AMKOR TECHNOLOGY INC
Form 424B3
November 27, 2012
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-184856

Prospectus

$300,000,000

Offer to Exchange

6.375% Senior Notes due 2022, registered under the Securities Act of 1933

for

All Outstanding 6.375% Senior Notes due 2022

of

Amkor Technology, Inc.

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M.

NEW YORK CITY TIME, ON DECEMBER 27, 2012, UNLESS EXTENDED

TERMS OF THE EXCHANGE OFFER:

We are offering to exchange $300,000,000 aggregate principal amount of registered 6.375% Senior Notes due 2022, which we refer to as the exchange notes, for all of our unregistered 6.375% Senior Notes due 2022, which we refer to as the original notes, that were issued on September 21, 2012. Notwithstanding the foregoing, any original notes held by an affiliate as defined under Rule 405 of the Securities Act are not eligible for the exchange offer.

We will exchange all original notes that are validly tendered and not withdrawn prior to the expiration or termination of the exchange offer for an equal principal amount of exchange notes.

The terms of the exchange notes will be substantially identical to the original notes, except that the exchange notes will not be subject to transfer restrictions or registration rights relating to the original notes.

There is no existing market for the exchange notes to be issued, and we do not intend to apply for their listing on any securities exchange or arrange for them to be quoted on any quotation system.

See the section entitled Description of Notes that begins on page 43 for more information about the exchange notes to be issued in this exchange offer and the original notes.

If you do not exchange your original notes for exchange notes in the exchange offer, you will continue to be subject to the restrictions on transfer provided in the original notes and indenture governing those notes. In general, you may not offer or sell your original notes unless such offer or sale is registered under the federal securities laws or are sold in a transaction exempt from or not subject to the registration requirements of the federal securities laws and applicable state securities laws.

See the section entitled Risk Factors that begins on page 8 for a discussion of the risks that you should consider prior to tendering your original notes in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated November 27, 2012.

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IMPORTANT NOTICE ABOUT INFORMATION PRESENTED IN THIS PROSPECTUS

You should rely only on the information provided in this prospectus and the information incorporated by reference. We have not authorized anyone to provide you with different information. We are not offering to exchange the original notes for exchange notes in any jurisdiction where the offer is not permitted. We do not claim the accuracy of the information in this prospectus as of any date other than the date stated on the cover.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this document. This information is available without charge to holders upon written or oral request to Amkor Technology, Inc., 1900 South Price Road, Chandler, AZ 85286, Attention: Investor Relations, Telephone: (480) 821-5000.

In order to obtain timely delivery of such documents, holders of original notes must request this information no later than five business days prior to the expiration date of the exchange offer for the original notes.

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SUMMARY

This summary highlights some basic information contained or incorporated by reference in this prospectus. This summary may not contain all of the information that may be important to you and is qualified in its entirety by the more detailed information appearing elsewhere or incorporated by reference in this prospectus. You should read the entire prospectus before making an investment decision. You should pay special attention to the Risk Factors section beginning on page 8 of this prospectus to determine whether an investment in the notes is appropriate for you.

Unless otherwise indicated or the context otherwise requires, the terms Amkor, we, our, and us refer to Amkor Technology, Inc. and its consolidated subsidiaries, and the term notes shall apply to the exchange notes and the original notes. In this prospectus, we refer to the Republic of Korea, which is also commonly known as South Korea, as Korea.

Amkor Technology, Inc.

Amkor is one of the world s leading providers of outsourced semiconductor packaging (sometimes referred to as assembly) and test services. Amkor pioneered the outsourcing of semiconductor packaging and test services through a predecessor corporation in 1968 and over the years we have built a leading position by:

- Designing and developing new packaging and test technologies;
- Offering a broad portfolio of packaging and test technologies and services;
- Cultivating long-standing relationships with our customers, which include many of the world s leading semiconductor companies, and collaborating with original equipment manufacturers (OEMs) and material suppliers;
- Developing expertise in high-volume manufacturing processes; and
- Having a diversified operational scope with research and development, engineering and production capabilities at various facilities throughout China, Japan, Korea, the Philippines, Taiwan and the United States, or the U.S. .

