	70,753
	2,429,044	2,183,051
Less -- Accumulated depreciation and amortization	(952,435)	(704,541)
	$1,476,609	$1,478,510

6. INVESTMENTS

Investments include equity investments in affiliated companies and noncurrent marketable securities as follows:

	SEPTEMBER 30, 2001	DECEMBER 31, 2000
	(IN THOUSANDS)	
Equity investments under the equity method:		
ASI (ownership of 42%)	$ 402,495	$ 478,943
Other equity investments (20% - 50% owned)		
Taiwan Semiconductor Technology Corporation	--	17,488
Other	820	664
Total equity investments	403,315	497,095
Marketable securities classified as available for sale	4,120	4,159
	$ 407,435	$ 501,254

We evaluate our investments for impairment due to declines in market value that are considered other than temporary. Such evaluation includes an assessment of general economic and company-specific considerations. In the event of a determination that a decline in market value is other than temporary, a charge to earnings is recorded for the unrealized loss, and a new cost basis in the investment is established. The current weakness in the semiconductor industry is adversely affecting the demand for the wafer output from ASI's foundry and the market value of ASI's stock as traded on the Korea Stock Exchange. We remain committed to our long-term strategic relationship with ASI and continue to explore opportunities to maximize the value of that investment. The carrying amount of our investment in ASI reflects our long- term outlook for the foundry industry. We will continue to monitor industry conditions and assess the carrying value of this investment.

7. DEBT

Following is a summary of short-term borrowings and long-term debt:

	SEPTEMBER 30, 2001	DECEMBER 31, 2000
	(IN THOUSANDS)	
Secured bank facility:		
Term A loans, LIBOR plus 2.75% due March 2005	--	297,500

Term B loans, LIBOR plus 4% due September 2005	222,750	347,375
$100.0 million revolving line of credit, LIBOR plus 2% - 2.75% due March 2005	--	80,000
9.25% Senior notes due May 2006	425,000	425,000
9.25% Senior notes due February 2008	500,000	--
10.5% Senior subordinated notes due May 2009	200,000	200,000
5.75% Convertible subordinated notes due May 2003	--	50,191
5.75% Convertible subordinated notes due May 2006	250,000	--
5% Convertible subordinated notes due March 2007	258,750	258,750
Other debt	82,668	306
	1,939,168	1,659,122
Less -- Short-term borrowings and current portion of long-term debt	(161,772)	(73,586)
	$ 1,777,396	$ 1,585,536

In March 2001, June 2001 and September 2001, we amended the financial covenants associated with the secured bank facilities. In connection with the September 2001 amendment, the revolving line of credit was reduced from a $200 million commitment to $100 million, the interest rate on the Term B loans was increased to LIBOR plus 4% and we prepaid $125 million of the Term B loans in November 2001. We will expense approximately $4.0 million of deferred debt issuance costs during the three months ended December 31, 2001 as a result of the reduction of the revolving line of credit commitment and the prepayment of the Term B loans.

In May 2001, we sold $250.0 million principal amount of our 5.75% convertible subordinated notes due 2006 in a private placement. The notes are convertible into Amkor common stock at a conversion price of $35.00 per share. We used $122.0 million of the $243.0 million of the net proceeds of that offering to repay amounts outstanding under the Term B loans of our secured bank facility, and the balance of the net proceeds was available to be used for general corporate and working capital purposes. In connection with the repayment in May 2001 of the Term B loans, we expensed $2.3 million of unamortized deferred debt issuance costs.

In May 2001, we called for the redemption of all of the 5.75% convertible subordinated notes due May 2003. In anticipation of the redemption, substantially all of the holders of the convertible notes opted to convert their notes into Amkor common stock and, accordingly, $50.2 million of the convertible notes were converted to 3.7 million of our common stock. In connection with the conversion of the 5.75% convertible subordinated notes due May 2003, $1.2 million of unamortized deferred debt issuance costs was charged to additional paid-in capital.

In February 2001, we sold $500.0 million principal amount of our 9.25% senior notes due 2008 in a private placement. We used $387.5 million of the $490.0 million of the net proceeds of that offering to repay amounts outstanding under the Term A loans and revolving line of credit of our secured bank facility, and the balance of the net proceeds was available to be used for general corporate and working capital purposes. In connection with the repayment in February 2001 of the Term A loans, we expensed $7.1 million of unamortized deferred debt issuance costs.

Other debt as of September 30, 2001 included the financing related to Amkor Iwate's acquisition of a packaging and test facility at a Toshiba factory located in the Iwate prefecture in Japan and the debt assumed in connection with the acquisition of Sampo Semiconductor Corporation in Taiwan. Interest expense related to short-term borrowings and long-term debt is presented net of interest income of $8.5 million and $11.9 million for the nine months ended September 30, 2001 and 2000, respectively, in the accompanying consolidated statements of income.

In connection with our issuance of the 5.75% convertible subordinated notes due 2006 in May 2001, we incurred debt issuance costs of $7.0 million. In connection with our issuance of the 9.25% senior notes due 2008 and the amendment to our secured bank facility in February 2001, we incurred debt issuance costs of $11.0 million. The debt issuance costs have been deferred and are being amortized over the life of the associated debt. Deferred debt issuance costs are included, net of amortization, in other noncurrent assets in the accompanying consolidated balance sheet and the related amortization expense is included in interest expense in the accompanying consolidated statements of income.

8. EARNINGS PER SHARE

SFAS No. 128, "Earnings Per Share," requires dual presentation of basic and diluted earnings per share on the face of the income statement. Basic EPS is computed using only the weighted average number of common shares outstanding for the period while diluted EPS is computed assuming conversion of all dilutive securities, such as options. As a result of the net loss for the three and nine months ended September 30, 2001, potentially dilutive securities are excluded from the diluted weighted average shares calculation for the three and nine months ended September 30, 2001 because the result would be antidilutive. The following table presents a reconciliation of basic and diluted earnings, weighted average shares and per share amounts for the three and nine months ended September 30, 2000:

	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2000		
	EARNINGS (NUMERATOR)	WEIGHTED AVERAGE SHARES (DENOMINATOR)	PER SHARE AMOUNT
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)		
Basic earnings per share ..	$ 45,171	151,831	$ 0.30
Impact of convertible notes	612	3,718	
Dilutive effect of options and warrants	--	3,284	
Diluted earnings per share	$ 45,783	158,833	$ 0.28

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000		
	EARNINGS (NUMERATOR)	WEIGHTED AVERAGE SHARES (DENOMINATOR)	PER SHARE AMOUNT
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)		
Basic earnings per share ..	$ 113,263	143,744	$ 0.79
Impact of convertible notes	1,802	3,753	
Dilutive effect of options and warrants	--	4,166	
Diluted earnings per share	$ 115,065	151,663	$ 0.75

9. SEGMENT INFORMATION

In accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," we have two reportable segments, packaging and test services and wafer fabrication services. These segments are managed separately because the services provided by each segment require different technology and marketing strategies.

Packaging and Test Services. Through our factories located in the Philippines, Korea, Japan, Taiwan and China, we offer a complete and integrated set of packaging and test services including integrated circuit (IC) packaging design, leadframe and substrate design, IC package assembly, final testing, burn-in, reliability testing and thermal and electrical characterization.

Wafer Fabrication Services. Through our wafer fabrication services division, we provide marketing, engineering and support services for ASI's wafer foundry, under a long-term supply agreement.

We derived 71.4% and 84.1% of our wafer fabrication revenues from Texas Instruments (TI) for the nine months ended September 30, 2001 and 2000, respectively. Total net revenues derived from TI accounted for 8.6% and 14.3% of our consolidated net revenues for the nine months ended September 30, 2001 and

2000, respectively. With the commencement of operations of Amkor Iwate and the acquisition of a packaging and test facility from Toshiba, total net revenues derived from Toshiba accounted for 14.7% of our consolidated net revenues for the nine months ended September 30, 2001.

The accounting policies for segment reporting are the same as those for our consolidated financial statements. We evaluate our operating segments based on operating income. Summarized financial information concerning reportable segments is shown in the following table. The "Other" column includes the elimination of inter-segment balances and corporate assets which include cash and cash equivalents, non-operating balances due from affiliates, investment in equity affiliates and other investments.

	PACKAGING AND TEST	WAFER FABRICATION	OTHER	TOTAL
		(IN THOUSANDS)		
Three Months Ended September 30, 2001				
Net Revenues	$ 288,529	$ 46,187	$ --	$ 334,716
Gross Profit	(15,992)	4,353	--	(11,639)
Operating Income (Loss)	(92,454)	1,970	--	(90,484)
Three Months Ended September 30, 2000				
Net Revenues	$ 548,873	$ 99,703	$ --	$ 648,576
Gross Profit	169,042	10,016	--	179,058
Operating Income	93,271	6,513	--	99,784
Nine Months Ended September 30, 2001				
Net Revenues	$ 1,039,365	$ 126,143	$ --	$ 1,165,508
Gross Profit	66,069	12,088	--	78,157
Operating Income	(172,321)	5,152	--	(167,169)
Nine Months Ended September 30, 2000				
Net Revenues	$ 1,480,485	$ 269,938	$ --	$ 1,750,423
Gross Profit	406,700	26,984	--	433,684
Operating Income (Loss)	218,710	16,874	--	235,584
Total Assets				
September 30, 2001	$ 2,730,758	$ 39,976	$ 749,851	$ 3,520,585
December 31, 2000	2,732,733	46,231	614,320	3,393,284

The following presents property, plant and equipment, net based on the location of the asset.

	SEPTEMBER 30, 2001	DECEMBER 31, 2000
	(IN THOUSANDS)	
Property, Plant and Equipment, net		
United States	$ 89,392	$ 84,351
Philippines	505,085	579,619
Korea	741,200	813,983
Taiwan	93,934	--
Japan	38,314	174
China	8,150	--
Other foreign countries	534	383
	$ 1,476,609	$ 1,478,510

10. COMMITMENTS AND CONTINGENCIES

Amkor is involved in various claims incidental to the conduct of our business. Based on consultation with legal counsel, we do not believe that any claims, either individually or in the aggregate, to which the company is a party will have a material adverse effect on our financial condition or results of operations.

We are disputing certain amounts due under a technology license agreement with a third party. To date, this dispute has not involved the judicial systems. We remit to the third party our estimate of amounts due under this agreement. Depending on the outcome of this dispute, the ultimate payable by us, as of September 30, 2001, could be up to an additional $13.7 million. The third party is not actively pursuing resolution to this dispute and we have not accrued the potential additional amount.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements within the meaning of the federal securities laws, including but not limited to statements regarding: (1) the condition of the industry in which we operate, including demand and selling prices for our services, (2) our anticipated capital expenditures and financing needs, (3) our belief as to our future operating performance, (4) statements regarding the future of our relationship with ASI and (5) other statements that are not historical facts. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. Because such statements include risks and uncertainties, actual results may differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in the following discussion as well as in "Risk Factors that May Affect Future Operating Performance." The following discussion provides information and analysis of our results of operations for the three and nine months ended September 30, 2001 and our liquidity and capital resources. You should read the following discussion in conjunction with our consolidated financial statements and the related notes, included elsewhere in this quarterly report as well as the reports we file with the Securities and Exchange Commission.

INDUSTRY AND BUSINESS OUTLOOK

Amkor is the world's largest independent provider of semiconductor packaging and test services. The company has built a leading position through: (i) one of the industry's broadest offerings of packaging and test services, (ii) expertise in the development and implementation of packaging and test technology, (iii) long-standing relationships with customers, and (iv) advanced manufacturing capabilities. We also market the wafer fabrication output provided by a foundry owned by Anam Semiconductor, Inc. (ASI). The semiconductors that we package and test for our customers are ultimately components in communications, computer, industrial, consumer, automotive and military systems.

Our business is tied to market conditions in the semiconductor industry, which is highly cyclical. Based on industry estimates, from 1978 through 2000, there were 10 years when semiconductor industry growth was 10% or less and 13 years when growth was 19% or greater. The historical trends in the semiconductor industry are not necessarily indicative of the results of any future period. The strength of the semiconductor industry is dependent primarily upon the strength of the computer and communications systems markets. Since 1970, the semiconductor industry declined in 1975, 1985, 1996, 1998 and most recently beginning in the fourth quarter of 2000 and continuing through 2001. The expected continued weakness in the semiconductor industry is causing industry analysts to forecast a decline in the semiconductor industry for 2001 of an estimated 34% and little or no growth for 2002. Our customers have reduced their forecasts as a result of the broad weakness in the semiconductor industry, uncertainty about end market demand, and excess inventory across the semiconductor industry supply chain. The significant uncertainty throughout the industry is hindering the visibility throughout the supply chain and that lack of visibility makes it difficult to forecast the end of the weakness in the semiconductor industry. The weaker demand is expected to continue to adversely impact our results in 2001 and into 2002.

