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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2005

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)*

1900 South Price Road
Chandler, AZ 85248
(480) 821-5000
(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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. days. Yes ☐ No ☑

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 such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2005, was approximately $463,099,763

The number of shares outstanding of each of the issuer's classes of common equity, as of February 28, 2006, was as follows: 176,835,422 shares of Common Stock, $0.001 par value.

DOCUMENTS INCORPORATED BY REFERENCE:
None.

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All references in this Annual Report to "Amkor," "we," "us," "our" or the "company" are to Amkor Technology, Inc. and its subsidiaries. We refer to the Republic of Korea, which is also commonly known as South Korea, as "Korea." All references in this Annual Report to "ASI" are to Anam Semiconductor, Inc. and its subsidiaries. As of December 31, 2005, we owned 2% of ASI's outstanding voting stock. PowerQuad®, *Super*BGA®, *fle*XBGA®, ChipArray®, PowerSOP®, *Micro*LeadFrame®, ETCSP®, TapeArray®, VisionPak®, Unitive®, Amkor® and Amkor Technology® are registered trademarks of Amkor Technology, Inc. All other trademarks appearing herein are held by their respective owners. MultiMediaCard®, MMCMobile® and MMCplus® are a registered trademarks of MMCA. MicroSDtm and miniSDtmare a trademarks of SDA.

PART I

Item 1. *Business*

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This business section contains forward-looking statements. 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. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, you should specifically consider various factors, including the risks outlined under “Risk Factors that May Affect Future Operating Performance” in Item 1A of this Annual Report. These factors may cause our actual results to differ materially from any forward-looking statement.

OVERVIEW

Amkor is one of the world’s largest subcontractors of semiconductor packaging (sometimes referred to as assembly) and test services. Amkor pioneered the outsourcing of semiconductor packaging and test services through a predecessor in 1968, and over the years has built a leading position by:

- Providing a broad portfolio of packaging and test technologies and services;
- Maintaining a leading role in the design and development of new package and test technologies;
- Cultivating long-standing relationships with customers, including many of the world’s leading semiconductor companies;
- Developing expertise in high-volume manufacturing processes to provide our services; and
- Providing a broadly diversified operational scope, with production capabilities in China, Korea, Japan, the Philippines, Singapore, Taiwan and the United States (“U.S”).

Packaging and test are integral parts of the process of manufacturing semiconductor devices. This process begins with silicon wafers and involves the fabrication of electronic circuitry into complex patterns, thus creating large numbers of individual chips on the wafers. The fabricated wafers are probed to ensure the individual devices meet design specifications. The packaging process creates an electrical interconnect between the semiconductor chip and the system board through wire bonding or bumping technologies. In packaging, individual chips are separated from the fabricated semiconductor wafers, attached to a substrate and then encased in a protective material to provide optimal electrical connectivity and thermal performance. The packaged chips are then tested using sophisticated equipment to ensure that each packaged chip meets its design specifications. Increasingly, packages are custom designed for specific chips and specific end-market applications. We are able to provide turnkey solutions including semiconductor wafer bumping, wafer probe, wafer backgrind, package design, packaging, test and drop shipment services. The packaging and test services provided by Amkor are more fully described below under “Packaging and Test Services.”

The semiconductors that we package and test for our customers ultimately become components in electronic systems used in communications, computing, consumer, industrial and automotive applications. Our customers include, among others: Altera Corporation; Avago Technologies, Pte; Freescale Semiconductor, Inc.; Intel Corporation; International Business Machines Corporation (“IBM”); Samsung Electronics Corporation, Ltd.; Sony Semiconductor Corporation; ST Microelectronics, Pte, Ltd.; Texas Instruments, Inc.; 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.

AVAILABLE INFORMATION

Amkor files annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission (the “SEC”). You may read and copy any document we file at the SEC’s Public Reference Room at Room 1580, 100 F Street, NE, Washington, D.C. 20549. Please call the

SEC at 1-800-SEC-0330 for information on the Public Reference Room. The SEC maintains a Web site that contains annual, quarterly and current reports, proxy statements and other information that issuers (including Amkor) file electronically with the SEC. The SEC's Web site is *http://www.sec.gov.*

Amkor's web site is *http://www.amkor.com.* Amkor makes available free of charge through its internet site, its annual reports on Form 10-K; quarterly reports on Form 10-Q; current reports on Form 8-K; Forms 3, 4 and 5 filed on behalf of directors and executive officers; and any amendments to those reports filed or furnished pursuant to the Securities Exchange Act of 1934 as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. These documents are not available on our site as soon as they are available on the SEC's site. The information on Amkor's web site is not incorporated by reference into this report.

INDUSTRY BACKGROUND

Semiconductor devices are the essential building blocks used in most electronic products. As semiconductor devices have evolved, there have been three important consequences: (1) an increase in demand for computers and consumer electronics fostered by declining prices for such products; (2) the proliferation of semiconductor devices into diverse end products such as consumer electronics, wireless communications equipment and automotive systems; and (3) an increase in the semiconductor content within electronic products. These consequences have fueled the growth of the overall semiconductor industry, as well as the market for outsourced semiconductor packaging and test services.

Outsourcing Trends

Historically, semiconductor companies packaged semiconductors primarily in their own factories and relied on subcontract providers to handle overflow volume. In recent years, semiconductor companies have increasingly outsourced their packaging and test to subcontract providers, such as us, for the following reasons:

Subcontract providers have developed expertise in advanced packaging and test technologies.

Semiconductor companies face increasing demands for miniaturization, increased functionality and improved thermal and electrical performance in semiconductor devices. This trend, along with greater complexity in the design of semiconductor devices and the increased customization of interconnect packages, has led many semiconductor companies to view packaging and test as an enabling technology requiring sophisticated expertise and technological innovation. As packaging and test technology becomes more advanced, many semiconductor companies have had difficulty developing adequate internal packaging and test capabilities and are relying on subcontract providers of packaging and test services as a key source of new package design and production.

Subcontract providers can offer shorter time-to-market for new products because their resources are dedicated to packaging and test solutions.

We believe that semiconductor companies, together with their customers, are seeking to shorten the time-to-market for their new products, and that having the appropriate packaging technologies and capacity in place is a critical factor in facilitating product introductions.

Semiconductor companies frequently do not have sufficient time to develop their packaging and test capabilities or deploy the equipment and expertise to implement new packaging technology in volume. For this reason, semiconductor companies are leveraging the resources and capabilities of subcontract packaging and test companies to deliver their new products to market more quickly.