Packaging and test are integral steps in the process of manufacturing semiconductor devices. The semiconductor manufacturing process begins with the fabrication of tiny transistor elements into complex patterns of electronic circuitry on silicon wafers, thereby creating large numbers of individual semiconductor devices or integrated circuits on each wafer (generally referred to as chips or die). Each device on the wafer is tested and the wafer is cut into pieces called chips. The chips are attached through wirebonding to a substrate or leadframe, or to a substrate in the case of flip chip interconnect and then encased in a protective material to create a package. For a wafer-level package, the electrical interconnections are created directly on the surface of the wafer without a substrate or leadframe. The packages are then tested using sophisticated equipment to ensure that each packaged chip meets its design and performance specifications.

Our packages are designed based on application and chip specific requirements including the type of interconnect technology employed, size, thickness and electrical, mechanical and thermal performance. We are able to provide turnkey packaging and test services including semiconductor wafer bump, wafer probe, wafer backgrind, package design, packaging, test and drop shipment services.

Our customers include, among others: Altera Corporation; Analog Devices, Inc.; Broadcom Corporation; Infineon Technologies AG; International Business Machines Corporation; LSI Corporation; Qualcomm Incorporated; ST Microelectronics N.V.; Texas Instruments Incorporated and Toshiba Corporation. The outsourced semiconductor packaging and test market is very competitive. We also compete with the internal semiconductor packaging and test capabilities of many of our customers.

We were incorporated in 1997 in the State of Delaware. Our principal offices are located at 1900 South Price Road, Chandler, AZ 85286. Our telephone number is (480) 821-5000 and our website can be accessed at http://www.amkor.com. Information contained on our website or that can be accessed through our website is not incorporated by reference in this prospectus and you should not consider such information to be part of this prospectus.

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The Exchange Offer

The Initial Offering of Original Notes	On September 21, 2012, we issued in a private placement $300,000,000 aggregate principal amount of 6.375% Senior Notes due 2022. We refer to those notes as the original notes in this prospectus.
Registration Rights Agreement	Pursuant to the registration rights agreement among Amkor and Deutsche Bank Securities Inc. and UBS Securities LLC, as initial purchasers, entered into in connection with the private placement of the original notes, Amkor agreed to offer to exchange the original notes for up to $300,000,000 aggregate principal amount of 6.375% Senior Notes due 2022, which we refer to herein as the exchange notes, that are being offered hereby. We refer to the notes issued for the original notes in this exchange offer as the exchange notes. We have filed this registration statement to meet our obligation under the registration rights agreement. If we fail to satisfy these obligations under the registration rights agreement, we will pay special interest to holders of the original notes under specified circumstances. See Registration Rights; Additional Interest.
The Exchange Offer	We are offering to exchange the exchange notes, which have been registered under the Securities Act of 1933, as amended, or the Securities Act, for the same aggregate principal amount of the original notes.
	The original notes may be tendered only in denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. We will exchange the applicable exchange notes for all original notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer. We will cause the exchange to be effected promptly after the expiration date of the exchange offer.
	The exchange notes will evidence the same debt as the original notes and will be issued under and entitled to the benefits of the same indenture that governs the original notes. Holders of the original notes do not have any appraisal or dissenter rights in connection with the exchange offer. Because we have registered the exchange notes, the exchange notes will not be subject to transfer restrictions, and holders of original notes that have tendered and had their original notes accepted in the exchange offer will have no further registration rights nor any related special interest provisions.
If You Fail to Exchange Your Original Notes	If you do not exchange your original notes for exchange notes in the exchange offer, you will continue to be subject to the restrictions on transfer provided in the original notes and indenture governing those notes. In general, you may not offer or sell your original notes unless such offer or sale is registered under the federal securities laws or are sold in a transaction exempt from or not subject to the registration requirements of the federal securities laws and applicable state securities laws.
Procedures for Tendering Original Notes	If you wish to tender your original notes for exchange notes and you hold your original notes in book-entry form, you must request your participant of The Depository Trust Company, or DTC, to, on your

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behalf, instead of physically completing and signing the letter of transmittal and delivering the letter and your original notes to the exchange agent, electronically transmit an acceptance through DTC s Automated Tender Offer Program, or ATOP. If your original notes are held in book-entry form and are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, we urge you to contact that person promptly if you wish to tender your original notes pursuant to this exchange offer.