During the current industry downturn, our business strategy has been to move forward with geographic diversification, invest in next-generation technology, and enhance our financial flexibility. We commenced operations in Japan in connection with our joint venture with Toshiba, constructed an assembly and test facility in China and consummated two acquisitions in Taiwan. We continue to evaluate additional acquisition and investment opportunities. Although we have significantly reduced our capital expenditure plans, we are committed to investing in new technologies primarily to support the development of our Flip Chip, System-in-Package and high-end BGA capabilities. We raised $500.0 million of 9.25% senior notes due 2008 and $250.0 million of 5.75% convertible subordinated notes due 2006. Of the combined net proceeds of $733.0 million, we used $509.5 million to repay amortizing term loans. With the repayment of the term loans, we eliminated $70.0 million in principal payments due in 2001. The balance of the net proceeds supports our expansion efforts and general corporate and working capital purposes. Our cash and cash equivalent balance as of September 30, 2001 was $328.2 million. During November 2001 we used $125 million of our cash to prepay amounts outstanding under our Term B loans.

During the second half of the year ended December 31, 2000, we significantly increased our operating costs to service the demand we were experiencing and expecting. Beginning in 2001, we implemented numerous cost reduction initiatives as a significant part of our financial strategy to partially mitigate the impact of the industry downturn on our results of operations and cash flows. Our cost reduction efforts included reducing our worldwide headcount, reducing compensation levels, shortening work schedules, improving factory efficiencies, negotiating cost reductions with our vendors and closing non-critical manufacturing support facilities. We reduced our

headcount in the Philippines and Korea by approximately 2,300 employees or 11% from the employment levels at September 30, 2000. Labor costs, excluding one-time severance costs, in the Philippines and Korea were reduced by $26.8 million or 42% for the three months ended September 30, 2001 as compared with the three months ended September 30, 2000. We reduced our administrative headcount, excluding the effects of acquisitions, by 20% from the employment levels at September 30, 2000. We estimate that for the three months ended September 30, 2001we reduced our factory operating costs, excluding depreciation, materials and the impact of acquisitions and expansions, by an estimated $47 million as compared with the three months ended September 30, 2000. Additionally, we estimate that for the three months ended September 30, 2001we reduced our U.S. based administrative overhead by an estimated $4 million as compared with the three months ended September 30, 2000.

Prices for packaging and test services and wafer fabrication services have declined over time. Historically we have been able to partially offset the effect of price declines by successfully developing and marketing new packages with higher prices, such as advanced leadframe and laminate packages, negotiating lower prices with our material vendors, and driving engineering and technological changes in our packaging and test processes which resulted in reduced manufacturing costs. We cannot assure you that we will be able to offset any such price declines in the future.

The weakness in the semiconductor industry is also adversely affecting the demand for the wafer output from ASI's foundry. Beginning in the fourth quarter of 2000 and continuing into 2001, demand for wafers deteriorated significantly. Historically we derived a substantial portion of our wafer fabrication service revenues from Texas Instruments. Wafers sales to Texas Instruments for the nine months ended September 30, 2001 decreased 60.4% as compared with the nine months ended September 30, 2000. We expect, as a result of the weaker demand for the wafer output from ASI's foundry, our wafer fabrication services results and ASI's operating results will continue to be adversely impacted in 2001 and into 2002. ASI's results impact us through our recording of our share of their results in accordance with the equity method of accounting.

OVERVIEW OF OUR HISTORICAL RESULTS

Financial Impact of Our Acquisition of K1, K2 and K3 and Investment in ASI on Our Results of Operations

Historically we performed packaging and test services at our factories in the Philippines and subcontracted for additional services with ASI which operated four packaging and test facilities in Korea. In May 1999, we acquired K4, one of ASI's packaging and test facilities, and in May 2000 we acquired

ASI's remaining packaging and test facilities, K1, K2 and K3. With the completion of our acquisition of K1, K2 and K3, we no longer depend upon ASI for packaging or test services, but we continue to market ASI's wafer fabrication services.

There was not a significant change in our revenues as a result of the acquisition of K1, K2 and K3, because we historically sold substantially all of the output of those facilities. Our gross margins on sales of services performed by ASI were set in accordance with supply agreements with ASI and were generally lower than our gross margins of services performed by our factories in the Philippines. Effective with our May 2000 acquisition of K1, K2 and K3, we no longer pay service charges to ASI for packaging and test services. Our gross margins were favorably impacted by the termination of the supply agreement, but such favorable impact was partially offset by the additional operating costs that were previously borne by ASI for K1, K2 and K3 and the amortization of $555.8 million of goodwill and acquired intangibles over a 10-year period.

Our interest expense increased due to the total debt we incurred to finance the $950.0 million acquisition of K1, K2 and K3 and our $459.0 million investment in ASI. Our overall effective tax rate decreased due to a 100% tax holiday for seven years, with an anticipated expiration in 2006, on K1, K2 and K3's results of operations. Upon the expiration of the 100% tax holiday, we will have a 50% tax holiday for three additional years. As of September 30, 2001, we owned 42% of ASI's outstanding voting stock and we report ASI's results in our financial statements through the equity method of accounting.

Financial Impact of Our Joint Venture with Toshiba Corporation

As of January 1, 2001, Amkor Iwate Corporation commenced operations with the acquisition of a packaging and test facility at a Toshiba factory located in the Iwate prefecture in Japan. Amkor Iwate provides packaging and test services to Toshiba's Iwate factory under a long-term supply agreement. We currently own 60% of Amkor Iwate and Toshiba owns the balance of the outstanding shares. Within three years we are required to purchase the remaining 40% of the outstanding shares of Amkor Iwate from Toshiba. The share purchase price will be determined based on the performance of the joint venture during the three-year period but cannot be less than 1 billion Japanese yen and cannot exceed 4 billion Japanese yen.

The results of Amkor Iwate have been included in the accompanying consolidated financial statements since January 2001. Our revenues increased as a result of the packaging and test services performed by Amkor Iwate for Toshiba under the supply agreement. Gross margins as a percentage of net revenues were negatively impacted given the terms of the supply agreement provide for gross margins lower than our historical gross margins on services performed by our other factories. Operating expenses increased as a result of the additional administrative expenses incurred by Amkor Iwate and the amortization of $21.9 million of goodwill and acquired intangibles over 5 to 10 years. Interest expense increased as a result of the debt incurred to finance the purchase of the packaging and test assets from Toshiba.

Financial Impact of Our Acquisitions of Taiwan Semiconductor Corporation and Sampo Semiconductor Corporation

In July 2001, we acquired, in separate transactions, Taiwan Semiconductor Corporation (TSTC) and Sampo Semiconductor Corporation (SSC) in Taiwan. The results of TSTC and Sampo have been included in the accompanying consolidated financial statements since the acquisition dates. Our results of operations were not significantly impacted by these acquisitions. In accordance with the new accounting standards related to purchase business combinations and goodwill, we recorded intangible assets, principally goodwill, of $30.9 million as of the acquisition date that is nonamortizable.

RESULTS OF OPERATIONS

The following table sets forth certain operating data as a percentage of net revenues for the periods indicated:

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2001	2000	2001	2000
	(UNAUDITED)		(UNAUDITED)	
Net revenues	100.0%	100.0%	100.0%	100.0%
Gross profit	(3.5)	27.6	6.7	24.8
Operating income (loss)	(27.0)	15.4	(14.3)	13.5
Income (loss) before income taxes and equity in income (loss) of investees	(38.5)	9.5	(25.1)	8.4
Net income (loss)	(38.5)	7.0	(27.0)	6.5

Three Months Ended September 30, 2001 Compared to Three Months Ended September 30, 2000

Net Revenues. Net revenues decreased $313.9 million, or 48.4%, to $334.7 million in the three months ended September 30, 2001 from $648.6 million in the three months ended September 30, 2000. Packaging and test net revenues decreased 47.4% to $288.5 million in the three months ended September 30, 2001 from $548.9 million in the three months ended September 30, 2000. Wafer fabrication net revenues decreased 53.7% to $46.2 million in the three months ended September 30, 2001 from $99.7 million in the three months ended September 30, 2000.

The decrease in packaging and test net revenues, excluding the impact of acquisitions, was primarily attributable to a 47.4% decrease in overall unit volumes in the three months ended September 30, 2001 compared to the three months ended September 30, 2000. This overall unit volume decrease was driven by a 40.9% unit volume decrease for advanced leadframe and laminate packages and a 52.4% decrease in our traditional leadframe business as a result of a broad based decrease in demand for semiconductors. Average selling prices across all product lines eroded by approximately 20% for the three months ended September 30, 2001 as compared to the three months ended September 30, 2000. Partially offsetting the decrease in overall unit volumes and average selling price erosion was the benefit of $58.5 million in net revenues for the three months ended September 30, 2001 related to acquisitions which were completed since January 1, 2001.

The decrease in wafer fabrication net revenues was primarily attributed to a 49.9% decrease in sales to Texas Instruments in the three months ended September 30, 2001 as compared with the three months ended September 30, 2000. Texas Instrument's demand for our services declined as a result of the utilization of excess inventory supply by them and their customers and a decline in end market demand for cellular phones.

Gross Profit. Gross profit decreased $190.7 million, or 106.5%, to a negative gross profit of $11.6 million, or 3.5% of net revenues, in the three months ended September 30, 2001 from a gross profit of $179.1 million, or 27.6% of net revenues, in the three months ended September 30, 2000. Our cost of revenues consists principally of costs of materials, labor and depreciation. Because a substantial portion of our costs at our factories is fixed, significant increases or decreases in capacity utilization rates have a significant effect on our gross profit.

Gross margins as a percentage of net revenues were negatively impacted by:

- Decreasing unit volumes in 2001, which drove a higher manufacturing cost per unit as a result of our factories' substantial fixed costs;

- Average selling price erosion across our product lines;

- Packaging and test services performed by Amkor Iwate under a long-term supply agreement with Toshiba that provides for gross margins lower than our historical gross margins on services performed by our other factories; and

- Costs incurred to close certain manufacturing support facilities in the Philippines.

The negative impact on gross margins was partially offset by:

- Cost reduction initiatives implemented principally in the first and second quarter of 2001.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased $2.5 million, or 4.8%, to $47.8 million, or 14.3% of net revenues, in the three months ended September 30, 2001 from $50.3 million, or 7.7% of net revenues, in the three months ended September 30, 2000. The decrease in these costs was due to:

- Reduced compensation related expenses; and

- Reduced administrative expenses as a result of cost reduction initiatives.

The decrease in selling, general and administrative expenses was partially offset by:

- Increased costs related to the commencement of operations of Amkor Iwate in Japan as well as our operations in China and the acquisitions in Taiwan.

Research and Development. Research and development expenses increased $1.0 million to $9.8 million, or 2.9% of net revenues, in the three months ended September 30, 2001 from $8.8 million, or 1.4% of net revenues, in the three months ended September 30, 2000. Our research and development efforts support our customers' needs for smaller packages and increased functionality. We continue to invest our research and development resources to continue the development of our Flip Chip interconnection solutions, our System-in-Package technology, that uses both advanced packaging and traditional surface mount techniques to enable the combination of technologies in a single package, and our Chip Scale packages that are nearly the size of the semiconductor die.

Amortization of Goodwill and Other Acquired Intangibles. Amortization of goodwill and other acquired intangibles increased $1.0 million to $21.2 million from $20.2 million in the three months ended September 30, 2000 principally as a result of our January 2001 acquisition of Amkor Iwate.

Other (Income) Expense. Other expenses, net increased $0.2 million, to $38.5 million, or 11.5% of net revenues, in the three months ended September 30, 2001 from $38.2 million, or 5.9% of net revenues, in the three months ended September 30, 2000.

Income Taxes. Our effective tax rate in the three months ended September 30, 2001 and the three months ended September 30, 2000 was 19% and 15%, respectively. The increase in the effective tax rate in 2001 was due to operating losses in jurisdictions with higher corporate income tax rates. The tax returns for open years are subject to changes upon final examination. Changes in the mix of income

from our foreign subsidiaries, expiration of tax holidays and changes in tax laws and regulations could result in increased effective tax rates for us in the future.