Many semiconductor manufacturers do not have the economies of scale to offset the significant costs of building packaging and test factories.

Semiconductor packaging is a complex process requiring substantial investment in specialized equipment and factories. As a result of the large capital investment required, this manufacturing equipment must operate

at a high capacity level for an extended period of time to be cost effective. Shorter product life cycles, faster introductions of new products and the need to update or replace packaging equipment to accommodate new package types have made it more difficult for semiconductor companies to maintain cost effective utilization of their packaging and test assets. Subcontract providers of packaging and test services, on the other hand, can typically use their equipment to support a broad range of customers, potentially generating greater economies of scale.

The availability of high quality packaging and test services from subcontractors allows semiconductor manufacturers to focus their resources on semiconductor design and wafer fabrication.

As semiconductor process technology migrates to larger wafers and smaller feature size, a state-of-the-art wafer fabrication facility costs billions of dollars. Subcontractors have demonstrated the ability to deliver advanced packaging and test solutions at a competitive price, thus allowing semiconductor companies to focus their capital resources on core wafer fabrication activities rather than invest in advanced packaging and test technology.

There are many semiconductor companies without factories, known as "fabless" companies, which design semiconductor chips and outsource all of the associated manufacturing.

Fabless semiconductor companies focus exclusively on the semiconductor design process and outsource virtually every step of the manufacturing process. We believe that fabless semiconductor companies will continue to be a significant driver of growth in the subcontract packaging and test industry.

These outsourcing trends, combined with the growth in the number of semiconductor devices being produced and sold, are increasing demand for subcontracted packaging and test services. Today, nearly all of the world's major semiconductor companies use packaging and test service subcontractors for at least a portion of their needs.

COMPETITIVE STRENGTHS

We believe our competitive strengths include the following:

Broad Offering of Package Design, Packaging and Test Services

Integrating advanced semiconductor technology into electronic end products often poses unique thermal electrical and other design challenges, and Amkor employs a large number of package design engineers to solve these challenges. Amkor produces more than 1,000 package types, representing one of the broadest package offerings in the semiconductor industry. We provide customers with a wide array of packaging solutions including leadframe and laminate packages, using wirebond and flip chip formats. We are a leading assembler of 3D packages, in which the individual chips are stacked vertically to provide greater performance while preserving space on the system board, and multi-chip modules used in cell phones and other handheld end-products. We are also a leading provider of wafer bumping services used in the production of flip chip and wafer level packages. We are one of the world's largest producers of packages for micro-electromechanical system ("MEMS") devices used in a variety of end markets including automotive, industrial and personal entertainment. We also offer an extensive line of test services for analog, digital, logic, mixed signal and radio frequency semiconductor devices. We believe that the breadth of our design, packaging and test services is important to customers seeking to reduce the number of their suppliers.

Leading Technology Innovator

We believe that we are one of the leading providers of advanced wafer bumping, and semiconductor packaging and test solutions. We have also been at the forefront in developing environmentally friendly ("Green") IC packaging, which involves the elimination of lead and certain other materials. We have designed and developed several state-of-the-art leadframe and laminate package formats including our *Micro*LeadFrame®, PowerQuad®, *Super* BGA®, *fle*XBGA® and ChipArray® packages. Through Unitive, Inc. ("Unitive") and Unitive Semiconductor Taiwan ("UST"), companies that we acquired in August 2004, we

offer advanced, electroplated wafer bumping and wafer level processing technologies. To maintain our leading industry position, we have 600 employees engaged in research and development focusing on the design and development of new semiconductor packaging and test technologies. We work closely with customers and technology partners to develop new and innovative package designs.

Long-Standing Relationships With Prominent Semiconductor Companies

Our customer base consists of more than 200 companies, including most of the world's largest semiconductor companies. Over the last three decades, Amkor has developed long-standing relationships with many of our customers. In 2004, we entered into a long-term supply agreement with IBM in which we expect to provide a substantial majority of IBM's outsourced semiconductor packaging and test through 2010.

Advanced Processing Capabilities

We believe that our processing excellence has been a key factor in our success in attracting and retaining customers. We have worked with our customers and our suppliers to develop proprietary process technologies to enhance our existing capabilities, reduce time-to-market, increase quality and lower our costs. We believe our cycle times are among the fastest available from any subcontractor of packaging and test services.

Geographically Diversified Operational Base

Since 2000, we have expanded our historical base of packaging and test operations in Korea and the Philippines to include China, Japan, Singapore, Taiwan and the U.S., and as a result, we now have a broad geographical base strategically located in many of the world's important electronics manufacturing regions.

COMPETITIVE DISADVANTAGES

You should be aware that our competitive strengths may be diminished or eliminated due to certain challenges faced by us and which our principal competitors may or may not face, including the following:

- High Leverage — We have substantial indebtedness, and the associated interest expense significantly increases our cost structure. Our substantial indebtedness could limit our ability to fund future working capital, capital expenditures, research and development and other general corporate requirements.
- Difficulties Integrating Acquisitions — During 2004, we acquired test operations from IBM located in Singapore and acquired Unitive and UST. We face challenges as we integrate new and diverse operations and try to attract qualified employees to support our expansion plans.

In addition, we and our competitors face a variety of operational and industry risks inherent to the industry in which we operate. For a complete discussion of risks associated with our business, please read "Risk Factors that May Affect Future Operating Performance" in Item 1A "Risk Factors" of this Annual Report.

STRATEGY

To build upon our industry position and to remain a preferred subcontractor of semiconductor packaging and test services, we are pursuing the following strategies:

Capitalize on Outsourcing Trend

We believe there is a long-term trend towards more outsourcing on the part of semiconductor companies and that this trend generally transcends the cyclical nature of the semiconductor industry. We believe that many vertically integrated semiconductor companies reduce their investments in advanced packaging and test technology during industry downturns and increase their reliance on outsourced packaging and test suppliers for advanced package and test requirements. We also believe that as the semiconductor content of electronic end products increases in complexity, so will the need for the advanced package and test solutions. Accordingly, we expect semiconductor companies will continue to expand their outsourcing of advanced

semiconductor packaging and test services and we intend to capitalize on this growth. We believe semiconductor companies will increasingly outsource packaging and test services to companies who can provide advanced technology and high-quality, high-volume packaging and test expertise.