If you wish to tender your original notes for exchange notes and you hold your original notes in certificated form, you must:

- complete and sign the enclosed letter of transmittal by following the related instructions, and
- send the letter of transmittal, as directed in the instructions, together with any other required documents, to the exchange agent either (1) with the original notes to be tendered, or (2) in compliance with the specified procedures for guaranteed delivery of the original notes.

Please do not send your letter of transmittal or certificates representing your original notes to us. Those documents should be sent only to the exchange agent. Questions regarding how to tender and requests for information should be directed to the exchange agent. See The Exchange Offer Exchange Agent.

Participation in the Exchange Offer

In order to participate in the exchange offer, you must represent to us, among other things, that:

- the exchange notes are being acquired in the ordinary course of business,
- you are not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in the distribution of the exchange notes issued to you in the exchange offer,
- you are not a broker-dealer tendering original notes acquired directly from us for your account, and
- you are not one of our affiliates, as defined in Rule 405 of the Securities Act.

Our belief is based on interpretations by the Staff of the Securities and Exchange Commission (the Commission), as set forth in no-action letters issued to third parties that are not related to us. The Commission has not considered this exchange offer in the context of a no-action letter. We cannot assure you that the Commission would make similar determinations with respect to this exchange offer. If any of the conditions specified in Exchange Offer Purpose and Effect of Exchange Offer are not satisfied, or if our belief is not accurate, and you transfer any exchange notes issued to you in the exchange offer without delivering a resale prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes from those requirements, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any such liability.

	Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where the original notes were acquired by such broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.
Record Date	We mailed this prospectus and the related offer documents to the registered holders of the original notes on November 27, 2012.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on December 27, 2012, unless we decide to extend the expiration date.
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions.
	This exchange offer is not conditioned upon any minimum principal amount of the original notes being tendered. See The Exchange Offer Conditions to the Completion of the Exchange Offer.
Exchange Agent	U.S. Bank National Association is serving as exchange agent for the exchange offer.
Withdrawal Rights	You may withdraw the tender of your original notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. You must follow the withdrawal procedures as described under the heading The Exchange Offer Withdrawal of Tenders.
Federal Income Tax Considerations	The exchange of original notes for the exchange notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes for the original notes pursuant to the exchange offer. We will pay all of our expenses incident to the exchange offer.

The Exchange Notes

The form and terms of the exchange notes are the same as the form and terms of the original notes, except that the exchange notes will be registered under the Securities Act. As a result, the exchange notes will not bear legends restricting their transfer and will not have the benefit of the registration rights and special interest provisions contained in the original notes. The exchange notes represent the same debt as the original notes for which they are being exchanged. Both the original notes and the exchange notes are governed by the same indenture.

Issuer	Amkor Technology, Inc., a Delaware corporation.
Notes Offered	$300,000,000 aggregate principal amount of 6.375% Senior Notes due 2022.

Maturity Date	The exchange notes will mature on October 1, 2022, subject to earlier redemption or repurchase.
Interest	Interest is payable in cash on April 1 and October 1 of each year, beginning April 1, 2013.
Optional Redemption	At any time and from time to time prior to October 1, 2016, we may redeem the exchange notes, in whole or in part, at a purchase price of

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100% of the principal amount of the exchange notes to be redeemed plus accrued and unpaid interest to, but excluding, the redemption date and a make-whole premium.

At any time and from time to time on or after October 1, 2016, we may redeem the exchange notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth in Description of Notes Optional Redemption plus accrued and unpaid interest to, but excluding, the redemption date. In addition, before October 1, 2015, we may redeem up to 35% of the exchange notes at a redemption price equal to 106.375% of the principal amount thereof plus accrued and unpaid interest to, but excluding, the redemption date, using proceeds from certain equity offerings.

Guarantees

Each of our domestic subsidiaries that is a significant subsidiary will be required to guarantee the exchange notes. As of the date hereof, none of our domestic subsidiaries is a significant subsidiary.