Equity in Loss of Investees. Our earnings included our share of losses in our equity affiliates, principally ASI, in the three months ended September 30, 2001 of $14.8 million compared to our share of their income in the three months ended September 30, 2000 of $0.3 million. Our earnings also included the amortization of the excess of the cost of our investment above of our share of the underlying net assets of $8.9 million and $7.5 million in the three months ended September 30, 2001 and the three months ended September 30, 2000, respectively. Our investment in ASI increased to 42% as of October 2000 from 40% as of September 2000, 38% as of May 2000 and 18% as of October 1999.

Nine months ended September 30, 2001 Compared to Nine months ended September 30, 2000

Net Revenues. Net revenues decreased $584.9 million, or 33.4%, to $1,165.5 million in the nine months ended September 30, 2001 from $1,750.4 million in the nine months ended September 30, 2000. Packaging and test net revenues decreased 29.8% to $1,039.4 million in the nine months ended September 30, 2001 from $1,480.5 million in the nine months ended September 30, 2000. Wafer fabrication net revenues decreased 53.3% to $126.1 million in the nine months ended September 30, 2001 from $269.9 million in the nine months ended September 30, 2000.

The decrease in packaging and test net revenues, excluding the impact of acquisitions, was primarily attributable to a 35.5% decrease in overall unit volumes in the nine months ended September 30, 2001 compared to the nine months ended September 30, 2000. This overall unit volume decrease was driven by a 34.9% unit volume decrease for advanced leadframe and laminate packages and a 35.9% decrease in our traditional leadframe business as a result of a broad based decrease in demand for semiconductors. Average selling prices across all product lines eroded by approximately 15% for the nine months ended September 30, 2001 as compared to the nine months ended September 30, 2000. Partially offsetting the decrease in overall unit volumes and average selling price erosion was the benefit of $167.4 million in net revenues related to acquisitions which were completed since January 1, 2001.

The decrease in wafer fabrication net revenues was primarily attributed to a 60.4% decrease in sales to Texas Instruments in the nine months ended September 30, 2001 as compared with the nine months ended September 30, 2000. Texas Instrument's demand for our services declined as a result of the utilization of excess inventory supply by them and their customers and a decline in end market demand for cellular phones.

Gross Profit. Gross profit decreased $355.5 million, or 82.0%, to $78.2 million, or 6.7% of net revenues, in the nine months ended September 30, 2001 from $433.7 million, or 24.8% of net revenues, in the nine months ended September 30, 2000. Our cost of revenues consists principally of costs of materials, labor and depreciation. Because a substantial portion of our costs at our factories is fixed, significant increases or decreases in capacity utilization rates have a significant effect on our gross profit.

Gross margins as a percentage of net revenues were negatively impacted by:

- Decreasing unit volumes in 2001, which drove a higher manufacturing cost per unit as a result of our factories' substantial fixed costs;

- Average selling price erosion across our product lines; and

- Packaging and test services performed by Amkor Iwate under a long-term supply agreement with Toshiba that provides for gross margins lower than our historical gross margins on services performed by our other factories.

The negative impact on gross margins was partially offset by:

- The favorable impact of the termination of our supply agreement with ASI effective with our May 2000 acquisition of K1, K2 and K3. Such favorable impact was partially offset by the additional operating costs that were previously borne by ASI for K1, K2 and K3; and

- Cost reduction initiatives implemented principally in the first and second quarter of 2001 for which significant benefits were not realized until the second quarter of 2001.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $13.8 million, or 9.9%, to $153.2 million, or 13.1% of net revenues, in the nine months ended September 30, 2001 from $139.4 million, or 8.0% of net revenues, in the nine months ended September 30, 2000. The increase in these costs was due to:

- Increased costs related to the commencement of operations of Amkor Iwate in Japan as well as our operations in China and the acquisitions in Taiwan;

- Increased costs related to our Korean factories primarily as a result of the assumption of the general and administrative expenses of K1, K2 and K3 following our acquisition in May 2000; and

- Increased headcount and related personnel costs within our worldwide sales, engineering support and System-in-Package groups that were partially offset by our cost reduction initiatives in the first and second quarters of 2001.

Research and Development. Research and development expenses increased $11.3

million to $28.4 million, or 2.4% of net revenues, in the nine months ended September 30, 2001 from $17.1 million, or 1.0% of net revenues, in the nine months ended September 30, 2000. Increased research and development expenses resulted from the acquisition of the packaging and test research and development group within ASI related to the K1, K2 and K3 transaction. Our research and development efforts support our customers' needs for smaller packages and increased functionality. We continue to invest our research and development resources to continue the development of our Flip Chip interconnection solutions, our System-in-Package technology, that uses both advanced packaging and traditional surface mount techniques to enable the combination of technologies in a single package, and our Chip Scale packages that are nearly the size of the semiconductor die.

Amortization of Goodwill and Other Acquired Intangibles. Amortization of goodwill and other acquired intangibles increased $22.1 million to $63.7 million from $41.6 million in the nine months ended September 30, 2000 principally as a result of our May 2000 acquisition of K1, K2 and K3 and to a lesser extent our January 2001 acquisition of Amkor Iwate.

Other (Income) Expense. Other expenses, net increased $37.2 million, to $124.8 million, or 10.7% of net revenues, in the nine months ended September 30, 2001 from $87.6 million, or 5.0% of net revenues, in the nine months ended September 30, 2000. The net increase in other expenses was primarily a result of an net increase in interest expense of $41.5 million. The increased interest expense resulted from the financing related to our May 2000 acquisition of K1, K2 and K3 and our investment in ASI and our 2001 financing activities which are more fully detailed in our discussion of "Liquidity and Capital Resources." Net interest expense for the nine months ended September 30, 2001 also included $9.4 million of unamortized deferred debt issuance costs expensed in connection with the repayment in February and May 2001 of term loans outstanding under our secured bank facility. Other expenses were favorably impacted by a change in foreign currency gains and losses of $4.6 million for the nine months ended September 30, 2001 as compared with the corresponding period in the prior year.

Income Taxes. Our effective tax rate in the nine months ended September 30, 2001 and the nine months ended September 30, 2000 was 19.0% and 16.5%, respectively. The increase in the effective tax rate in 2001 was due to operating losses in jurisdictions with higher corporate income tax rates. The tax returns for open years are subject to changes upon final examination. Changes in the mix of income from our foreign subsidiaries, expiration of tax holidays and changes in tax laws and regulations could result in increased effective tax rates for us in the future.

Equity in Loss of Investees. Our earnings included our share of losses in our equity affiliates, principally ASI, in the nine months ended September 30, 2001 of $49.7 million compared to our share of their income in the nine months ended September 30, 2000 of $5.8 million. Our earnings also included the amortization of the excess of the cost of our investment above of our share of the underlying net assets of $26.6 million and $16.1 million in the nine months ended September 30, 2001 and the nine months ended September 30, 2000, respectively. Our investment in ASI increased to 42% as of October 2000 from 40% as of September 2000, 38% as of May 2000 and 18% as of October 1999.

LIQUIDITY AND CAPITAL RESOURCES

The continued weakness in demand in 2001 for packaging, test and wafer fabrication services adversely affected our results and cash flows from operations and we expect that our results and cash flows from operations will continue to be adversely impacted into 2002. We have undertaken, and may continue to undertake, a variety of measures to reduce our operating costs including reducing our worldwide headcount, reducing compensation levels, shortening work schedules, improving factory efficiencies, negotiating cost reductions with our vendors and closing non-critical manufacturing facilities. Our ongoing primary cash needs are for debt service, primarily interest, equipment purchases, and working capital. Additionally, we may require cash to consummate business combinations to diversify our geographic operations and expand our customer base.

As a result of the adverse impact on our cash flows caused by the decline in demand for our products and services, net cash provided by operating activities for the three months ended March 31, 2001, June 30, 2001 and September 30, 2001 were $73.2 million, $61.0 million and $16.2 million, respectively. Comparatively, the net cash provided by operating activities for the three months ended March 31, 2000, June 30, 2000 and September 30, 2000 were $70.1 million, $89.1 million and $120.8 million, respectively. Net cash used in investing activities during the nine months ended September 30, 2001 and 2000 was $145.2 million and $1,669.4 million, respectively. Net cash provided by financing activities during the nine months ended September 30, 2001 and 2000 was $229.7 million and $1,400.3 million, respectively. Our cash and cash equivalents balance as of September 30, 2001 was $328.2 million, and we have $100 million available from our revolving line of credit.

The reduced levels of operating cash flow required us to renegotiate our existing bank debt covenants. In March 2001, June 2001 and September 2001, we amended the financial covenants associated with the secured bank facilities. In connection with the September 2001 amendment, the revolving line of credit was reduced from a $200 million commitment to $100 million, the interest rate on the Term B loans was increased to LIBOR plus 4% and we prepaid $125 million of the Term B loans in November 2001 from cash on hand. If the weakness in the semiconductor industry and for our services continues, we can not give assurance that we will be able to remain in compliance with our financial covenants. In the event of default, we may not be able to cure the default or obtain a waiver, and our operations could be significantly disrupted and harmed. In general, covenants in the agreements governing our existing debt, and debt we may incur in the future, may materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments and encumber or dispose of assets. In addition, financial covenants contained in agreements relating to our existing and future debt could lead to a default in the event our results of operations do not meet our plans. A default under one debt instrument may also trigger cross-defaults under our other debt instruments. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us.

During this industry downturn, our business strategy has been in part to enhance our financial flexibility. We raised $500.0 million of 9.25% senior notes due 2008 and $250.0 million of 5.75% convertible subordinated notes due 2006. Of the combined net proceeds of $733.0 million, we used $509.5 million to repay amortizing term loans. With the repayment of the term loans, we eliminated $70.0 million in principal payments due in 2001. The balance of the net proceeds supports our expansion efforts and general corporate and working capital purposes. In May 2001 holders of the 5.75% convertible subordinated notes due May 2003, as a result of our intent to redeem, converted $50.2 million of their notes into 3.7 million shares of our common stock. We now have, and for the foreseeable future will continue to have, a significant amount of indebtedness. As of September 30, 2001, we had a total of $1,939.2 million debt and had available to us a $100.0 million revolving line of credit under which no amounts were drawn. Our indebtedness requires us to dedicate a substantial portion of our cash flow from operations to service payments on our debt principally interest. For the nine months ended September 30, 2001, interest expense payable in cash was $115.2 million.

As a result of the current business conditions, we have significantly reduced our capital expenditure plans. We expect to spend approximately $150.0 million and $100.0 million in total capital expenditures in 2001 and 2002, respectively, primarily to support the development of our Flip Chip, System-in-Package and high-end BGA capabilities. Our secured bank facility restricts our future capital expenditures to $25.0 million per quarter for five quarters beginning with the quarter ending December 31, 2001. During the nine months ended September 30, 2001 and 2000, we made capital expenditures of $134.9 million and $402.3 million, respectively. During the year ended December 31, 2000 we made capital expenditures of $480.1 million principally in connection with the construction of our P4 facility in the Philippines, added capacity in our other factories in the Philippines and Korea and constructed a new research and development facility in the U.S.

Our business strategy during the current industry downturn and previously has been to diversify our operations geographically. In July 2001, we acquired, in separate transactions, Taiwan Semiconductor Technology Corporation (TSTC) and Sampo Semiconductor Corporation (SSC) in Taiwan. The combined purchase price was paid with the issuance of 4.9 million shares of our common stock valued at $87.9 million, the assumption of $34.8 million of debt and $3.7 million of cash consideration, net of acquired cash. Both transactions have earn-out provisions that provide for additional purchase and we anticipate that we will be required to issue an

additional 1.8 million shares in January 2002 and may pay additional cash consideration of approximately $9.0 million in July 2002. In January 2001, Amkor Iwate Corporation commenced operations and acquired from Toshiba a packaging and test facility located in the Iwate prefecture in Japan financed by a short-term note payable to Toshiba of $21.1 million and $47.0 million in other financing from a Toshiba affiliate. We currently own 60% of Amkor Iwate and Toshiba owns 40% of the outstanding shares which within three years we are required to purchase. The share purchase price will be determined based on the performance of the joint venture during the three-year period but cannot be less than 1 billion Japanese yen and cannot exceed 4 billion Japanese yen. In May 2000 we completed our purchase of ASI's remaining three packaging and test factories, known as K1, K2 and K3 for a purchase price of $950.0 million. In connection with our acquisition of K1, K2 and K3 we made an additional equity investment in ASI of $459.0 million.

We believe that our existing cash balances, available credit lines, cash flow from operations and available equipment lease financing will be sufficient to meet our projected capital expenditures, debt service, working capital and other cash requirements for at least the next twelve months. We may require capital sooner than currently expected. We cannot assure you that additional financing will be available when we need it or, if available, that it will be available on satisfactory terms. In addition, the terms of the secured bank facility, senior notes and senior subordinated notes significantly reduce our ability to incur additional debt. Failure to obtain any such required additional financing could have a material adverse effect on our company.

