

AMKOR TECHNOLOGY INC
Form 10-Q
November 01, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549
Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
For the Quarterly Period Ended September 30, 2013

or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
For the transition period from to

Commission File Number 000-29472
AMKOR TECHNOLOGY, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

23-1722724
(I.R.S. Employer
Identification Number)

1900 South Price Road
Chandler, AZ 85286
(Address of principal executive offices and zip code)
(480) 821-5000
(Registrant's telephone number, including area code)

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 No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The number of outstanding shares of the registrant's Common Stock as of October 25, 2013 was 217,841,787.

QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended September 30, 2013

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This report contains forward-looking statements within the meaning of the federal securities laws, including but not limited to statements regarding: (1) the amount, timing and focus of our expected capital investments in 2013 including expenditures related to our new factory and research and development facility in Korea, (2) our ability to fund our operating activities for the next twelve months, (3) the effect of net sales or capacity utilization on our gross profit and gross margin, (4) the focus of our research and development activities, (5) the expiration of tax holidays in jurisdictions in which we operate and expectations regarding our effective tax rate, (6) the release of valuation allowances related to taxes in the future, (7) our repurchase or repayment of outstanding debt or the conversion of debt in the future, (8) payment of dividends, (9) compliance with our covenants, (10) expected contributions to foreign pension plans, (11) liability for unrecognized tax benefits, (12) the effect of foreign currency exchange rate exposure on our financial results, (13) the volatility of the trading price of our common stock, (14) changes to our internal controls related to integration of acquired operations and implementation of our enterprise resource planning (“ERP”) system and other systems, (15) our estimates regarding the possible amount of, and funding for, any payments due in conjunction with our litigation with Tessera, (16) the anticipated schedule for construction of our new factory and research and development facility in Korea, (17) our expected increase in ownership of J-Devices and consolidation of J-Devices' results into our consolidated financial statements and (18) 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,” “intend” 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 Part II, Item 1A of this Quarterly Report. You should read the following discussion in

conjunction with Item 1 in this Quarterly Report as well as other reports we file with the Securities and Exchange Commission.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2013	2012	2013	2012
	(In thousands, except per share data)			
Net sales	\$767,987	\$695,353	\$2,201,575	\$2,036,890
Cost of sales	626,979	578,566	1,807,235	1,725,802
Gross profit	141,008	116,787	394,340	311,088
Operating expenses:				
Selling, general and administrative	64,347	49,297	189,524	160,041
Research and development	18,647	13,472	47,261	40,764
Total operating expenses	82,994	62,769	236,785	200,805
Operating income	58,014	54,018	157,555	110,283
Other expense (income):				
Interest expense	26,104	19,689	71,921	60,727
Interest expense, related party	1,243	3,493	7,927	10,477
Interest income	(1,605)	) (772)	) (3,108)	) (2,489)
Foreign currency (gain) loss, net	(2,716)	) 2,394	(1,841)	) 4,461
Loss on debt retirement, net	—	—	11,619	—
Equity in earnings of unconsolidated affiliate	(3,179)	) (2,541)	) (4,679)	) (5,421)
Other income, net	(7)	) (359)	) (344)	) (1,511)
Total other expense, net	19,840	21,904	81,495	66,244
Income before income taxes	38,174	32,114	76,060	44,039
Income tax expense	12,170	9,538	5,961	9,009
Net income	26,004	22,576	70,099	35,030
Net income attributable to noncontrolling interests	(655)	) (259)	) (1,641)	) (358)
Net income attributable to Amkor	\$25,349	\$22,317	\$68,458	\$34,672
Net income attributable to Amkor per common share:				
Basic	\$0.12	\$0.14	\$0.38	\$0.21
Diluted	\$0.11	\$0.11	\$0.33	\$0.19
Shares used in computing per common share amounts:				
Basic	216,499	154,365	176,839	162,699
Diluted	235,143	237,060	235,119	245,431

The accompanying notes are an integral part of these statements.

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AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2013	2012	2013	2012
Net income	\$26,004	\$22,576	\$	