Ranking

The exchange notes will be:

- senior, unsecured obligations of us and any of our subsidiaries that becomes a guarantor;
- effectively subordinated in right of payment to all of the existing and future secured debt of us and our subsidiaries, including any amounts outstanding under our senior secured revolving credit facility, or Revolving Credit Facility, to the extent of the value of collateral securing that debt;
- structurally subordinated in right of payment to all existing and future debt and other liabilities, including trade payables, of any of our subsidiaries that do not guarantee the exchange notes;
- equal in right of payment with all of our existing and future unsecured senior debt, including our outstanding 7.375% Senior Notes due 2018 Notes (the 2018 Notes), our outstanding 6.625% Senior Notes due 2021 (the 2021 Notes) and any of the original notes that remain unexchanged; and
- senior in right of payment to all of our existing and future senior subordinated and subordinated debt, including our outstanding 6.0% Convertible Senior Subordinated Notes due April 2014, (the 2014 Notes).

As of September 30, 2012:

- we had approximately $1,627.1 million of consolidated debt;

- we had approximately $332.1 million of consolidated secured debt;
- we had approximately $1,045.0 million of existing senior debt and $250.0 million of senior subordinated debt; and
- our non-guarantor subsidiaries had approximately $1,075.0 million of indebtedness and other liabilities (excluding intercompany obligations).

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Change of Control

Upon a Change of Control (as defined under Description of Notes), we will be required to make an offer to purchase the exchange notes. The purchase price will equal 101% of the principal amount of the exchange notes plus accrued and unpaid interest to, but excluding, the purchase date. See Description of Notes Repurchase at the Option of Holders Offer to Repurchase upon Change of Control.

Certain Covenants

The terms of the exchange notes restrict our ability and the ability of our restricted subsidiaries (as described in Description of Notes) to:

- incur additional indebtedness;
- pay dividends, repurchase stock, prepay subordinated debt and make investments and other restricted payments;
- create restrictions on the ability of our subsidiaries to pay dividends or make other payments;
- engage in sale and leaseback transactions;
- create liens;
- enter into certain transactions with affiliates; and
- sell assets or merge with or into other companies.

These covenants are subject to important exceptions that are described in the section entitled Description of Notes Certain Covenants.

Exchange Offer; Registration Rights

Pursuant to the registration rights agreement with the initial purchasers of the original notes, we agreed to use our reasonable best efforts to file after the closing of the offering of original notes a registration statement with respect to an offer to exchange the original notes held by the purchasers for the exchange notes and to cause such registration statement to be declared effective. We have filed this registration statement of which this prospectus forms a part of to meet this obligation under the registration rights agreement. We also agreed to use our reasonable best efforts to complete the exchange offer within 240 days after the closing of the offering of original notes. If we are not able to effect the exchange offer, we will instead use our reasonable best efforts to file and cause to become effective a shelf registration statement relating to the resales of the original notes. We will be obligated to pay additional interest on the original notes if we do not complete the exchange offer within 240 days after the closing of the offering of original notes or, if required, the shelf registration statement is not effective within a time period after the obligation to file it arises under the registration rights agreement. See Registration Rights; Additional Interest.

Trustee	The trustee for the exchange notes is U.S. Bank National Association.
Governing Law	The indenture and the exchange notes will be governed by the laws of the State of New York.
Proceeds from this Exchange	We will not receive any proceeds from the issuance of the exchange notes in exchange for the outstanding original notes. We are making this exchange offer solely to satisfy our obligations under the registration rights agreement entered into in connection with the offering of the original notes. See Use of Proceeds.

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Ratio of Earnings to Fixed Charges

Nine Months Ended September 30, 2012	Fiscal Year Ended December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
1.5	2.0	3.3	2.0	(1)	2.6

The ratio of earnings to fixed charges was computed by dividing earnings by fixed charges. For purposes of calculating the ratios, earnings consists of income before income taxes, which is adjusted to exclude the equity in (earnings) losses of unconsolidated affiliates, plus fixed charges less capitalized interest, and fixed charges consists of interest expensed and capitalized, amortization of debt issuance costs and the portion of rental expense representative of interest expense. Our calculation for the interest portion of rent is represented by one-third of total rent expense, which we believe is a reasonable estimate of the interest component of rent expense.

(1) The ratio of earnings to fixed charges was less than 1:1 for 2008. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional $425.7 million of earnings in 2008.

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RISK FACTORS

Prospective participants in the exchange offer should carefully consider all of the information contained in this prospectus, including the risks and uncertainties described below. Except with respect to the risk factors associated with the exchange offer, the risk factors set forth below are generally applicable to the original notes as well as the exchange notes.

Risks Related to the Exchange Offer

If you fail to follow the exchange offer procedures, your original notes will not be accepted for exchange.