Leverage Scale and Scope of Packaging and Test Capabilities

We plan to accommodate the long-term outsourcing trend by expanding the scale of our operations and the scope of our packaging and test services. We believe that our scale and scope allow us to provide cost-effective solutions to our customers in the following ways:

- We have the capacity to absorb large orders and accommodate quick turn-around times;
- We use our size and industry position to obtain favorable pricing, where possible, on materials and equipment; and
- We offer an exceptionally broad range of packaging and test services and can serve as the primary supplier of such services for many of our customers.

Maintain Our Technology Leadership

We intend to continue to develop and commercialize leading-edge packaging technologies, including flip chip, system-in-package, package-on-package, stacked chip, chip scale and wafer level packaging. We believe that our focus on research and product development will enable us to enter new markets early, capture market share and promote the adoption of our new package designs as industry standards. We seek to enhance our in-house research and development capabilities through the following activities:

- Collaborating with integrated device manufacturer customers, such as IBM, to gain access to technology roadmaps for next generation semiconductor designs and to develop new packages that satisfy their future requirements;
- Collaborating with original equipment manufacturers ("OEMs"), such as Toshiba Corporation, Sony Ericsson Corporation and Nokia Group, to design new packages that function with the next generation of electronic products; and
- Collaborating with wafer foundry companies on future package needs for new wafer technologies.

Enhance the Geographical Scope of our Operations

Prior to 2001, our operations were centered in Korea and the Philippines. In order to diversify our operational footprint and better serve our customers, we adopted a strategy of expanding our operational base to other key microelectronic areas of Asia. During 2001, we commenced a joint venture with Toshiba Corporation in Japan and we established a presence in Taiwan and China. In January 2004, we purchased the remaining interest in our joint venture from Toshiba Corporation. In May 2004, we acquired from IBM a testing facility in Singapore. In August 2004, we acquired Unitive, and approximately 60% of UST, leading providers of wafer bumping and wafer level packaging services, with operations in North Carolina and Taiwan, respectively. In January 2006, we acquired 39.6% of UST and now own 99.6%. Our goal is to build operational scale in China, Singapore and Taiwan and capitalize on growth opportunities that may arise from our presence in these markets.

Provide Integrated Turnkey Solutions

We are able to provide turnkey solutions including semiconductor wafer bumping, wafer probe, wafer backgrind, package design, packaging, test and drop shipment services. We believe that our turnkey capabilities facilitate the outsourcing model by enabling our customers to achieve faster time-to-market for new products and improved cycle times.

Strengthen Customer Relationships

We intend to enhance our long-standing customer relationships and develop collaborative supply agreements. We believe that shorter technology life cycles and faster new product introductions require integrated communications within the supply chain. We have customer support personnel located near or at the facilities of major customers and in important technology centers. Our support personnel work closely with our customers and suppliers to plan production for existing packages as well as to develop requirements for the next generation of packaging technology. In addition, we implement direct electronic links with our customers to enhance communication and facilitate the flow of real-time engineering data and order information.

Pursue Strategic Acquisitions

We evaluate candidates for strategic acquisitions to strengthen our business and expand our geographic reach. We believe that there are opportunities to acquire in-house packaging operations of our customers and competitors. To the extent we acquire operations of our customers, we intend to structure any such acquisition to include long-term supply contracts with those customers. For example, in May 2004 we acquired the Singapore test operations of IBM and contemporaneously entered into a long-term supply agreement with IBM. Under this long-term supply agreement, we will receive a majority of IBM's outsourced semiconductor packaging and test business through 2010.

PACKAGING AND TEST SERVICES

Packaging Services

We offer a broad range of package formats and services designed to provide our customers with a full array of packaging solutions. Our package services are divided into three families: leadframe, laminate and other.

In response to the increasing demands of today's high-performance electronic products, semiconductor packages have evolved from traditional leadframe packages and now include advanced leadframe and laminate formats. The differentiating characteristics of these package formats include (1) the size of the package, (2) the number of electrical connections the package can support, (3) the thermal and electrical characteristics of the package, and (4) in the case of our System-in-Package family of laminate packages, the integration of multiple active and passive components in a single package.

As semiconductor devices increase in complexity, they often require a larger number of electrical connections. Leadframe packages are so named because they connect the electronic circuitry on the semiconductor device to the system board through metal leads on the perimeter of the package. Our laminate products, typically called ball grid array ("BGA"), use balls on the bottom of the package to support larger numbers of electrical connections.

Evolving semiconductor technology has allowed designers to increase the level of performance and functionality in portable and handheld electronics products and this has led to the development of smaller package sizes. In some leading-edge packages, the size of the package is reduced to approximately the size of the individual chip itself in a process known as chip scale packaging.

The following table sets forth by product type, for the periods indicated, the amount of our net sales in millions of dollars and the percentage of such net revenues:

	2005		2004		2003	
	Year Ended December 31,					
	(Dollars in millions)					
Packaging						
Leadframe	$ 834	39.7%	$ 844	44.4%	$ 794	49.5%
Laminate	987	47.0%	838	44.1%	640	39.9%
Other	82	3.9%	44	2.3%	34	2.1%
Test	197	9.4%	175	9.2%	136	8.5%
Total net sales	$ 2,100	100.0%	$ 1,901	100.0%	$ 1,604	100.0%

Leadframe Packages

Traditional leadframe-based packages are the most widely used package family in the semiconductor industry and are typically characterized by a chip encapsulated in a plastic mold compound with metal leads on the perimeter. Two of our most popular traditional leadframe package types are SOIC and QFP, which support a wide variety of device types and applications. The traditional leadframe package family has evolved from "through hole design," where the leads are plugged into holes on the circuit board to "surface mount design," where the leads are soldered to the surface of the circuit board. We offer a wide range of lead counts and body sizes to satisfy variations in the size of customers' semiconductor devices.

Through a process of continuous engineering and customization, we have designed several advanced leadframe package types that are thinner and smaller than traditional leadframe packages, with the ability to accommodate more leads on the perimeter of the package. These advanced leadframe packages typically have superior thermal and electrical characteristics, which allow them to dissipate heat generated by high-powered semiconductor devices while providing enhanced electrical connectivity. We plan to continue to develop increasingly smaller versions of these packages to keep pace with continually shrinking semiconductor device sizes and demand for miniaturization of portable electronic products.