RISK FACTORS THAT MAY AFFECT FUTURE OPERATING PERFORMANCE

In addition to the factors discussed elsewhere in this form 10-Q and in our report on Form 10-K for the year ended December 31, 2000 and our other reports filed with the Securities and Exchange Commission, the following are important factors which could cause actual results or events to differ materially from those contained in any forward looking statements made by or on behalf of Amkor.

DEPENDENCE ON THE HIGHLY CYCLICAL SEMICONDUCTOR AND ELECTRONIC PRODUCTS INDUSTRIES -- WE OPERATE IN VOLATILE INDUSTRIES, AND INDUSTRY DOWNTURNS HARM OUR PERFORMANCE.

Our business is tied to market conditions in the semiconductor industry, which is highly cyclical. Because our business is, and will continue to be, dependent on the requirements of semiconductor companies for independent packaging, test and wafer fabrication services, any downturn in the semiconductor industry or any other industry that uses a significant number of semiconductor devices, such as the personal computer and telecommunication devices industries, could have a material adverse effect on our business.

CONDITIONS IN THE SEMICONDUCTOR INDUSTRY HAVE WEAKENED SIGNIFICANTLY AND COULD REMAIN WEAK OR WORSEN -- WE HAVE BEEN, AND MAY CONTINUE TO BE, AFFECTED BY THESE TRENDS.

The semiconductor industry has weakened significantly recently and conditions are expected to remain weak during 2001 and into 2002. The significant uncertainty throughout the industry related to market demand is hindering the visibility throughout the supply chain and that lack of visibility makes it difficult to forecast the end of the weakness in the semiconductor industry. There can be no assurance that overall industry conditions will not weaken further or last longer than we currently expect, or what impact such a further or prolonged weakening would have on our business.

FLUCTUATIONS IN OPERATING RESULTS -- OUR OPERATING RESULTS MAY VARY SIGNIFICANTLY AS A RESULT OF FACTORS THAT WE CANNOT CONTROL.

Our operating results have varied significantly from period to period. Many factors could materially and adversely affect our revenues, gross profit and operating income, or lead to significant variability of quarterly or annual operating results. These factors include, among others:

- the cyclical nature of both the semiconductor industry and the markets addressed by end-users of semiconductors,

- the short-term nature of our customers' commitments, timing and volume of orders relative to our production capacity,

- changes in our capacity utilization,

- evolutions in the life cycles of our customers' products,

- rescheduling and cancellation of large orders,

- erosion of packaging selling prices,

- fluctuations in wafer fabrication service charges paid to ASI,

- changes in costs, availability and delivery times of raw materials and components and changes in costs and availability of labor,

- fluctuations in manufacturing yields,

- changes in product mix,

- timing of expenditures in anticipation of future orders,

- availability and cost of financing for expansion,

- ability to develop and implement new technologies on a timely basis,

- competitive factors,

- changes in effective tax rates,

- loss of key personnel or the shortage of available skilled workers,

- international political or economic events,

- currency and interest rate fluctuations,

- environmental events, and

- intellectual property transactions and disputes.

DECLINING AVERAGE SELLING PRICES -- THE SEMICONDUCTOR INDUSTRY PLACES DOWNWARD PRESSURE ON THE PRICES OF OUR PRODUCTS.

Historically, prices for our packaging and test services and wafer fabrication services have declined over time. We expect that average selling prices for our packaging and test services will continue to decline in the future. If we cannot reduce the cost of our packaging and test services and wafer fabrication services to offset a decline in average selling prices, our future operating results could suffer.

HIGH LEVERAGE AND RESTRICTIVE COVENANTS -- OUR SUBSTANTIAL INDEBTEDNESS COULD MATERIALLY RESTRICT OUR OPERATIONS AND ADVERSELY AFFECT OUR FINANCIAL CONDITION.

We now have, and for the foreseeable future will have, a significant amount of indebtedness. In addition, despite current debt levels, the terms of the indentures governing our indebtedness do not prohibit us or our subsidiaries from incurring substantially more debt. If new debt is added to our consolidated debt level, the related risks that we now face could intensify.

Covenants in the agreements governing our existing debt, and debt we may incur in the future, may materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments, and encumber or dispose of assets. In addition, financial covenants contained in agreements relating to our existing and future debt could lead to a default in the event our results of operations do not meet our plans. A default under one debt instrument may also trigger cross-defaults under our other debt instruments. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us. Our substantial indebtedness could:

- increase our vulnerability to general adverse economic and industry conditions;

- limit our ability to fund future working capital, capital expenditures, research and development and other general corporate requirements;

- require us to dedicate a substantial portion of our cash flow from operations to service interest and principal payments on our debt;

- limit our flexibility to react to changes in our business and the industry in which we operate;

- place us at a competitive disadvantage to any of our competitors that have less debt; and

- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds.

RELATIONSHIP WITH ASI -- OUR BUSINESS PERFORMANCE CAN BE ADVERSELY AFFECTED BY ASI'S FINANCIAL PERFORMANCE OR A DISRUPTION IN THE WAFER FABRICATION SERVICES ASI PROVIDES TO US.

We report ASI's financial results in our financial statements, and if ASI encounters financial difficulties, our financial performance could suffer. As of September 30, 2001 we owned approximately 42% of ASI's outstanding voting stock. Accordingly, we report ASI's financial results in our financial statements through the equity method of accounting. If ASI's results of operations are adversely affected for any reason (including as a result of losses at its consolidated subsidiaries and equity investees), our results of operations will suffer as well. Financial or other problems affecting ASI could also lead to a complete loss of our investment in ASI. Our wafer fabrication business may suffer if ASI reduces its operations or if our relationship with ASI is disrupted.

Our wafer fabrication business depends on ASI providing wafer fabrication services on a timely basis. If ASI were to significantly reduce or curtail its operations for any reason, or if our relationship with ASI were to be disrupted for any reason, our wafer fabrication business would be harmed. We may not be able to identify and qualify alternate suppliers of wafer fabrication services quickly, if at all. In addition, we currently have no other qualified third party suppliers of wafer fabrication services and do not have any plans to qualify additional third party suppliers.

The weakness in the semiconductor industry is also adversely affecting the demand for the wafer output from ASI's foundry. Beginning in the fourth quarter and continuing into 2001, demand for wafers deteriorated significantly. We expect, as a result of the weaker demand for the wafer output from ASI's foundry, our wafer fabrication services results and ASI's operating results will continue to be adversely impacted in 2001 and into 2002.

ABSENCE OF BACKLOG -- WE MAY NOT BE ABLE TO ADJUST COSTS QUICKLY IF OUR CUSTOMERS' DEMAND FALLS SUDDENLY.

Our packaging and test business does not typically operate with any material backlog. We expect that in the future our packaging and test net revenues in any quarter will continue to be substantially dependent upon our customers' demand in that quarter. None of our customers has committed to purchase any significant amount of packaging or test services or to provide us with binding forecasts of demand for packaging and test services for any future period. In addition, our customers could reduce, cancel or delay their purchases

of packaging and test services. Because a large portion of our costs is fixed and our expense levels are based in part on our expectations of future revenues, we may be unable to adjust costs in a timely manner to compensate for any revenue shortfall.

RISKS ASSOCIATED WITH INTERNATIONAL OPERATIONS -- WE DEPEND ON OUR FACTORIES IN THE PHILIPPINES, KOREA, JAPAN, TAIWAN AND CHINA. MANY OF OUR CUSTOMERS' OPERATIONS ARE ALSO LOCATED OUTSIDE OF THE U.S.

We provide packaging and test services through our factories located in the Philippines, Korea, Japan, Taiwan and China. We also source wafer fabrication services from ASI's wafer fabrication facility in Korea. Moreover, many of our customers' operations are located outside the U.S. The following are some of the risks inherent in doing business internationally:

- regulatory limitations imposed by foreign governments;
- fluctuations in currency exchange rates;
- political risks;
- disruptions or delays in shipments caused by customs brokers or government agencies;
- unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers;
- difficulties in staffing and managing foreign operations; and
- potentially adverse tax consequences resulting from changes in tax laws.

DIFFICULTIES INTEGRATING ACQUISITIONS -- WE FACE CHALLENGES AS WE INTEGRATE NEW AND DIVERSE OPERATIONS AND TRY TO ATTRACT QUALIFIED EMPLOYEES TO SUPPORT OUR EXPANSION PLANS.

We have experienced, and may continue to experience, growth in the scope and complexity of our operations and in the number of our employees. This growth has strained our managerial, financial, manufacturing and other resources. Future acquisitions may result in inefficiencies as we integrate new operations and manage geographically diverse operations.

In order to manage our growth, we must continue to implement additional operating and financial systems and controls. For example, we currently are in the process of implementing a new management enterprise resource planning system. If we fail to successfully implement such systems and controls in a timely and cost-effective manner as we grow, our business and financial performance could be materially adversely affected.

Our success depends to a significant extent upon the continued service of our key senior management and technical personnel, any of whom would be difficult to replace. In addition, in connection with our expansion plans, we will be required to increase the number of qualified engineers and other employees at our existing factories, as well as factories we may acquire. Competition for qualified employees is intense, and our business could be adversely affected by the loss of the services of any of our existing key personnel. We cannot assure you that we will continue to be successful in hiring and properly training sufficient numbers of qualified personnel and in effectively managing our growth. Our inability to attract, retain, motivate and train qualified new personnel could have a material adverse effect on our business.

RISKS ASSOCIATED WITH OUR WAFER FABRICATION BUSINESS -- OUR WAFER FABRICATION BUSINESS IS SUBSTANTIALLY DEPENDENT ON TEXAS INSTRUMENTS.

Our wafer fabrication business depends significantly upon Texas Instruments. An agreement with ASI and Texas Instruments requires Texas Instruments to purchase from us at least 40% of the capacity of ASI's wafer fabrication facility, and under certain circumstances, Texas Instruments has the right to purchase from us up to 70% of this capacity. From time to time, Texas Instruments has failed to meet its minimum purchase obligations, and we cannot assure you that Texas Instruments will meet its purchase obligations in the future. As a result of the weakness in the semiconductor industry, Texas Instruments and our other customers' demand for the output of ASI's wafer foundry has decreased significantly in 2001 and it is expected that demand will remain weak into 2002. Texas Instruments did not meet the minimum purchase commitment throughout the nine months ended September 30, 2001. Texas Instruments has made certain concessions to us to partially mitigate the shortfall in demand. If Texas Instruments fails to meet its purchase obligations, our company's and ASI's businesses could be harmed.

Texas Instruments has transferred certain of its complementary metal oxide silicon ("CMOS") process technology to ASI, and ASI is dependent upon Texas Instruments' assistance for developing other state-of-the-art wafer manufacturing processes. In addition, ASI's technology agreements with Texas Instruments only cover 0.25 micron and 0.18 micron CMOS process technology. Texas Instruments has not granted ASI a license under Texas Instruments' patents to manufacture semiconductor wafers for third parties. Moreover, Texas Instruments has no obligation to transfer any next-generation technology to ASI. Our company's and ASI's businesses could be harmed if ASI cannot obtain new technology on commercially reasonable terms or ASI's relationship with Texas Instruments is disrupted for any reason.

DEPENDENCE ON MATERIALS AND EQUIPMENT SUPPLIERS -- OUR BUSINESS MAY SUFFER IF THE COST OR SUPPLY OF MATERIALS OR EQUIPMENT CHANGES ADVERSELY.

We obtain from various vendors the materials and equipment required for the packaging and test services performed by our factories. We source most of our materials, including critical materials such as leadframes and laminate substrates, from a limited group of suppliers. Furthermore, we purchase all of our materials on a purchase order basis and have no long-term contracts with any of our suppliers. Our business may be harmed if we cannot obtain materials and other supplies from our vendors: (1) in a timely manner, (2) in sufficient quantities, (3) in acceptable quality and (4) at competitive prices.

RAPID TECHNOLOGICAL CHANGE -- OUR BUSINESS WILL SUFFER IF WE CANNOT KEEP UP WITH TECHNOLOGICAL ADVANCES IN OUR INDUSTRY.

The complexity and breadth of both semiconductor packaging and test services and wafer fabrication are rapidly changing. As a result, we expect that we will need to offer more advanced package designs and new wafer fabrication technology in order to respond to competitive industry conditions and customer requirements. Our success depends upon the ability of our company and ASI to develop and implement new manufacturing processes and package design technologies. The need to develop and maintain advanced packaging and wafer fabrication capabilities and equipment could require significant research and development and capital expenditures in future years. In addition, converting to new package designs or process methodologies could result in delays in producing new package types or advanced wafer designs that could adversely affect our ability to meet customer orders.