We will not accept your original notes for exchange if you do not follow the exchange offer procedures. We will issue exchange notes as part of this exchange offer only after timely receipt of your original notes, a properly completed and duly executed letter of transmittal and all other required documents or if you comply with the guaranteed delivery procedures for tendering your notes. Therefore, if you want to tender your original notes, please allow sufficient time to ensure timely delivery. If we do not receive your original notes, letter of transmittal and all other required documents by the expiration date of the exchange offer, or you do not otherwise comply with the guaranteed delivery procedures for tendering your notes, we will not accept your original notes for exchange. We are under no duty to give notification of defects or irregularities with respect to the tenders of original notes for exchange. If there are defects or irregularities with respect to your tender of original notes, we will not accept your original notes for exchange unless we decide in our sole discretion to waive such defects or irregularities.

If you fail to exchange your original notes for exchange notes, they will continue to be subject to the existing transfer restrictions and you may not be able to sell them.

We did not register the original notes, nor do we intend to do so following the exchange offer. Original notes that are not tendered will therefore continue to be subject to the existing transfer restrictions and may be transferred only in limited circumstances under the securities laws, and such restrictions may adversely affect the trading price of the original notes. As a result, if you hold original notes after the exchange offer, you may not be able to sell them. To the extent any original notes are tendered and accepted in the exchange offer, the trading market, if any, for the original notes that remain outstanding after the exchange offer may be adversely affected due to a reduction in market liquidity.

Risks Related to the Exchange Notes

Our Substantial Indebtedness Could Adversely Affect Our Financial Condition and Prevent Us from Fulfilling Our Obligations.

We have a significant amount of indebtedness. As of September 30, 2012, our total debt balance was $1,627.1 million, of which $40.5 million was classified as a current liability. In October 2012, we repaid subsidiary debt of $157.1 million using the net proceeds from the issuance of our 6.375% Senior Notes due 2022 and borrowed an additional $20.0 million under our term loan due 2017. In addition, despite current debt levels, the terms of the indentures governing our indebtedness allow us or our subsidiaries to incur more debt, subject to certain limitations. We may consider investments in joint ventures or acquisitions or increased capital additions, which may increase our indebtedness. If new debt is added to our consolidated debt level, the related risks that we now face could intensify.

Our substantial indebtedness could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness, including our obligations under our indentures to purchase notes tendered as a result of a change in control of Amkor;
- 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 payments on our debt;
- increase the volatility of the price of our common stock;
- 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.

Restrictive Covenants in the Indentures and Agreements Governing Our Current and Future Indebtedness Could Restrict Our Operating Flexibility.

The indentures and agreements governing our existing debt, and debt we may incur in the future, contain, or may contain, affirmative and negative covenants that materially limit our ability to take certain actions, including our ability to incur debt, pay dividends, make certain investments and other payments, enter into certain mergers and consolidations, engage in sale leaseback transactions and encumber and dispose of assets. In addition, our future debt agreements may contain financial covenants and ratios.

The breach of any of these covenants by us or the failure by us to meet any of these ratios or conditions could result in a default under any or all of such indebtedness. If a default occurs under any such indebtedness, all of the outstanding obligations thereunder could become immediately due and payable, which could result in a default under our other outstanding debt and could lead to an acceleration of obligations related to other outstanding debt. The existence of such a default or event of default could also preclude us from borrowing funds under our revolving credit facilities. Our ability to comply with the provisions of the indentures, credit facilities and other agreements governing our outstanding debt and indebtedness we may incur in the future can be affected by events beyond our control and a default under any debt instrument, if not cured or waived, could have a material adverse effect on us.

Structural Subordination of the Notes to Liabilities of Our Subsidiaries Your Right to Receive Payments on the Exchange Notes from Funds Provided by Our Subsidiaries is Junior in Right of Payment to the Claims of the Creditors of Our Subsidiaries.