We are an industry leader in providing complete solutions to lower the total cost for our customers. One example is the integration of high-density leadframe packaging, in which nearly 200 leadframe packages can be produced at one time, with strip test, a process of massive parallel testing, in which large numbers of leadframe package can be tested at one time. With strip test, electronically isolated packaged units are tested in parallel, resulting in faster handler index times and higher throughput rates, thus reducing test cost and increasing test yield. In 2005, we strip tested approximately 923 million units.

One of our most successful advanced leadframe package offerings is the *Micro*LeadFrame® family of QFN, or Quad Flat No-lead packages. This package family is particularly well suited for radio frequency ("RF") and wireless applications.

Laminate Packages

The laminate family typically employs the ball grid array design, which utilizes a plastic or tape laminate substrate rather than a leadframe substrate, and places the electrical connections on the bottom of the package rather than around the perimeter.

The ball grid array format was developed to address the need for higher lead counts required by many advanced semiconductor devices. As the number of leads on leadframe packages increased, leads were placed closer to one another in order to maintain the small size of the package. The increased lead density resulted in shorting and other electrical challenges, and required the development of increasingly sophisticated and expensive techniques for producing circuit boards to accommodate the high number of leads.

The ball grid array format solved this problem by effectively creating leads on the bottom of the package in the form of small bumps or balls that can be evenly distributed across the entire bottom surface of the package, allowing greater distance between the individual leads.

Our first package format in this family was the plastic ball grid array ("PBGA"). We have subsequently designed or licensed additional ball grid array package formats that have superior performance characteristics and features that enable low-cost, high-volume manufacturing. These laminate products include:

- *Super*BGA®, which includes a copper layer to dissipate heat and is designed for low-profile, high-power applications; and
- TEPBGA-2, which is a standard PBGA with thicker copper layers plus an integrated heat slug and is designed for enhanced thermal performance in high power applications.

Our Laminate package service offering also includes "System-in-Package" ("SiP") modules. SiP modules integrate various system elements into a single-function block, thus enabling space and power efficiency, high performance and lower production costs. Our SiP technology is being used to produce a variety of devices including power amplifiers for cellular phones and other portable communication devices, wireless local area network ("WLAN") modules for networking applications, camera modules, sensors, such as fingerprint recognition devices, and memory cards. Our memory cards are used for a variety of detachable non-volatile memory applications. Manufactured formats include, MultiMediaCard®, SecureDigital Cardtm, MMCMobile®, MMCplus®, microSDtm and miniSDtm.

We have also designed a variety of packages, commonly referred to as chip scale packages ("CSP"), which are not much larger than the chip itself. Chip scale packages are becoming widely adopted as designers and manufacturers of consumer electronics seek to achieve higher levels of performance while shrinking the product size. Some of our chip scale packages include ChipArray® and TapeArray®, in which the package is only 1.5mm larger than the chip itself.

Advances in packaging technology now allow the placing of two or more chips on top of each other within an individual package. This concept, known as stacked packaging, permits a higher level of semiconductor density and more functionality. In addition, advanced wafer thinning technology has fostered the creation of extremely thin packages that can be placed on top of each other within standard height restrictions used in microelectronic system boards. Some of our stacked packages include:

- Stacked CSP ("S-CSP"), which is similar to our ChipArray®, except that S-CSP contains two or more chips placed on top of each other; and
- Package-on-Package ("POP"), which are extremely thin chip scale packages that can be stacked on top of each other.

Other

Our customers are creating smaller and more powerful versions of semiconductor devices to meet demands for miniaturization of portable electronic products, higher performance applications and converging functionality. For many of these devices, the optimal packaging solutions use solder bumps instead of gold wire to form the electrical interconnect between the device and the package. These forms of packaging are called flip chip and wafer level packaging. We offer our customers turnkey flip chip solutions, including wafer probe, wafer bumping, packaging, test and drop ship, on 200mm and 300mm wafers. An increasing number of devices, from diodes to DRAMs, use wafer level packaging. Most of these devices are small in size, with hundreds or thousands fabricated on each wafer. Our Wafer Level Chip Scale Packaging ("WLCSP") service allows chip designers to integrate more technology at the wafer level, on a smaller footprint, with exceptional performance and reliability.

We are also a leading outsourced provider of packages based on MEMS that are used in a broad range of industrial and consumer applications, including automobiles and home entertainment.

Test Services

Amkor provides a complete range of test solutions including wafer probe, final test, strip test, marking, bake, dry pack, and tape and reel as well as drop shipment to final users as directed by our customers. A significant portion of units tested at Amkor are drop shipped to the end user. Direct ship eliminates one extra inspection step and improves overall cycle time. The devices we test encompass nearly all technologies produced in the industry today including digital, linear, mixed signal, memory, RF and integrated combinations of these technologies. In 2005, we tested over 2.9 billion units making us one of the highest volume testing companies in the subcontract packaging and test business. We tested 39%, 33% and 28% of the units that we packaged in 2005, 2004 and 2003, respectively. In 2005 we expanded our operations in Taiwan to offer turnkey services including wafer bumping, wafer probe, packaging, final test and drop ship. Amkor test operations compliment traditional wire bond as well as flip chip packaging technologies.

We are also an industry leader in providing innovative testing solutions for cellular and wireless connectivity products that help to lower the total cost of test for our customers. An example of this innovation is our low cost radio frequency tester ("RFT"). We have developed a variety of test services that covers the range from low level integration RF only to highly integrated, front end transmit (power amplifier) modules on up to multi-chip SiP modules that encompass entire radio systems. For low level integration RF only devices, Amkor's RFT tester continues to offer a low cost test platform. In late 2004 and 2005, investments were made to bring in a comprehensive line of automated test equipment ("ATE") from: Agilent Technologies, Inc.; Teradyne, Inc.; LTX Corporation and Credence Systems Corporation to address the growing cellular and wireless connectivity products. We also offer RF probe services, which can be critical in lowering overall module costs.

Amkor provides value added engineering services in addition to basic device testing. These services include conversion of single site to multisite, test program development, test hardware development, and test program conversion to lower cost test systems. We can provide the test engineering services needed by our customers to get their products ready for high volume production. We believe that these services will continue to become more valuable to our customers as they face resource constraints not only in their production testing, but also in their test engineering and development areas.