Technological advances also typically lead to rapid and significant price erosion and may make our existing products less competitive or our existing inventories obsolete. If we cannot achieve advances in package design and wafer fabrication technology or obtain access to advanced package designs and wafer fabrication technology developed by others, our business could suffer.

COMPETITION -- WE COMPETE AGAINST ESTABLISHED COMPETITORS IN BOTH THE PACKAGING AND TEST BUSINESS AND THE WAFER FABRICATION BUSINESS.

The independent semiconductor packaging and test market is very competitive. This sector is comprised of 13 principal companies. We face substantial competition from established packaging and test service providers primarily located in Asia, including companies with significant manufacturing capacity, financial resources, research and development operations, marketing and other capabilities. These companies also have established relationships with many large semiconductor companies that are current or potential customers of our company. On a larger scale, we also compete with the internal semiconductor packaging and test capabilities of many of our customers.

The independent wafer fabrication business is also highly competitive. Our wafer fabrication services compete primarily with independent semiconductor wafer foundries, including those of Chartered Semiconductor Manufacturing, Inc., Taiwan Semiconductor Manufacturing Company, Ltd. and United Microelectronics Corporation. Each of these companies has significant manufacturing capacity, financial resources, research and development operations, marketing and other capabilities and has been operating for some time. Many of these companies have also established relationships with many large semiconductor companies that are current or potential customers of our company. If we cannot compete successfully in the future against existing or potential competitors, our operating results would suffer.

ENVIRONMENTAL REGULATIONS -- FUTURE ENVIRONMENTAL REGULATIONS COULD PLACE ADDITIONAL BURDENS ON OUR MANUFACTURING OPERATIONS.

The semiconductor packaging process uses chemicals and gases and generates byproducts that are subject to extensive governmental regulations. For example, we produce liquid waste when silicon wafers are diced into chips with the aid of diamond saws, then cooled with running water. Federal, state and local regulations in the United States, as well as environmental regulations internationally, impose various controls on the storage, handling, discharge and disposal of chemicals used in our manufacturing processes and on the factories we occupy.

Increasingly, public attention has focused on the environmental impact of semiconductor manufacturing operations and the risk to neighbors of chemical releases from such operations. In the future, applicable land use and environmental regulations may: (1) impose upon us the need for additional capital equipment or other process requirements, (2) restrict our ability to expand our operations, (3) subject us to liability or (4) cause us to curtail our operations.

PROTECTION OF INTELLECTUAL PROPERTY -- WE MAY BECOME INVOLVED IN INTELLECTUAL PROPERTY LITIGATION.

As of October 31, 2001, we held 111 U.S. patents, we had 250 pending patents and we were preparing an additional 24 patent applications for filing. In addition to the U.S. patents, we held 475 patents in foreign jurisdictions. We expect to continue to file patent applications when appropriate to protect our proprietary technologies, but we cannot assure you that we will receive patents from pending or future applications. In addition, any patents we obtain may be challenged, invalidated or circumvented and may not provide meaningful protection or other commercial advantage to us.

We may need to enforce our patents or other intellectual property rights or to defend our company against claimed infringement of the rights of others through litigation, which could result in substantial cost and diversion of our resources. If we fail to obtain necessary licenses or if we face litigation relating to patent infringement or other intellectual property matters, our business could suffer.

Although we are not currently a party to any material litigation, the semiconductor industry is characterized by frequent claims regarding patent and other intellectual property rights. If any third party makes a valid claim against us, we could be required to:

- discontinue the use of certain processes;
- cease the manufacture, use, import and sale of infringing products;
- pay substantial damages;
- develop non-infringing technologies; or
- acquire licenses to the technology we had allegedly infringed.

Our business, financial condition and results of operations could be materially and adversely affected by any of these negative developments.

In addition, Texas Instruments has granted ASI very limited licenses under certain technology agreements, including a license under Texas Instruments' trade secret rights to use Texas Instruments' technology in connection with ASI's provision of wafer fabrication services. However, Texas Instruments has not granted ASI a license under Texas Instruments' patents to manufacture semiconductor wafers for third parties. Furthermore, Texas Instruments has reserved the right to bring infringement claims against our customers or customers of ASI with respect to semiconductor wafers purchased from us or ASI. Such customers and others could in turn subject us or ASI to litigation in connection with the sale of semiconductor wafers produced by ASI.

CONTINUED CONTROL BY EXISTING STOCKHOLDERS -- MR. JAMES KIM AND MEMBERS OF HIS FAMILY CAN DETERMINE THE OUTCOME OF ALL MATTERS REQUIRING STOCKHOLDER APPROVAL.

As of October 31, 2001, Mr. James Kim and members of his family beneficially owned approximately 48% of our outstanding common stock. Mr. James Kim's family, acting together, will substantially control all matters submitted for approval by our stockholders. These matters could include:

- the election of all of the members of our Board of Directors;

- proxy contests;

- approvals of transactions between our company and ASI or other entities in which Mr. James Kim and members of his family have an interest, including transactions which may involve a conflict of interest;

- mergers involving our company;

- tender offers; and

- open market purchase programs or other purchases of our common stock.

STOCK PRICE VOLATILITY

The trading price of our common stock has been and is likely to continue to be highly volatile and could be subject to wide fluctuations in response to factors such as:

- actual or anticipated quarter-to-quarter variations in operating results;

- announcements of technological innovations or new products and services by Amkor or our competitors;

- general conditions in the semiconductor industry;

- changes in earnings estimates or recommendations by analysts;

- developments affecting ASI; and

- or other events or factors, many of which are out of our control.

In addition, the stock market in general, and the Nasdaq National Market and the markets for technology companies in particular, have experienced extreme price and volume fluctuations. This volatility has affected the market prices of securities of companies like ours for that have often been unrelated or disproportionate to the operating performance. These broad market fluctuations may adversely affect the market price of our common stock.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our company is exposed to market risks, primarily related to foreign currency and interest rate fluctuations. In the normal course of business, we employ established policies and procedures to manage the exposure to fluctuations in foreign currency values and changes in interest rates.

Foreign Currency Risks

Our company's primary exposures to foreign currency fluctuations are associated with transactions and related assets and liabilities denominated in Philippine pesos, Korean won and Japanese yen. The objective in managing these foreign currency exposures is to minimize the risk through minimizing the level of activity and financial instruments denominated in pesos, won and yen.

At September 30, 2001, the peso-based financial instruments primarily consisted of cash, non-trade receivables, deferred tax assets and liabilities, non-trade payables, accrued payroll, taxes and other expenses. Based on the portfolio of peso-based assets and liabilities at September 30, 2001, a 20% increase in the Philippine peso to U.S. dollar exchange rate would result in a decrease of approximately $3.7 million, in peso-based net assets.

At September 30, 2001, the won-based financial instruments primarily consisted of cash, non-trade receivables, non-trade payables, accrued payroll, taxes and other expenses. Based on the portfolio of won-based assets and liabilities at September 30, 2001, a 20% increase in the Korean won to U.S. dollar exchange rate would result in a decrease of approximately $4.0 million, in won-based net assets.

At September 30, 2001, the yen-based financial instruments primarily consisted of cash, non-trade receivables, accrued payroll taxes, debt and other expenses. Based on the portfolio of yen-based assets and liabilities at September 30, 2001, a 20% decrease in the Japanese yen to U.S. dollar exchange rate would result in an increase of approximately $17.2 million, in yen-based net liabilities.

Interest Rate Risks

Our company has interest rate risk with respect to our long-term debt. As of September 30, 2001, we had a total of $1,939.2 million debt of which 86% was fixed rate debt and 14% was variable rate debt. Our variable rate debt principally consisted of short-term borrowings and amounts outstanding under our secured bank facilities that included term loans and a $100.0 million revolving line of credit of which no amounts were drawn as of September 30, 2001. The fixed rate debt consisted of senior notes, senior subordinated notes, convertible subordinated notes and foreign debt. Changes in interest rates have different impacts on our fixed and variable rate portions of our debt portfolio. A change in interest rates on the fixed portion of the debt portfolio impacts the fair value of the instrument but has no impact on interest incurred or cash flows. A change in interest rates on the variable portion of the debt portfolio impacts the interest incurred and cash flows but does not impact the fair value of the instrument. The fair value of the convertible subordinated notes is also impacted by the market price of our common stock.

The table below presents the interest rates, maturities and fair value of our fixed and variable rate debt as of September 30, 2001.

	YEAR ENDING DECEMBER 31,							
	2001	2002	2003	2004	2005	THEREAFTER	TOTAL	FAIR VALUE
Long-term debt:								
Fixed rate debt	$ 3,557	$ 14,589	$ 15,784	--	--	$1,633,750	$1,667,680	$1,247,952
Average interest rate	4.0%	4.0%	4.0%			8.2%	8.1%	
Variable rate debt ..	$ 146,269	$ 2,560	$ 20,586	$ 55,056	$ 41,914	$ 5,103	$ 271,488	$ 271,488
Average interest rate	6.0%	6.4%	6.5%	6.5%	6.5%	5.0%	5.5%	

Equity Price Risks

Our outstanding 5.75% convertible subordinated notes due 2006 and 5% convertible subordinated notes due 2007 are convertible into common stock at $35.00 per share and $57.34 per share, respectively. We intend to repay our convertible subordinated notes upon maturity, unless converted. If investors were to decide to convert their notes to common stock, our future earnings would benefit from a reduction in interest expense. If we induced such conversion, our earnings could include an additional charge.

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On July 10, 2001, we issued 3.2 million shares of our common stock to the stockholders of Sampo Semiconductor Corporation (SSC) in connection with our acquisition of SSC. The shares were issued in reliance in part on Rule 506 promulgated under the Securities Act of 1933, as amended (the "Securities Act") and in part in reliance on Regulation 903 promulgated under the Securities Act, based on representations that all of the stockholders of SSC who received our common stock were either accredited investors or non-U.S. persons. On July 26 2001, we issued 1.7 million shares of our common stock to the stockholders of Taiwan Semiconductor Corporation (TSTC) in connection with our acquisition of TSTC. The shares were issued in reliance on Section 4(2) of the Securities Act, based on the fact that the shares were issued to no more than 15 stockholders of TSTC in a private transaction not involving any general solicitation.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The following exhibits are filed as part of this report:

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
4.1	Amendment No. 2 to the amended and restated credit agreement dated as of March 30, 2001 between the Registrant and the Initial Lenders and Initial Issuing Banks and Salomon Smith Barney, Inc., Citicorp USA, Inc. and Deutsche Banc Alex. Brown, Inc.
12.1	Computation of Ratio of Earnings to Fixed Charges

(b) REPORTS ON FORM 8-K

We filed with the Securities and Exchange Commission the following reports on Form 8-K during the quarterly period ended September 30, 2001:

Current Report on Form 8-K dated July 24, 2001 (filed July 26, 2001) related to a press release dated July 24, 2001 announcing our financial results for the second quarter ended June 30, 2001.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

AMKOR TECHNOLOGY, INC.

By: /s/ KENNETH T. JOYCE

Kenneth T. Joyce
Chief Financial Officer
(Principal Financial, Chief Accounting Officer and Duly Authorized Officer)

Date: November 14, 2001

AMENDMENT NO. 2 TO
AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDMENT NO. 2 TO AMENDED AND RESTATED CREDIT AGREEMENT, dated as of September 30, 2001, among Amkor Technology, Inc. a Delaware corporation (the "Borrower") and the Lenders (as defined below) party hereto and the Administrative Agent (as defined below), amends certain provisions of the Amended and Restated Credit Agreement dated as of March 30, 2001 (as amended, the "Credit Agreement") among the Borrower, the lenders party thereto (collectively the "Lenders"), the issuing banks party thereto, Salomon Smith Barney Inc. ("SSBI"), as sole book manager, Citicorp USA, Inc., as administrative agent (the "Administrative Agent") and as collateral agent (the "Collateral Agent"), SSBI and Deutsche Banc Alex. Brown Inc. ("DBAB"), as arrangers, and DBAB as syndication agent.

PRELIMINARY STATEMENTS:

(1) The parties to this Amendment are party to the Credit Agreement. Capitalized terms defined in the Credit Agreement and not otherwise defined in this Amendment are used herein as therein defined.

(2) The parties hereto have agreed to amend the Credit Agreement as hereinafter set forth.

SECTION 1. AMENDMENTS. Subject to the satisfaction of the conditions precedent set forth in Section 2 hereof, the Credit Agreement is hereby amended as follows:

(a) AMENDMENTS TO ARTICLE I (DEFINITIONS AND ACCOUNTING TERMS).