We conduct a large portion of our operations through our subsidiaries. Accordingly, our ability to meet our cash obligations is dependent upon the ability of our subsidiaries to make cash payments to us. We expect distributions from our subsidiaries to be a large source of funds for payment of the interest on the exchange notes. The claims of debt holders and other creditors (including trade creditors) of any subsidiary will generally have priority as to the assets of such subsidiary over the claims of the holders of the exchange notes. The exchange notes will not initially be guaranteed by any of our subsidiaries. Although we conduct most of our operations through our non-U.S. subsidiaries, the exchange notes will not be required to be guaranteed by non-U.S. subsidiaries even if they are significant subsidiaries. In the event of a liquidation of any of our subsidiaries, our right to receive the assets of any such subsidiary (and the resulting right of the holders of the exchange notes to participate in the distribution of the proceeds of those assets) will structurally be subordinated by operation of law to the claims of debt holders and other creditors (including trade creditors) of such subsidiary and holders of such subsidiary s preferred stock and any guarantees by such subsidiary of our indebtedness. In the event of the liquidation, bankruptcy, reorganization, insolvency, receivership or similar proceeding or any assignment for the benefit of our creditors or a marshaling of our assets or liabilities, holders of the exchange notes may receive ratably less than other such creditors or interest holders. As of September 30, 2012, the exchange notes would have been effectively subordinated to $1,075.0 million of indebtedness and other liabilities of our subsidiaries, including trade payables but excluding intercompany obligations.

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Restrictions on Certain Dividends, Distributions and Other Payments We Are Subject to Certain Restrictions That May Limit Our Ability to Make Payments on Our Debt, Including on the Exchange Notes and the Note Guarantees, Out of Cash Reserves Shown on Our Consolidated Financial Statements.

The ability of our subsidiaries and joint ventures to pay dividends, make distributions, provide loans or make other payments to us may be restricted by applicable state and foreign laws, potentially adverse tax consequences and their agreements, including agreements governing their debt. In addition, the equity interests of our joint venture partners or other shareholders in our non-wholly owned subsidiaries in any dividend or other distribution made by these entities would need to be satisfied on a proportionate basis with us. As a result, we may not be able to access their cash flow to service our debt, including the exchange notes, and we cannot assure you that the amount of cash and cash flow reflected on our financial statements will be fully available to us.

Your Right to Receive Payments on the Notes is Effectively Subordinated in Right of Payment to All of Our Existing and Future Secured Debt.

Our obligations under the notes are effectively subordinated in right of payment to all of the existing and future secured debt of us, including any amounts outstanding under our Revolving Credit Facility, to the extent of assets or collateral securing this debt. As of September 30, 2012, we had no secured debt outstanding, excluding secured debt of our subsidiaries of approximately $332.1 million. In addition, we had $149.7 million of availability under our Revolving Credit Facility. Additionally, our foreign subsidiaries have $85.0 million available to be drawn under revolving credit facilities and $75.0 million available to be borrowed under term loans, maturing between June 2013 and July 2017. In October 2012, we borrowed an additional $20.0 million under our term loan due 2017. Under the indenture governing the exchange notes and the instruments governing our other indebtedness, we and our subsidiaries may potentially incur substantial amounts of additional secured debt in the future. In the event of the liquidation, bankruptcy, reorganization, insolvency, receivership or similar proceeding or any assignment for the benefit of our creditors or a marshaling of our assets or liabilities, the claims of debt holders and other creditors under secured debt will generally have priority as to the assets or collateral securing this debt, which would potentially limit your ability to receive full payment on the exchange notes in such event.

Notwithstanding Our Current Indebtedness Levels and Restrictive Covenants, We May Still Be Able to Incur Substantial Additional Debt or Make Certain Restricted Payments, Which Could Exacerbate the Risks Described Above.

We may be able to incur additional debt in the future, including in connection with acquisitions or joint ventures. Although our Revolving Credit Facility and the indentures governing our existing senior notes contain, and the indenture governing the exchange notes will contain, restrictions on our ability to incur indebtedness, those restrictions are subject to a number of exceptions, and, under certain circumstances, indebtedness incurred in compliance with these restrictions could be substantial. In addition, if we are able to designate some of our restricted subsidiaries under the indenture governing the exchange notes as unrestricted subsidiaries, those unrestricted subsidiaries would be permitted to borrow beyond the limitations specified in the indenture and engage in other activities in which restricted subsidiaries may not engage. We may also consider investments in joint ventures or acquisitions, which may increase our indebtedness. Moreover, although our Revolving Credit Facility and the indentures governing our existing senior notes contain, and the indenture governing the exchange notes will contain, restrictions on our ability to make restricted payments, including the declaration and payment of dividends and the repurchase of our common stock, we are able to make such restricted payments under certain circumstances. For example, we have previously authorized a stock repurchase program and we may use proceeds from the original notes offering or other available funds to repurchase common stock under this program. The repurchase of common stock up to the remaining amount authorized under this program would currently be permitted under our Revolving Credit Facility, the indentures governing our existing senior notes, and the indenture governing the exchange notes. Adding new debt to current debt levels or making otherwise restricted payments could intensify the related risks that we and our subsidiaries now face. See Capitalization and Description of Certain Indebtedness.