RESEARCH AND DEVELOPMENT

Our research and development efforts focus on developing new package products, test services and improving the efficiency and capabilities of our existing production processes. We believe that we have a distinct advantage in technology development which is one of the key success factors in the semiconductor packaging and test market in this area. Our focus on research and development efforts enable us to enter markets early, capture market share and promote the adoption of our new package offerings as industry standards. These efforts also support our customers' needs for smaller packages, increased performance, and lower cost. In addition, we license our leading edge technology, such as *Micro*LeadFrame®, to customers and competitors. We continue to invest our research and development resources to further the development of flip chip interconnection solutions, chip scale and stack packages, *Micro*LeadFrame® and System-in-Package technologies.

As of December 31, 2005, we have 600 employees in research and development activities. In addition, we involve management and operations personnel in research and development activities. In 2005, 2004 and 2003, we spent $37.3 million, $36.7 million and $30.2 million, respectively, on research and development.

MARKETING AND SALES

Our marketing offices manage and promote our packaging and test services while key customer and technical support is provided through our network of international sales offices. To better serve our customers, our offices are located near our largest customers or areas where there is customer concentration. Our marketing and sales office locations include sites in the U.S. (Chandler, Arizona; Irvine, Santa Clara and San Diego, California; Boston, Massachusetts; Greensboro, North Carolina; and Austin and Dallas, Texas), China, France, Japan, Korea, the Philippines, Singapore, Taiwan and the United Kingdom.

To provide comprehensive sales and customer service, we typically assign each of our customers a direct support team consisting of an account manager, technical program manager, test program manager and both field and factory customer support representatives. We also support our largest multinational customers from multiple office locations to ensure that we are aligned with their global operational and business requirements.

Our direct support teams are further supported by an extended staff of product, process, quality and reliability engineers, as well as marketing and advertising specialists, information systems technicians and factory personnel. Together, these direct and extended support teams deliver an array of services to our customers. These services include:

- Managing and coordinating ongoing manufacturing activity;
- Providing information and expert advice on our portfolio of packaging and test solutions and related trends;
- Managing the start-up of specific packaging and test programs thus improving customers' time-to-market;
- Providing a continuous flow of information to our customers regarding products and programs in process;
- Partnering with customers on concurrent design solutions;
- Researching and assisting in the resolution of technical and logistical issues;
- Aligning our technologies and research and development activities with the needs of our customers and OEMs;
- Providing guidance and solutions to customers in managing their supply chains;
- Driving industry standards;
- Providing design and simulation services to insure package reliability; and
- Collaborating with our customers on continuous quality improvement initiatives.

Further, we implement direct electronic links with our customers to:

- Achieve near real time and automated communications of order fulfillment information, such as inventory control, production schedules and engineering data, including production yields, device specifications and quality indices, and
- Connect our customers to our sales and marketing personnel worldwide and to our factories.

Web-enabled tools provide our customers real time access to the status of their products, the performance of our manufacturing lines, and technical data they require to support their new product introductions.

CUSTOMERS

As of February 28, 2006, we had more than 200 customers, including many of the largest semiconductor companies in the world. More than half of our overall net sales come from outside of the United States. The table below lists our top 25 customers in 2005 based on net sales:

Altera Corporation
AMI Semiconductor
Analog Devices, Inc.
Atmel Corporation
Avago Technologies, Pte
Broadcom Corporation
Conexant Systems, Inc.
Freescale Semiconductor, Inc.
Infineon Technologies AG
Intel Corporation
International Business Machines Corporation ("IBM")
LSI Logic Corporation
Maxim Integrated Products, Inc.
MediaTek, Inc.
Mtekvision Co., Ltd.
Nvidia Corporation
Philips Electronics
RF Micro Devices, Inc.
Renesas Technology Corp. (Hitachi)
Samsung Electronics Corporation, Ltd.
Sony Semiconductor Corporation
ST Microelectronics, Pte
Texas Instruments, Inc.
Toshiba Corporation
Xilinx, Inc.

For a discussion of risks attendant to our foreign operations, see "Risk Factors That May Affect Future Operating Performance — Risks Associated with International Operations — We Depend on Our Factories and Operations in China, Japan, Korea, the Philippines, Singapore and Taiwan. Many of Our Customers' and Vendors' Operations Are Also Located and Operations Outside of the U.S." in Item 1A "Risk Factors" of this Annual Report.

Toshiba Corporation accounted for 11.6% of our consolidated net sales in 2003. No customer accounted for more than 10% of our consolidated net sales in either 2005 or 2004.

MATERIALS AND EQUIPMENT

Our packaging operations depend upon obtaining adequate supplies of materials and equipment on a timely basis. The principal materials used in our packaging process are leadframes or laminate substrates, gold wire and mold compound. We purchase materials based on customer forecasts, and our customers are generally responsible for any unused materials which we purchased based on such forecasts.

We work closely with our primary material suppliers to insure that materials are available and delivered on time. Moreover, we also negotiate worldwide pricing agreements with our major suppliers to take advantage of the scale of our operations. We are not dependent on any one supplier for a substantial portion of our material requirements.

Our packaging operations depend on obtaining manufacturing equipment on a timely basis. We work closely with major equipment suppliers to insure that equipment is delivered on time and that the equipment meets our stringent performance specifications.

For a discussion of additional risks associated with our materials and equipment suppliers, see "Risk Factors that May Affect Future Operating Performance" in Item 1A "Risk Factors" of this Annual Report.

ENVIRONMENTAL MATTERS

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 U.S., 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.

We are engaged in a continuing program to assure compliance with federal, state and local environmental laws and regulations. We currently do not expect that capital expenditures or other costs attributable to compliance with environmental laws and regulations will have a material adverse effect on our business, results of operations, financial condition or cash flows.

For a discussion of additional risks associated with the environmental issues, see "Risk Factors that May Affect Future Operating Performance — Environmental Regulations — Future Environmental Regulations Could Place Additional Burdens on Our Manufacturing Operations" in Item 1A "Risk Factors" of this Annual Report.

COMPETITION

The subcontracted semiconductor packaging and test market is very competitive. 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 include Advanced Semiconductor Engineering, Inc. and its subsidiary ASE Test Ltd., Siliconware Precision Industries Co., Ltd. and STATS ChipPAC Ltd. Such companies have also established relationships with many large semiconductor companies that are current or potential customers of Amkor. We also compete with the internal semiconductor packaging and test capabilities of many of our customers.

The principal elements of competition in the subcontracted semiconductor packaging market include: (1) price, (2) available capacity, (3) quality, (4) breadth of package offering, (5) technical competence, (6) new package design and implementation, (7) cycle times and (8) customer service. We believe that we generally compete favorably with respect to each of these factors.