(i) The definition of "Applicable Margin" in Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby amended and restated in it entirety to read as follows:

"Applicable Margin" means (a) for the period beginning on October 1, 2001 through December 31, 2002, (i) with respect to the Term B Facility, 4.00% per annum in the case of Eurodollar Rate Advances and 3.00% per annum in the case of Base Rate Advances and (ii) with respect to the Revolving Credit Facility, 3.75% per annum in the case of Eurodollar Rate Advances and 2.75% per annum in the case of Base Rate Advances, and (b) thereafter (i) with respect to the Term B Facility, 3.00% per annum in the case of Eurodollar Rate Advances and 2.00% per annum in the case of Base Rate Advances, and (ii) with respect to the Revolving Credit Facility, a percentage per annum determined by reference to the Leverage Ratio as set forth below:

LEVERAGE RATIO	BASE RATE ADVANCES	EURODOLLAR RATE ADVANCES
Level I less than or equal to 1.25:1.0	1.00%	2.00%
Level II greater than 1.25:1.0 and less than or equal to 1.75:1.0	1.25%	2.25%
Level III greater than 1.75:1.0 and less than or equal to 2.25:1.0	1.50%	2.50%
Level IV greater than 2.25:1.0	1.75%	2.75%

For the purposes of this clause (b)(ii), the Applicable Margin for each Base Rate Advance shall be determined by reference to the Leverage Ratio in effect from time to time and the Applicable Margin for each Eurodollar Rate Advance shall be determined by reference to the Leverage Ratio in effect on the first day of each Interest Period for such Advance; provided, however, that (A) no change in the Applicable Margin shall be effective until three Business Days after the date on which the Administrative Agent receives the financial statements required to be delivered pursuant to Section 5.3(b) or (c), as the case may be, and a certificate of the Chief Financial Officer of the Borrower demonstrating such Leverage Ratio, (B) the Applicable Margin shall be at Level IV for so long as the Borrower has not submitted to the Administrative Agent the information described in clause (A) of this proviso as and when required under Section 5.3(b) or (c), as the case may be and (C) the Applicable Margin shall be at Level IV in the event a Default has occurred and is continuing.

(ii) The definition of "EBITDA" in Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby amended and restated in it entirety to read as follows:

"EBITDA" means, for any period, the sum, determined on a Consolidated basis, of (a) Net Income, (b) interest expense, (c) income tax expense, (d) to the extent included in Consolidated Net Income, non-cash foreign currency loss (or less any non-cash foreign currency gain), (e) to the extent included in Net Income, (i) non-cash equity in loss of Affiliates (or less any non-cash equity in income of Affiliates) and (ii) non-cash losses in respect of (A) fixed assets and (B) goodwill associated with acquisitions, (f) depreciation expense and (g) amortization expense, in each case of the Borrower and its Restricted Subsidiaries, determined in accordance with GAAP for such period.

(iii) The definition of "Eligible Collateral" in Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"Eligible Collateral" means Eligible Receivables.

(iv) The definition of "Eligible Inventory" in Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby deleted in its entirety.

(v) The definition of "Loan Value" in Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"Loan Value" means up to 85% of the value of Eligible Receivables.

(vi) The following new definition is hereby added after the definition of "Unrestricted Subsidiary" contained in Section 1.1 (Certain Defined Terms) of the Credit Agreement:

"Unused Commitment Fee Rate" means (i) for the period beginning on October 1, 2001 through December 31, 2002, 0.75% per annum and (ii) at all other times, 0.50% per annum.

(vii) Section 1.3 (Accounting Terms) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Section 1.3. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.1(g); provided, however, on the effective date of Rules 141 and 142 of the Financial Accounting Standards Board, such accounting principles shall be deemed amended by such rules (such accounting principles, as and when so amended, being hereinafter referred to as "GAAP").

(b) AMENDMENTS TO ARTICLE II (AMOUNTS AND TERMS OF THE ADVANCES AND THE LETTERS OF CREDIT).

(i) Section 2.5(b) (Mandatory Termination or Reduction of the Commitments) of the Credit Agreement is hereby amended by adding a new sub-clause (iii) immediately after sub-clause (ii) to read in its entirety as follows:

(iii) On November [6], 2001, the Revolving Credit Facility shall be permanently reduced from $200,000,000 to $100,000,000 and each Revolving Credit Lender's Revolving Credit Commitment shall be ratably reduced in accordance with such Revolving Credit Lender's Pro Rata Share.

(ii) Section 2.8(a) (Fees) of the Credit Agreement is hereby amended by replacing the phrase "the rate of 1/2 of 1% per annum" in the seventh line thereof with the phrase "the Unused Commitment Fee Rate".

(c) AMENDMENTS TO ARTICLE V (COVENANTS OF THE BORROWER).

(i) Section 5.1(p) (Conditions Subsequent) of the Credit Agreement is hereby amended by adding a new sub-clause (ii) immediately after sub-clause (i) to read in its entirety as follows:

> (ii) Deliver to the Administrative Agent as soon as possible and in any event no later than [December 3, 2001], in form and substance reasonably acceptable to the Administrative Agent, control account agreements executed by the Borrower and acknowledged by the appropriate securities intermediary, for the cash investment accounts listed below:

COMPANY	BANK	ACCOUNT #
Amkor Technology, Inc.	JP Morgan	5011091
	Merrill Lynch	550-07798
	ABN AMRO	6656
Amkor Technology Limited	JP Morgan	5013702

(ii) Clause (iii) of Section 5.2(f) (Investments in Other Persons) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

> (iii) Investments by the Borrower and its Restricted Subsidiaries in cash and Cash Equivalents; provided, however, that from and after December 3, 2001 any Cash Equivalents (other than customary overnight investments from deposit accounts) shall be held in a securities account with respect to which the Collateral Agent has "control" (as defined in the Uniform Commercial Code as in effect in the State of New York), pursuant to a control account agreement reasonably acceptable to the Administrative Agent and provided further, however, prior to December 31, 2001 the Borrower and its Restricted Subsidiaries may maintain (but not renew) Investments in short-term Korean bank deposits existing on November 1, 2001.

(iii) Section 5.2(f) (Investments in Other Persons) of the Credit Agreement is hereby amended by adding the following sentence at the end thereof:

> Notwithstanding anything in this Section 5.2(f) to the contrary, during the period commencing on October 1, 2001 and ending on December 31, 2002, cash Investments made pursuant to clauses (ii), (vii) and (x) above shall not exceed $40,000,000 in the aggregate (net of (x) cash returns received on such Investments made during such period and (y) Net Cash Proceeds received in any transaction or series of transactions where any such cash Investment is made and, in connection with such cash Investment, cash is paid, repaid or refunded in the issuance of, or in exchange for, Equity Interests of the Borrower during such period).

(iv) Section 5.2(o) (Capital Expenditures) of the Credit Agreement is hereby amended by adding the following sentence to the end thereof:

> Notwithstanding anything in this clause (o) to the contrary, the Borrower will not at any time permit Capital Expenditures during each fiscal quarter ending on December 31, 2001, March 31, 2002, June 30, 2002, September 31, 2002 and December 31, 2002 to exceed $25,000,000 in any such quarter; provided that the unused portion of Capital Expenditures permitted in any such fiscal quarter (including any amount carried over from a previous quarter pursuant to this proviso) and not used in such quarter may be carried over and added to the amount otherwise permitted in the immediately succeeding fiscal quarter, through the fiscal quarter

ending December 31, 2002.

(v) Section 5.3(m) (Borrowing Base Certificate) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(m) Borrowing Base Certificate. Within ten Business Days after the end of each month, a Borrowing Base Certificate, as at the end of the previous month, certified by the chief financial officer of the Borrower.

(vi) Section 5.3 (Reporting Requirements) of the Credit Agreement is hereby amended by renaming clause (o) as clause (p) and inserting a new clause (o) immediately after clause (n) thereof to read in its entirety as follows:

(o) Monthly Financials. As soon as available and in any event within 30 days after the end of each fiscal month (other than a fiscal month that is the last month of a fiscal quarter) through the month ending December, 2002, an unaudited Consolidated statement of income and an unaudited Consolidated summary of cash flows of the Borrower and its Subsidiaries for (i) the period commencing at the end of the previous fiscal month and ending with the end of such fiscal month and (ii) that portion of the current Fiscal Year ending as of the close of such fiscal month, all in reasonable detail and duly certified (subject to year-end audit adjustments) by the chief financial officer of the Borrower as having been prepared in accordance with GAAP, together with (i) a certificate of said officer stating that no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto and (ii) a schedule in form satisfactory to the Administrative Agent of the computations used by the Borrower in determining compliance with the covenants contained in Section 5.4, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.4, a statement of reconciliation conforming such financial statements to GAAP.

(vii) Section 5.4 (Financial Covenants) of the Credit Agreement is hereby amended in its entirety to read as follows:

(a) Fixed Charge Coverage Ratio; Revolving Credit Availability. Maintain at all times from and after January 1, 2003, (i) a Fixed Charge Coverage Ratio of not less than 1.10:1 and (ii) as at the last day of each Measurement Period, a Revolving Credit Availability of not less than $50,000,000.

(b) Leverage Ratio. Maintain at all times a Leverage Ratio of not more than the amount set forth below for each period set forth below:

QUARTER ENDING	RATIO
March 31, 2003	2.25:1
June 30, 2003	2.25:1
September 30, 2003	2.25:1
December 31, 2003	2.25:1
March 31, 2004	2.00:1
June 30, 2004	2.00:1
September 30, 2004	2.00:1
December 31, 2004	2.00:1
March 31, 2005	2.00:1
June 30, 2005	2.00:1
September 30, 2005	2.00:1

(c) Interest Coverage Ratio. Maintain at all times an Interest Coverage Ratio of not less than the amount set forth below for each period set forth below:

QUARTER ENDING	RATIO
March 31, 2003	4.00:1
June 30, 2003	4.00:1
September 30, 2003	4.00:1
December 31, 2003	4.00:1
March 31, 2004	4.00:1
June 30, 2004	4.00:1
September 30, 2004	4.00:1
December 31, 2004	4.00:1
March 31, 2005	4.00:1
June 30, 2005	4.00:1
September 30, 2005	4.00:1

(d) Tangible Net Worth. The Borrower will not permit Tangible Net Worth at any time on or after January 1, 2003 to be less than (i) 90% of the Tangible Net Worth on September 30, 2001 plus (ii) 50% of the sum of Consolidated Net Income of the Borrower and its Restricted Subsidiaries for each fiscal quarter beginning with the first quarter after September 30, 2001 (without reduction for losses) plus (iii) the amount of Net Cash Proceeds from issuances of Equity Interests received by the Borrower since September 30, 2001. For the quarter ending September 30, 2001, the Tangible Net Worth will not include any write down of Equity Interests in Anam proceeds from issuances of Equity Interests received by the Borrower since the Effective Date.

(e) Minimum EBITDA. Maintain for each Measurement Period ending on the last day of each fiscal quarter set forth below, EBITDA of not less than the amount set forth below opposite such fiscal quarter:

QUARTER ENDING	AMOUNT
September 30, 2001	$330,000,000
December 31, 2001	$145,000,000
March 31, 2002	$60,000,000
June 30, 2002	$55,000,000
September 30, 2002	$95,000,000
December 31, 2002	$150,000,000

(f) Minimum Daily Liquidity. Maintain (i) on September 30, 2001 the sum of (x) Revolving Credit Availability and (y) cash and Cash Equivalents of not less than $350,000,000 and (ii) on each day during each fiscal quarter set forth below the sum on such day of (x) Revolving Credit Availability and (y) cash and Cash Equivalents of not less than the amount set forth below opposite such quarter:

QUARTER ENDING	AMOUNT
December 31, 2001	$125,000,000
March 31, 2002	$90,000,000
June 30, 2002	$75,000,000
September 30, 2002	$85,000,000
December 31, 2002	$110,000,000

SECTION 2. CONDITIONS TO EFFECTIVENESS. This Amendment shall become effective as of the date hereof on the date (the "Amendment Effective Date") when the following conditions precedent have been satisfied:

(a) the Administrative Agent shall have received counterparts of this Amendment executed by the Borrower and the Required Lenders or, as to any of the Lenders, evidence satisfactory to the Administrative Agent that such Lender has executed this Amendment;

(b) each Subsidiary Guarantor shall have executed a consent to this Amendment in the form attached hereto;

(c) the Borrower shall have prepaid (x) the Term B Advances in an aggregate amount equal to $125,000,000 and such prepayment shall be applied in accordance with Section 2.6(c) of the Credit Agreement and (y) the Revolving Credit Advances to the extent required under Section 2.6(b)(iii) of the Credit Agreement; and

(d) the Administrative Agent shall have received from the Borrower (x) for the account of each Lender that has executed this Amendment and delivered evidence thereof satisfactory to the Administrative Agent at or before 5:00 p.m. New York City time on November [6], 2001, an amendment fee equal to 0.125% of the aggregate amount of the outstanding Term B Advances and Revolving Credit Commitments of each such Lender as of such date and (y) the fees set forth in that certain fee letter dated November [6], 2001 from Salomon Smith Barney Inc. to the Company.