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Repurchase of Notes We May Not Have the Ability to Repurchase the Exchange Notes or Our Other Notes Upon the Occurrence of Certain Events.

Upon the occurrence of a change of control, we would be required under the indenture governing the exchange notes to repurchase up to all outstanding notes at the option of the holders of such notes. The indentures governing our existing senior notes and convertible senior subordinated notes require us to make similar offers to the holders of those notes. These events could also constitute an event of default under our Revolving Credit Facility, which would prohibit us from repurchasing any notes. Any future credit agreements or other agreements relating to other indebtedness to which we become a party may contain similar restrictions and provisions. If we do not obtain a consent to the repurchase of the exchange notes, we may remain prohibited from repurchasing the exchange notes. We cannot assure you that we would have sufficient financial resources, or would be able to arrange financing, to pay the repurchase price for all notes tendered by the holders. Any failure to repurchase the exchange notes when required will result in an event of default under the indenture, which would in turn be a default under the instruments governing our other debt.

Fraudulent Conveyance Laws May Permit Courts to Void Future Guarantees of the Exchange Notes in Specific Circumstances, Which Would Interfere With the Payment of any Note Guarantees.

If, in the future, any of our domestic significant subsidiaries guarantee the exchange notes, federal and state statues may allow courts, under specific circumstances to void the future guarantees of the exchange notes. Such courts could require holders to return payments they receive from the note guarantors in the event of the note guarantors bankruptcy or other financial difficulties. Under U.S. federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be subordinated to all other indebtedness of that guarantor in certain circumstances. The measure of insolvency for purposes of these fraudulent transfer laws will vary depending on the law of the jurisdiction that is being applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a debtor would be considered insolvent if, at the time the debtor incurred the debt, either the sum of its debts and liabilities (including contingent liabilities) was greater than the debtor s assets at fair valuation, or the present fair saleable value of its assets was less than the amount required to pay the probable liquidity on its total existing debts and liabilities (including contingent liabilities) as they became absolute and matured.

If a court voids a note guarantee or holds it unenforceable, you would cease to be a creditor of the note guarantor and would be a creditor solely of us and the other note guarantors. In addition, any payment by such note guarantor pursuant to its note guarantee could be voided and you could be required to return it to such note guarantor, or to a fund for the benefit of the creditors of such note guarantor.

No Prior Market for the Exchange Notes We Cannot Assure You That an Active Trading Market Will Develop for the Exchange Notes.

Immediately following the consummation of this offering, there will not be a public market for the exchange notes. In connection with the initial placement of the original notes, the initial purchasers informed us that they intended to make a market in the notes (including the exchange notes) following completion of such offering. However, the initial purchasers may cease their market-making at any time. In addition, the liquidity of the trading markets in the exchange notes, and the market prices quoted for the exchange notes, may be adversely affected by changes in:

- the overall market for high yield securities;
- our financial performance or prospects; or
- the prospects for companies in the semiconductor industry generally.

As a result, we cannot assure holders of notes that an active trading market will develop for the exchange notes.

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Any Decline in the Ratings of our Corporate Credit could Adversely Affect the Value of the Exchange Notes.

Any decline in the ratings of our corporate credit or any indications from the rating agencies that their ratings on our corporate credit are under surveillance or review with possible negative implications could adversely affect the value of the exchange notes. In addition, a ratings downgrade could adversely affect our ability to access capital.

You May Have Difficulties in Enforcing Judgments in Foreign Jurisdictions.

Since a large portion of our assets are located outside the U.S., any judgments obtained in the U.S. against us, including judgments with respect to the payment of principal, premium, interest, offer price, or other amounts payable with respect to the notes may be not collectible within the U.S. If holders of notes intend to enforce a judgment obtained in the U.S. against our assets located outside the U.S., they may be subject to additional procedures and other difficulties which would not be required for enforcement of such judgment in the U.S.