INTELLECTUAL PROPERTY

We maintain an active program to protect our investment in technology by augmenting and enforcing our intellectual property rights. Intellectual property rights that apply to our various products and services include patents, copyrights, trade secrets and trademarks. We have filed and obtained a number of patents in the U.S. and abroad the duration of which varies depending on the jurisdiction in which the patent is filed. While our patents are an important element of our intellectual property strategy and our success, as a whole we are not materially dependent on any one patent or any one technology. 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 also protect certain details about our processes, products and strategies as trade secrets, keeping confidential the information that we believe provides us with a competitive advantage. We have ongoing programs designed to maintain the confidentiality of such information. Further, to distinguish our products from our competitors' products, we have obtained certain trademarks and service marks. We have promoted and will continue to promote our particular product brands through advertising and other marketing techniques.

EMPLOYEES

As of December 31, 2005, we had 24,000 full-time employees. Of the total employee population, 17,900 were engaged in processing, 3,700 were engaged in processing support, 600 were engaged in research and development, 500 were engaged in marketing and sales and 1,300 were engaged in finance, business management and administration. We believe that our relations with our employees are good. We have never experienced a work stoppage in any of our factories. Our employees in the U.S., China, the Philippines, Singapore and Taiwan are not represented by a collective bargaining unit. Certain members of our factories in

Korea and Japan are members of a union, and all employees at these factories are subject to collective bargaining agreements.

Item 1A. *Risk Factors*

RISK FACTORS THAT MAY AFFECT FUTURE OPERATING PERFORMANCE

The factors discussed below are cautionary statements that identify important factors that could cause actual results to differ materially from those anticipated by the forward-looking statements contained in this report. For more information regarding the forward-looking statements contained in this report, see the introductory paragraph to Part II, Item 7 of this Annual Report. You should carefully consider the risks and uncertainties described below, together with all of the other information included in this report, in considering our business and prospects. The risks and uncertainties described below are not the only ones facing Amkor. Additional risks and uncertainties not presently known to us also may impair our business operations. The occurrence of any of the following risks could affect our business, financial condition or results of operations.

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 are highly cyclical. Because 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 the personal computer and telecommunication devices industries, could have a material adverse effect on our business and operating results. The semiconductor industry is cyclical by nature and we are periodically impacted by downturns. Over the past several years the semiconductor industry experienced a downturn, which negatively impacted our revenues and margins causing net losses. A significant portion of our operating expenses is fixed in nature, and planned expenditures are based in part on anticipated customer orders, which are subject to material changes. In addition, our fixed operating costs have increased in part as a result of our efforts to expand our capacity through acquisitions, including the acquisition of certain operations and assets in Shanghai, China and Singapore from IBM and Xin Development Co., Ltd. in May 2004, and the acquisition of capital stock of Unitive and UST in August 2004. In the event that forecasted customer demand for which we make advance capital expenditures does not materialize, our liquidity may be materially impacted and our operating results could be adversely affected. Additionally, if current industry conditions deteriorate, we could suffer significant losses, which could materially impact our business including our liquidity.

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 could materially and adversely affect 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 dependent upon the utilization of our capacity, semiconductor package mix, the average selling price of our services and our ability to control our costs including labor, material, overhead and financing costs.

Our operating results and cash flows have varied significantly from period to period. During 2005 our net sales, gross margins, operating income and cash flows have fluctuated significantly as a result 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;
- declines in average selling prices;
- changes in the mix of semiconductor packages;
- evolving package 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;
- 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;
- costs associated with litigation judgments and settlements;
- international events that impact our operations and environmental events such as earthquakes; and
- difficulties integrating acquisitions and our ability to attract qualified employees to support our geographic expansion.

We have historically been unable to accurately predict the impact of these factors upon our results for a particular period. These factors, as well as the factors set forth below which have not significantly impacted our recent historical results, may impair our future business operations and may materially and adversely affect our net sales, gross profit, operating results and cash flows, or lead to significant variability of quarterly or annual operating results:

- loss of key personnel or the shortage of available skilled workers;
- rescheduling and cancellation of large orders; and
- fluctuations in our manufacturing yields.

Declining Average Selling Prices — The Semiconductor Industry Places Downward Pressure on the Prices of Our Products.

Prices for packaging and test 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, by negotiating lower prices with our material vendors, recovering material cost increases from our customers, and by driving engineering and technological changes in our packaging and test processes which resulted in reduced manufacturing costs. During 2005, as compared to 2004, average selling prices increased. Favorable market conditions in 2005 enabled us to selectively increase pricing, improve our product mix, and expand our results in recovering material cost increases. Although we expect continued general downward pressure on average selling prices for our packaging and test services in the future, we plan on continuing efforts to offset price declines by selective price increases in the near term and improving product mix. If our semiconductor package mix does not shift to new technologies with higher prices or we cannot reduce the cost of our packaging and test services to offset a decline in average selling prices, our future operating results will suffer. In addition, we cannot predict customer response to continued attempts to raise prices to cover additional costs and we may lose business.

High Leverage and Restrictive Covenants — Our Substantial Indebtedness Could Adversely Affect Our Financial Condition and Prevent Us from Fulfilling Our Obligations.

Substantial Leverage. We now have, and for the foreseeable future will continue to have, a significant amount of indebtedness. As of December 31, 2005, our total debt balance was $2,140.6 million, of which

$184.4 million was classified as a current liability. In addition, despite current debt levels, the terms of the indentures governing our indebtedness do allow us or our subsidiaries to incur more debt limited by certain restrictions if our interest coverage ratio falls below 2.5 to 1. 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 and we are unable to amend such financial covenants. A default and acceleration under one debt instrument may also trigger cross-acceleration 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:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness;
- 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;
- 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.

Ability to Service Debt and Fund Other Liquidity Needs. As of December 31, 2005, we had cash and cash equivalents of $206.6 million and $96.7 million available under our new senior secured revolving credit facility. We have prepared a forecast for 2006 which is based on our current expectations regarding revenue growth and associated operating expense and capital spending levels. If our actual results should differ materially from our expectations, our liquidity may be adversely impacted. If that were to occur, we would take steps to adjust our operating costs and capital expenditures to levels necessary to support our incoming business. We may also need to raise additional equity or borrow additional funds to achieve our longer-term business objectives. There can be no assurance, however, that such equity or borrowings will be available or, if available, will be at rates or prices which are acceptable to us. Nevertheless, we believe that our cash flow from operating activities coupled with existing cash balances and availability under our new senior secured revolving credit facility will be sufficient to fund our working capital, debt service and purchases of property, plant and equipment through December 31, 2006, including retiring the remaining $133.0 million of our 5.75% convertible subordinated notes at maturity on June 1, 2006.