Furthermore this Amendment is subject to the provisions of Section 8.1 of the Credit Agreement.

SECTION 3. WAIVER. The Required Lenders hereby waive: (a) any Default or Event of Default that may have occurred prior to the Amendment Effective Date as a result of any failure of the Borrower to comply with the financial covenants contained in Section 5.4 of the Credit Agreement (prior to the amendment thereof pursuant to this Amendment) and (b) any notice of prepayment that may be required under Section 2.6(a) of the Credit Agreement in connection with the prepayment of the Term B Advances pursuant to Section 2(c) of this Amendment. This waiver does not extend to any financial covenant contained in the Credit Agreement after giving effect to this Amendment.

SECTION 4. CONSTRUCTION WITH THE LOAN DOCUMENTS.

(a) On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference in the other Loan Documents to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby, and this Amendment and the Credit Agreement shall be read together and construed as a single instrument. The table of contents, signature pages and list of Exhibits and Schedules of the Credit Agreement shall be modified to reflect the changes made in this Amendment as of the Amendment Effective Date.

(b) Except as expressly amended hereby or specifically waived above, all of the terms and provisions of the Credit Agreement and all other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lenders, the

Issuing Banks, the Arranger or the Administrative Agent under any of the Loan Documents, nor constitute a waiver or amendment of any other provision of any of the Loan Documents or for any purpose except as expressly set forth herein.

(d) This Amendment is a Loan Document.

SECTION 5. GOVERNING LAW. This Amendment is governed by the law of the State of New York.

SECTION 6. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants that each of the representations and warranties made by the Borrower in the Credit Agreement, as amended hereby, and the other Loan Documents to which the Borrower is a party or by which the Borrower is bound, shall be true and correct in all material respects on and as of the date hereof (other than representations and warranties in any such Loan Document which expressly speak as of a specific date, which shall have been true and correct in all material respects as of such specific date) and no Default or Event of Default has occurred and is continuing as of the date hereof.

SECTION 7. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are attached to the same document. Delivery of an executed counterpart by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

AMKOR TECHNOLOGY, INC.,

By /s/ Kenneth T. Joyce

Name: Kenneth T. Joyce

Title: Executive Vice President and Chief Financial Officer

CITICORP USA, INC.,
as Administrative Agent

By

Name:

Title:

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

AMKOR TECHNOLOGY, INC.,

By

Name:

Title:

CITICORP USA, INC.,
as Administrative Agent

By /s/ Suzanne Crymes

Name: Suzanne Crymes

Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ABN AMRO BANK N.V.

By /s/ Natalie Smith

Name: Natalie Smith
Title: Vice President

By /s/ Jana Dombrowski

Name: Jana Dombrowski
Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AERIES FINANCE-II LTD.
By: INVESCO Senior Secured Management, Inc.
As Sub-Managing Agent

By /s/ Joseph Rotondo

Name: JOSEPH ROTONDO
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AIM FLOATING RATE FUND
By: INVESCO Senior Secured Management, Inc.
As Attorney in fact

By /s/ Joseph Rotondo

Name: JOSEPH ROTONDO
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AMARA-I FINANCE, LTD.
By: INVESCO Senior Secured Management, Inc.
As Sub-advisor

By /s/ Joseph Rotondo

Name: JOSEPH ROTONDO
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AMARA 2 FINANCE, LTD.
By: INVESCO Senior Secured Management, Inc.
As Sub-Advisor

By /s/ Joseph Rotondo

Name: JOSEPH ROTONDO
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ARES Leveraged Investment Fund II, L.P.

By: ARES Management II, L.P.
Its: General Partner

By /s/ Christopher N. Jacobs

Title: CHRISTOPHER N. JACOBS
VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ARES III CLO Ltd.

By: ARES CLO Management LLC,
Investment Manager

By /s/ Christopher N. Jacobs

CHRISTOPHER N. JACOBS
VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ARES IV CLO Ltd.

By: ARES CLO Management IV, L.P.,
Investment Manager

By: ARES CLO GP IV, LLC,
Its Managing Member

By /s/ Christopher N. Jacobs

Name: CHRISTOPHER N. JACOBS
Title: VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ARES Leveraged Investment Fund II, L.P.

By: ARES Management II, L.P.
Its: General Partner

By /s/ Christopher N. Jacobs

Title: CHRISTOPHER N. JACOBS
VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ARES III CLO Ltd.

By: ARES CLO Management LLC,
Investment Manager

By /s/ Christopher N. Jacobs

CHRISTOPHER N. JACOBS
VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ARES IV CLO Ltd.

By: ARES CLO Management IV, L.P.,
Investment Manager

By: ARES CLO GP IV, LLC,
Its Managing Member

By /s/ Christopher N. Jacobs

Name: CHRISTOPHER N. JACOBS
Title: VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AVALON CAPITAL LTD.
By: INVESCO Senior Secured Management, Inc.
As Portfolio Advisor

By /s/ Joseph Rotondo

Name: JOSEPH ROTONDO
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AVALON CAPITAL LTD. 2
By: INVESCO Senior Secured Management, Inc.
As Portfolio Advisor

By /s/ Joseph Rotondo

Name: JOSEPH ROTONDO
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AMENDMENT TO THE AMENDED AND RESTATED CREDIT AGREEMENT DATED MARCH 30, 2001 AMONG AMKOR TECHNOLOGY, INC. AND ITS SUBSIDIARIES

AMMC CDO I, LIMITED
BY: AMERICAN MONEY MANAGEMENT CORP.,
AS COLLATERAL MANAGER
----
as Lender

By /s/ David P. Meyer

Name: DAVID P. MEYER
Title: VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AMENDMENT TO THE AMENDED AND RESTATED CREDIT AGREEMENT DATED MARCH 30, 2001 AMONG AMKOR TECHNOLOGY, INC. AND ITS SUBSIDIARIES

AMMC CDO II, LIMITED
BY: AMERICAN MONEY MANAGEMENT CORP.,
AS COLLATERAL MANAGER
----
as Lender

By /s/ David P. Meyer

Name: DAVID P. MEYER
Title: VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

APEX (IDM) CDO I, LTD., as a Lender

By: Institutional Debt Management, Inc.,
as Collateral Manager

By /s/ EA Kratzman

Name: EA Kratzman
Title: Managing Director

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

CONSENT OF SUBSIDIARY GUARANTOR

Dated as of September 30, 2001

Each of the undersigned corporations, as a Subsidiary Guarantor under the Subsidiary Guaranty dated April 28, 2000 (as confirmed by the Guaranty and Security Confirmation dated as of March 30, 2001, the "Subsidiary Guaranty") in favor of the Secured Parties under the Credit Agreement referred to in the foregoing Amendment, hereby consents to such Amendment and hereby confirms and agrees that notwithstanding the effectiveness of such Amendment, the Subsidiary Guaranty is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of such Amendment, each reference in the Subsidiary Guaranty to the "Credit Agreement", "thereunder", "thereof" or words of like import shall mean and be a reference to the Credit Agreement, as amended by such Amendment.

GUARDIAN ASSETS, INC.

By:

Name:
Title:

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

-----------------------------------,
as Lender

By

Name:
Title:

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Bank of China, New York Branch,
as Lender

By: /s/ Bailin Zheng

Name: Bailin Zheng
Title: General Manager

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

The Bank of Nova Scotia,
as Lender

By: /s/ Todd S. Meller

Name: TODD S. MELLER
Title: MANAGING DIRECTOR

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Bank of Tokyo-Mitsubishi Trust
as Lender

By: /s/ Heather Zimmermann

Name: H. Zimmermann
Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Bankers Trust Company,
as Lender

By: /s/ Mary Jo Jolly

Name: MARY JO JOLLY
Title: ASSISTANT VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

BARCLAYS BANK PLC,
as Lender

By: /s/ John Giannone

Name: John Giannone
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Black Diamond International Funding, Ltd.,
as Lender

By: /s/ Alan Corkish

Name: Alan Corkish
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Black Diamond CLO 1998-1 Ltd.,
as Lender

By: /s/ Alan Corkish

Name: Alan Corkish
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Black Diamond CLO 2000-1 Ltd.,
as Lender

By: /s/ Alan Corkish

Name: Alan Corkish
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

BNP PARIBAS,
as Lender

By: /s/ Stuart Darby

Name: Stuart Darby
Title: Vice President

/s/ Robert Mimaki

Robert Mimaki
Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Captiva Finance Ltd.,
as Lender

By: /s/

Name:
Title:

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

CENTURION CDO II, LTD.

BY: AMERICAN EXPRESS ASSET MANAGEMENT GROUP INC. AS COLLATERAL MANAGER

________________________________,
as Lender

By: /s/ Lynn A. Hopton

Name: LYNN A. HOPTON
Title: SENIOR MANAGING DIRECTOR

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

CERES II FINANCE LTD.
By: INVESCO Senior Secured Management, Inc.
As Sub-Managing Agent (Financial)

By /s/ Joseph Rotondo

Name: JOSEPH ROTONDO
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

CHARTER VIEW PORTFOLIO
By: INVESCO Senior Secured Management, Inc.
As Investment Advisor

By /s/ Joseph Rotondo

Name: JOSEPH ROTONDO
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Citadel Hill 2000, Ltd,
----
as Lender

By /s/ N. Karsiotis

Name: N. Karsiotis
Title: Authorized Signatory

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CITIBANK, N.A.,
as Lender

By /s/ Suzanne Crymes

Name: Suzanne Crymes
Title: Vice President

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Clydesdale CLO 2001-1, LTD.
as Lender

By /s/ Rick Stewart

Name: Rick Stewart
Title: Director

By Nomura Corporate Research and
Asset Management Inc. as Collateral Manager

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COLISEUM FUNDING LTD.
as Lender

By Travelers Asset Management
International Company LLC

By /s/ Matthew J. McInerny

Name: Matthew J. McInerny
Title: Assistant Investment Officer

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COLUMBUS LOAN FUNDING LTD.
as Lender

By Travelers Asset Management
International Company LLC

By /s/ Matthew J. McInerny

Name: Matthew J. McInerny
Title: Assistant Investment Officer

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Comerica Bank, as Lender

By /s/ Robert P. Wilson

Name: Robert P. Wilson
Title: AVP

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CPF Asset Advisory - Asset Manager for
PROMETHEUS INVESTMENT FUNDING I LLC,
as Lender

By /s/ Elizabeth H. Tallmadge

Name: ELIZABETH H. TALLMADGE
Title: MANAGING DIRECTOR
CHIEF INVESTMENT OFFICER

By /s/ Ajay Nanda

Name: AJAY NANDA
Title: ASSOCIATE DIRECTOR

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CSAM Funding I
as Lender

By /s/ Andrew Marshak

Name: Andrew Marshak
Title: Authorized Signatory

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Cypress Tree Investment Partners I, Ltd.,
as Lender

By: Cypress Tree Investment Management
Company, Inc., as Portfolio Manager

By /s/ P. Jeffrey Huth

Name: P. Jeffrey Huth
Title: Principal

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Cypress Tree Investment Partners II, Ltd.,
as Lender

By: Cypress Tree Investment Management Company, Inc., as Portfolio Manager

By /s/ P. Jeffrey Huth

Name: P. Jeffrey Huth
Title: Principal

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ELC (CAYMAN) LTD. CDO SERIES 1999-1,
as a Lender

By: Institutional Debt Management, Inc., as Collateral Manager

By /s/ EA Kratzman

Name: EA Kratzman
Title: Managing Director

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ELC (CAYMAN) LTD., as a Lender

By: Institutional Debt Management, Inc., as Collateral Manager

By /s/ EA Kratzman

Name: EA Kratzman
Title: Managing Director

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ELC (CAYMAN) LTD. 1999-III, as a Lender

By: Institutional Debt Management, Inc.,
as Collateral Manager

By /s/ EA Kratzman

Name: EA Kratzman
Title: Managing Director

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ELC (CAYMAN) LTD. 2000-1, as a Lender

By: Institutional Debt Management, Inc.,
as Collateral Manager

By /s/ EA Kratzman

Name: EA Kratzman
Title: Managing Director

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ELC (CAYMAN) LTD. 1999-II, as a Lender