Risks Related to Our Business

Dependence on the Highly Cyclical Semiconductor and Electronic Products Industries We Operate in Volatile Industries and Industry Downturns and Declines in Global Economic and Financial Conditions Could Harm Our Performance.

Our business is impacted by market conditions in the semiconductor industry, which is cyclical by nature and impacted by broad economic factors, such as world-wide gross domestic product and consumer spending. The semiconductor industry has experienced significant and sometimes prolonged downturns in the past. For example, the recent financial crisis and global recession resulted in a downturn in the semiconductor industry that adversely affected our business and results of operations in late 2008 and in 2009. Although the world economy recovered somewhat in 2010, economic growth slowed in 2011 in the U.S. and internationally. In view of this slow growth and the recent economic uncertainty in Europe, consumer demand in the U.S. and globally may be adversely impacted which may harm the semiconductor industry and our business.

Since our business is, and will continue to be, dependent on the requirements of semiconductor companies for subcontracted packaging and test services, any downturn in the semiconductor industry or any other industry that uses a significant number of semiconductor devices, such as consumer electronic products, telecommunication devices, or computing devices, could have a material adverse effect on our business and operating results. It is difficult to predict the timing, strength or duration of any economic slowdown or subsequent economic recovery, which, in turn, makes it more challenging for us to forecast our operating results, make business decisions, and identify risks that may affect our business, sources and uses of cash, financial condition and results of operations. Additionally, if industry conditions deteriorate, we could suffer significant losses, as we have in the past, which could materially impact our business, liquidity, results of operations, financial condition and cash flows.

Fluctuations in Operating Results and Cash Flows Our Operating Results and Cash Flows Have Varied and May Vary Significantly as a Result of Factors That We Cannot Control.

Many factors, including the impact of adverse economic conditions, could have a material adverse effect on our net sales, gross profit, operating results and cash flows, or lead to significant variability of quarterly or annual operating results. Our profitability and ability to generate cash from operations is principally dependent upon demand for semiconductors, the utilization of our capacity, semiconductor package mix, the average selling price of our services, our ability to manage our capital expenditures in response to market conditions and our ability to control our costs including labor, material, overhead and financing costs. The downturn in demand for semiconductors in late 2008 and in 2009 resulted in significant declines in our operating results and cash flows as capacity utilization declined. Although the world economy recovered somewhat in 2010, the recent slow rate of economic growth in the U.S. and elsewhere and economic uncertainty in Europe, or the negative impact on economic growth resulting from the combination of federal income tax increases and government spending restrictions potentially occurring at the end of calendar year 2012 in the U.S. (commonly referred to as fiscal cliff), could adversely affect consumer demand in the U.S. and globally, which may negatively impact our operating results.

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Our net sales, gross profit, operating income and cash flows have historically fluctuated significantly from quarter to quarter as a result of many of the following factors, over which we have little or no control and which we expect to continue to impact our business:

- fluctuation in demand for semiconductors and conditions in the semiconductor industry;
- changes in our capacity utilization rates;
- changes in average selling prices;
- changes in the mix of semiconductor packages;
- evolving packaging and test technology;
- absence of backlog and the short-term nature of our customers commitments and the impact of these factors on the timing and volume of orders relative to our production capacity;
- changes in costs, availability and delivery times of raw materials and components;
- changes in labor costs to perform our services;
- wage and commodity price inflation, including precious metals;
- the timing of expenditures in anticipation of future orders;
- changes in effective tax rates;
- the availability and cost of financing;
- intellectual property transactions and disputes;
- high leverage and restrictive covenants;
- warranty and product liability claims and the impact of quality excursions and customer disputes and returns;

costs associated with litigation judgments, indemnification claims and settlements;

international events, political instability, civil disturbances or environmental or natural events, such as earthquakes, that impact our operations;

pandemic illnesses that may impact our labor force and our ability to travel;

difficulties integrating acquisitions and the failure of our joint ventures to operate in accordance with business plans;

our ability to attract and retain qualified employees to support our global operations;

loss of key personnel or the shortage of available skilled workers;

fluctuations in foreign exchange rates and the cost of materials used in our packaging services such as gold and copper;

delay, rescheduling and cancellation of large orders;

fluctuations in our manufacturing yields; and