Absence of Backlog — The Lack of Contractually Committed Customer Demand May Adversely Affect Our Revenues.

Our packaging and test business does not typically operate with any material backlog. Our quarterly net sales from packaging and test services are substantially dependent upon our customers' demand in that quarter. None of our customers have 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 any amount we deem material. In addition, our customers often reduce, cancel or delay their purchases of packaging and test services. Recently, our customers' demand for our services has increased and their forecasts have shown a less-than-typical decline for the first quarter of 2006; however, we cannot predict if this demand trend will continue and the forecasted demand will materialize. Because a large portion of our costs is fixed and our expense levels are based in part on our expectations of future revenues, we are not able to adjust costs

in a timely manner to compensate for any revenue shortfall, which adversely affects our margins, operating results and cash flows. If customer demand does not materialize, our net sales, margins, operating results and cash flows will be materially and adversely affected.

Risks Associated With International Operations — We Depend on Our Factories and Operations in China, Japan, Korea, the Philippines, Singapore and Taiwan. Many of Our Customers' and Vendors' Operations Are Also Located Outside of the U.S.

We provide packaging and test services through our factories and other operations located in the China, Japan, Korea, the Philippines, Singapore and Taiwan. Moreover, many of our customers' and vendors' 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, military and terrorist 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 Expanding and Evolving Our Operational Capabilities — We Face Challenges as We Integrate New and Diverse Operations and Try to Attract Qualified Employees to Support Our Operations.

We have experienced, and expect to continue to experience, growth in the scope and complexity of our operations. For example, each business we have acquired had, at the time of acquisition, multiple systems for managing its own production, sales, inventory and other operations. Migrating these businesses to our systems typically is a slow, expensive process requiring us to divert significant amounts of resources from multiple aspects of our operations. This growth has strained our managerial, financial, plant operations and other resources. Future expansions may result in inefficiencies as we integrate new operations and manage geographically diverse operations. 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. 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. Additionally, as part of our ongoing strategic planning, we evaluate our management team and engage in long-term succession planning in order to ensure orderly replacement of key personnel. We cannot assure you that we will be successful in these efforts or 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.

Dependence on Materials and Equipment Suppliers — Our Business May Suffer If The Cost, Quality 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, laminate substrates and gold wire, from a limited group of suppliers. Furthermore, we purchase the majority of our materials on a purchase order basis. From time to time, we enter into supply agreements, generally up to one year in duration, to guarantee supply to meet projected demand. Such agreements may generally be terminated at the option of either party with 90-days written notice. Our business may be harmed if we cannot obtain materials and other supplies from our vendors: in a timely manner, in sufficient quantities, in acceptable quality or at competitive prices.

The average price of gold and other commodities used in our processes have been increasing over the past few years. Although we have been able to partially offset the effect of these price increases through price adjustments to customers and changes in our product designs, prices may continue to increase. To the extent that we are unable to offset these increases in the future, our gross margins could be negatively impacted.

Capital Additions — We Believe We Need To Make Substantial Capital Additions, Which May Adversely Affect Our Business.

We believe that our business requires us to make significant capital additions in order to address what we believe is an overall trend in outsourcing of packaging and test services. The amount of capital additions will depend on several factors including, among others, the performance of our business, the need for additional capacity to service anticipated customer demand and the availability of suitable financing. Our ongoing capital addition requirements may strain our cash and short-term asset balances, and we expect that depreciation expense and factory operating expenses associated with our capital additions to increase production capacity, will put downward pressure on our near-term gross margin. In addition, there can be no assurance that we will be able to recover these additions with future demand for our services.

Increased Litigation Incident to Our Business — Our Business May Suffer as a Result of Our Involvement in Various Lawsuits.

We are currently a party to various legal proceedings, including those described in Part I, Item 3 “Legal Proceedings” in this Annual Report on Form 10-K. Much of our recent increase in litigation relates to an allegedly defective epoxy compound, formerly used in some of our products, which is alleged to be responsible for certain semiconductor chip failures. We have recently settled all but one of the outstanding mold compound litigation matters. If an unfavorable ruling was to occur in the remaining legal proceeding or other customers were to make similar claims, there exists the possibility of a material adverse impact on our operating results in the period in which the ruling occurs. The estimate of the potential impact from legal proceedings on our financial position or results of operations could change in the future.

Rapid Technological Change — Our Business Will Suffer If We Cannot Keep Up With Technological Advances in Our Industry.

The complexity and breadth of semiconductor packaging and test services are rapidly changing. As a result, we expect that we will need to offer more advanced package designs in order to respond to competitive industry conditions and customer requirements. Our success depends upon our ability to develop and implement new manufacturing processes and package design technologies. The need to develop and maintain advanced packaging 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, which 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 or obtain access to advanced package designs developed by others, our business could suffer.

Competition — We Compete Against Established Competitors in the Packaging and Test Business.

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

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, at our foreign facilities 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 U.S., as well as international environmental regulations, impose various controls on the storage, handling, discharge and disposal of chemicals used in our production processes and on the factories we occupy.

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

Protection of Intellectual Property — We May Become Involved in Intellectual Property Litigation.

We maintain an active program to protect our investment in technology by augmenting and enforcing our intellectual property rights. Intellectual property rights that apply to our various products and services include patents, copyrights, trade secrets and trademarks. We have filed and obtained a number of patents in the U.S. and abroad the duration of which varies depending on the jurisdiction in which the patent is filed. While our patents are an important element of our intellectual property strategy and our success, as a whole we are not materially dependent on any one patent or any one technology. 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 defend ourselves against claimed infringement of the rights of others through litigation, which could result in substantial cost and diversion of our resources. We are currently involved in two legal proceedings involving the acquisition of intellectual property rights, or the enforcement of our existing intellectual property rights. We refer you to the matters of *Amkor Technology, Inc. v. Carsem, et al.* and *Amkor Technology, Inc. v. Motorola, Inc.* which are described in more detail in Part I, Item 3 “Legal Proceedings” in this Annual Report on Form 10-K.