By: Institutional Debt Management, Inc.,
as Collateral Manager

By /s/ EA Kratzman

Name: EA Kratzman
Title: Managing Director

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ELT LTD.,
as Lender

By /s/ Ann E. Morris

Name: Ann E. Morris
Title: Authorized Agent

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Erste Bank,
as Lender

By /s/ John Fay
Name: JOHN FAY
Title: VICE PRESIDENT
ERSTE BANK NEW YORK BRANCH

By /s/ John S. Runnion
Name: JOHN S. RUNNION
MANAGING DIRECTOR
ERSTE BANK NEW YORK BRANCH

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First Allmerica Financial Life Insurance Company, as Lender

By: Cypress Tree Investment Management Company, Inc., as Attorney-in-Fact for, on behalf of, and as Portfolio Manager for First Allmerica Financial Life Insurance Company

By /s/ P. Jeffrey Huth
Name: P. Jeffrey Huth
Title: Principal

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First Dominion Funding II
as Lender

By /s/ Andrew Marshak
Name: Andrew Marshak
Title: Authorized Signatory

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First Union National Bank,

as Lender

By /s/ Shawn C. Young

Name: Shawn C. Young
Title: Assistant Vice President

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Galaxy CLO 1999-1, Ltd.,
By: SAI Investment Advisor, Inc
Its Collateral Manager
as Lender

By /s/ Thomas G. Brandt

Name: Thomas G. Brandt
Title: Authorized Agent

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Sankaty Advisors, LLC as Collateral Manager for Great Point CLO 1999-1 LTD., as Term Lender

---------------------------------,
as Lender

By /s/ Diane J. Exter

Name: DIANE J. EXTER
Title: MANAGING DIRECTOR
PORTFOLIO MANAGER

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Harbour Town Funding Trust,
as Lender

By /s/ Ann E. Morris

Name: Ann E. Morris
Title: Authorized Agent

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HarbourView CDO II Ltd., Fund
as Lender

By /s/ Lisa Chaffee

Name: LISA CHAFFEE
Title: MANAGER

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IBM Credit Corporation,
as Lender

By /s/ Thomas S. Curcio

Name: Thomas S. Curcio
Title: Manager of Credit

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The Industrial Bank of Japan, Ltd.
as Lender

By /s/ Andreas Panteli

Name: Andreas Panteli
Title: Senior Vice President

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J.H. Walthem Market Value Fund., L.P.
as Lender

By /s/ Kevin J. Cohen

Name: Kevin J. Cohen
Title: Authorized Signatory

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KZH CYPRESSTREE-1 LLC,

as Lender

By /s/ Susan Lee

Name: Susan Lee
Title: Authorized Agent

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KZH SHOSHONE LLC,
as Lender

By /s/ Susan Lee

Name: Susan Lee
Title: Authorized Agent

[SIGNATURE PAGE TO AMENDMENT NO. 2 AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

KZH SOLEIL LLC
as Lender

By /s/ Susan Lee

Name: Susan Lee
Title: Authorized Agent

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KZH SOLEIL-2 LLC,
as Lender

By /s/ Susan Lee

Name: Susan Lee
Title: Authorized Agent

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KZH STERLING LLC,
as Lender

By /s/ Susan Lee

Name: Susan Lee
Title: Authorized Agent

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LIBERTY-STEIN ROE ADVISOR FLOATING RATE ADVANTAGE FUND, by Stein Roe & Farnham Incorporated As Advisor,
as Lender

By /s/ James R. Fellows

Name: James R. Fellows
Title: Sr. Vice President & Portfolio Manager

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LONG LANE MASTER TRUST IV
as Lender

By: Fleet National Bank as Trust Administrator

By /s/ Kevin Kearns

Name: Kevin Kearns
Title: Managing Director

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MASTER SENIOR FLOATING RATE TRUST,
as Lender

By /s/ Harsh Jaggi

Name: HARSH JAGGI
Title: AUTHORIZED SIGNATORY

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MERRILL LYNCH SENIOR FLOATING RATE FUND, INC.
as Lender

By /s/ Harsh Jaggi

Name: HARSH JAGGI
Title: AUTHORIZED SIGNATORY

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MERRILL LYNCH GLOBAL INVESTMENT SERIES:
BANK LOAN INCOME PORTFOLIO
By: Merrill Lynch Investment Managers, L.P.
as Investment Advisor, as Lender

By /s/ Harsh Jaggi

Name: HARSH JAGGI
Title: AUTHORIZED SIGNATORY

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Metropolitan Property and Casualty
Insurance Company, as Lender

By /s/ James R. Dingler

Name: James R. Dingler
Title: Director

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Metropolitan Property and Casualty
Insurance Company, as Lender

By /s/ James R. Dingler

Name: James R. Dingler
Title: Director

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NORTH AMERICAN SENIOR FLOATING RATE FUND INC.
BY: STANFIELD CAPITAL PARTNERS LLC
AS SUBADVISOR

as Lender

By /s/ Gregory L. Smith

Name: Gregory L. Smith
Title: Partner

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Northwoods Capital II, Limited
Angelo, Gordon & Co., as Collateral Manager

By /s/ John W. Fraser

Name: JOHN W. FRASER
Title: MANAGING DIRECTOR

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Northwoods Capital III, Limited
Angelo, Gordon & Co., as Collateral Manager

By /s/ John W. Fraser

Name: JOHN W. FRASER
Title: MANAGING DIRECTOR

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OASIS COLLATERALIZED HIGH INCOME PORTFOLIO-1, LTD
By: INVESCO Senior Secured Management, Inc.
As Subadvisor

By /s/ Joseph Rotondo

Name: JOSEPH ROTONDO
Title: AUTHORIZED SIGNATORY

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OCTAGON INVESTMENT PARTNERS II, LLC
By: Octagon Credit Investors, LLC
as sub-investment manager

----
as Lender

By /s/ Michael B. Nechamkin

Name: Michael B. Nechamkin
Title: Portfolio Manager

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OCTAGON INVESTMENT PARTNERS III, LTD.
By: Octagon Credit Investors, LLC
as Portfolio Manager

----
as Lender

By /s/ Michael B. Nechamkin

Name: Michael B. Nechamkin
Title: Portfolio Manager

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OCTAGON INVESTMENT PARTNERS IV, LTD.
By: Octagon Credit Investors, LLC
as collateral manager

----
as Lender

By /s/ Michael B. Nechamkin

Name: Michael B. Nechamkin
Title: Portfolio Manager

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Oppenheimer Senior Floating Rate Fund
as Lender

By /s/ Lisa Chaffee

Name: LISA CHAFFEE
Title: MANAGER

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Seaboard CLO 2000 Ltd.,
as Lender

By: ORIX Capital Markets, LLC
Collateral Manager

By /s/ Sheppard H.C. Davis, Jr.

Name: Sheppard H.C. Davis, Jr.
Title: Managing Director

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Sankaty Advisors, LLC as Collateral Manager for Great Point CLO 1999-1 LTD., as Term Lender

------------------------------------,
as Lender

By /s/ Diane J. Exter

Name: DIANE J. EXTER
Title: MANAGING DIRECTOR
PORTFOLIO MANAGER

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Sankaty High Yield Asset Partners, L.P.

-------------------------------------,
as Lender

By /s/ Diane J. Exter

Name: DIANE J. EXTER
Title: MANAGING DIRECTOR
PORTFOLIO MANAGER

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Sankaty High Yield Partners III, L.P.

-------------------------------------,
as Lender

By /s/ Diane J. Exter

Name: DIANE J. EXTER
Title: MANAGING DIRECTOR
PORTFOLIO MANAGER

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Sankaty High Yield Partners II, L.P.

-------------------------------------,
as Lender

By /s/ Diane J. Exter

Name: DIANE J. EXTER
Title: MANAGING DIRECTOR
PORTFOLIO MANAGER

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SEQUILS PILGRIM-1 Ltd.
By: ING Pilgrim Investments
as its investment manager

Robert L. Wilson
Vice President

----------------------------------,
as Lender

ML CLO XII PILGRIM AMERICA (CAYMAN) LTD.
BY: ING PILGRIM INVESTMENTS
AS ITS INVESTMENT MANAGER

By /s/

Name
Title:

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Sierra CLO-I
as Lender

By /s/ John M. Casparian

Name: John M. Casparian
Title: Chief Operating Officer
Centre Pacific, LLC, Manager

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Societe Generale,
as Lender

By /s/ Migdalia Lagoa

Name: Migdalia Lagoa
Title: Managing Director

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Stanfield/RMF Transatlantic CDO Ltd.
By: Stanfield Capital Partners LLC
as its Collateral Manager

-------------------------------------,
as Lender

By /s/ Gregory L. Smith

Name: GREGORY L. SMITH

Title: PARTNER

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Stanfield CLO Ltd.
By: Stanfield Capital Partners LLC
as its Collateral Manager

-----------------------------------,
as Lender

By /s/ Gregory L. Smith

Name: GREGORY L. SMITH
Title: PARTNER

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STANFIELD ARBITRAGE CDO, LTD.
BY: STANFIELD CAPITAL PARTNERS LLC
AS ITS COLLATERAL MANAGER

-----------------------------------,
as Lender

By /s/ Gregory L. Smith

Name: GREGORY L. SMITH
Title: PARTNER

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The Sumitomo Trust and Banking Co., Ltd.,
New York Branch as Lender

By /s/ Frances E. Wynne

Name: Frances E. Wynne
Title: Vice President

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Toronto Dominion (New York), Inc.,
as Lender

By /s/ Stacey L. Malek

Name: Stacey L. Malek
Title: Vice President

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THE TRAVELERS INSURANCE COMPANY
as Lender

By /s/ Matthew J. McInerny

Name: Matthew J. McInerny
Title: Assistant Investment Officer

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TRYON CLO LTD. 2000-1, as a Lender

By: Institutional Debt Management, Inc.,
as Collateral Manager

By /s/ EA Kratzman

Name: EA Kratzman
Title: Managing Director

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Windsor Loan Funding, Limited
By: Stanfield Capital Partners LLC
as its Investment Manager

----
as Lender

By /s/ Gregory L. Smith

Name: GREGORY L. SMITH
Title: PARTNER

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CONSENT OF SUBSIDIARY GUARANTOR

Dated as of September 30, 2001

Each of the undersigned corporations, as a Subsidiary Guarantor under the Subsidiary Guaranty dated April 28, 2000 (as confirmed by the Guaranty and Security Confirmation dated as of March 30, 2001, the "Subsidiary Guaranty") in favor of the Secured Parties under the Credit Agreement referred to in the foregoing Amendment, hereby consents to such Amendment and hereby confirms and agrees that notwithstanding the effectiveness of such Amendment, the Subsidiary Guaranty is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of such Amendment, each reference in the Subsidiary Guaranty to the "Credit Agreement", "thereunder", "thereof" or words of like import shall mean and be a reference to the Credit Agreement, as amended by such Amendment.

GUARDIAN ASSETS, INC.

By: /s/ Kenneth T. Joyce

Name: Kenneth T. Joyce
Title: Chief Financial Officer

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EXHIBIT 12.1

AMKOR TECHNOLOGY, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(IN THOUSANDS EXCEPT RATIO DATA)

	YEAR ENDED DECEMBER 31,					NINE MONTHS ENDED SEPTEMBER 30,
	1996	1997	1998	1999	2000	2001
Earnings						
Income before income taxes and equity in income (loss) of investees	$ 43,012	$ 61,006	$ 100,735	$ 105,288	$ 197,429	$(292,003)
Interest expense	27,716	37,993	25,860	61,803	127,027	115,178
Amortization of debt issuance costs	--	--	1,217	3,466	7,013	16,446
Interest portion of rent	1,822	2,236	2,584	3,481	4,567	6,154
Less (earnings) loss of affiliates	(661)	(512)	--	2,622	--	--
	$ 71,889	$ 100,723	$ 130,396	$ 176,660	$ 336,036	$(154,225)
Fixed Charges						
Interest expense	27,716	37,993	25,860	61,803	127,027	115,178
Amortization of debt issuance costs	--	--	1,217	3,466	7,013	16,446
Interest portion of rent	1,822	2,236	2,584	3,481	4,567	6,154
	$ 29,538	$ 40,229	$ 29,661	$ 68,750	$ 138,607	$ 137,778
Ratio of earnings to fixed charges	2.4x	2.5x	4.4x	2.6x	2.4x	--x(1)

1 The ratio of earnings to fixed charges was less than 1:1 for the nine months ended September 30, 2001. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional $292.0 million of earnings in the nine months ended September 30, 2001.