The semiconductor industry is characterized by frequent claims regarding patent and other intellectual property rights. If any third party makes an enforceable infringement claim against us, we could be required to:

- discontinue the use of certain processes;
- cease to provide the services at issue;
- pay substantial damages;
- develop non-infringing technologies; or
- acquire licenses to the technology we had allegedly infringed.

From time to time, we receive inquiries regarding possible conflicts with the intellectual property rights of other parties. In some cases it may become necessary to enter into licenses or other agreements with these parties or with other third parties to strengthen or defend our intellectual property position, or to acquire additional intellectual property rights. We have not accrued a loss or established a reserve for payments, if any, that we may need to make under any such licenses or agreements, as we are not currently able to make a reasonable estimate of the amounts of any such losses or payments, if any.

If we fail to obtain necessary licenses or if we are subjected to litigation relating to patent infringement or other intellectual property matters, our business could suffer. We are currently involved in a legal proceeding involving the alleged intellectual property rights of a third party. We refer you to the matter of *Tessera, Inc. v.*

Amkor Technology, Inc., which is described in more detail in Part I, Item 3 "Legal Proceedings" in this Annual Report on Form 10-K.

Continued Control By Existing Stockholders — Mr. James J. Kim and Members of His Family Can Substantially Control The Outcome of All Matters Requiring Stockholder Approval.

As of January 31, 2006, Mr. James J. Kim, our Chief Executive Officer and Chairman of the Board, and members of his family beneficially owned approximately 46.0% of our outstanding common stock. This percentage includes beneficial ownership of the securities underlying our 6.25% convertible subordinated notes due 2013. Mr. James J. Kim's family, acting together, 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;
- mergers and acquisitions involving our company;
- tender offers; and
- open market purchase programs or other purchases of our common stock.

Item 1B. ***Unresolved Staff Comments***

None

Item 2. *Properties*

We provide packaging and test services through our factories in China, Japan, Korea, the Philippines, Singapore, Taiwan and the U.S. We believe that total quality management is a vital component of our advanced processing capabilities. We have established a comprehensive quality operating system designed to promote continuous improvements in our products and maximize yields at high volume production without sacrificing the highest quality standards. The majority of our factories are ISO9001:2000, ISO/ TS 16949:2002, ISO EMS 14001:2004 and QS9000:1998 certified. Additionally, as we acquire or construct additional factories, we commence the quality certification process to meet the certification standards of our existing facilities. We believe that many of our customers prefer to purchase from quality certified suppliers. The size, location and manufacturing services provided by each of our factories are set forth in the table below.

Location	Approximate Factory Size (Square Feet)	Services
Korea		
Seoul, Korea -K1(2)		Packaging services
	670,000	Package and process development
Pupyong, Korea-K3(2)	432,000	Packaging and test services
Kwangju, Korea-K4(2)	888,000	Packaging and test services
Philippines		
Muntinlupa, Philippines-P1(1)		Package and test services
	576,000	Packaging and process development
Muntinlupa, Philippines-P2(1)	152,000	Packaging services
Province of Laguna, Philippines-P3(1)	400,000	Packaging services
Province of Laguna, Philippines-P4(1)	225,000	Test services
Taiwan		
Lung Tan, Taiwan(3)	307,000	Packaging and test services
Hsinchu, Taiwan(2)	314,000	Packaging and test services
Hsinchu, Taiwan(2)	101,000	Wafer bump services
China		
Shanghai, China(3)	170,000	Packaging and test services
Shanghai, China(4)	953,000	Construction-in-progress
Japan		
Kitakami, Japan(2)	120,000	Packaging and test services
Singapore		
Kaki Bukit, Singapore(5)	141,000	Test services
Science Park, Singapore(6)	165,000	Wafer bumping services
United States		
Raleigh-Durham, NC(3)	37,000	Wafer bumping services

(1) As a result of foreign ownership restrictions in the Philippines, the land associated with our Philippine factories is leased from realty companies in which we own a 40% interest. Beginning July 1, 2003, these entities have been consolidated within the financial statements of Amkor, in accordance with Financial Accounting Standards Board ("FASB") Interpretation No. 46. We own the buildings at our P1, P3 and P4 facilities and lease the buildings at our P2 facility from one of the aforementioned realty companies.

(2) Owned facility and land.

(3) Leased facility.

(4) Property acquired in May 2004 and is expected to house both packaging and test operations when completed. We started construction on Phase 1 during 2005. Phase 1 will complete approximately 30% of the building space and will be ready for occupancy by mid 2006. Land is leased.

(5) Includes both a leased sales office and owned test services facility. Operations will be consolidated into owned facility in 2006.

(6) Facility acquired in February 2006. Land is leased.

We believe that our existing properties are in good condition and suitable for the conduct of our business. At the end of 2005, we were productively utilizing the majority of the space in our facilities, except for the construction-in-progress site in Shanghai, China. See (4) above. We intend to expand our production capacity in 2006 and beyond as necessary to meet customer demand.

Our principal executive office and operational headquarters is located in Chandler, Arizona. In addition to executive staff, the Chandler, Arizona campus houses sales and customer service for the southwest region, product management, finance, information systems, planning and marketing. During 2005, the majority of the West Chester, Pennsylvania corporate functions were transitioned to the Chandler, Arizona location. The West Chester location now serves primarily as an additional executive office. Our marketing and sales office locations include sites in the U.S. (Chandler, Arizona; Irvine, Santa Clara and San Diego, California; Boston, Massachusetts; Greensboro, North Carolina; West Chester, Pennsylvania; and Austin and Dallas, Texas), China, France, Japan, Korea, the Philippines, Singapore, Taiwan and the United Kingdom.

Item 3. *Legal Proceedings*

We are currently a party to various legal proceedings, including those noted below. While we currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on our financial position, results of operations or cash flows, litigation is subject to inherent uncertainties. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on our net results in the period in which the ruling occurs. The estimate of the potential impact from the following legal proceedings on our financial position, results of operations or cash flows could change in the future. Attorney fees related to legal matters are expensed as incurred.

Epoxy Mold Compound Litigation

We have become party to an increased number of litigation matters relative to our historic levels. Much of our recent litigation relates to an allegedly defective epoxy mold compound, formerly used in some of our packaging services, which is alleged to be responsible for certain semiconductor chip failures. With respect to the one pending matter, we believe we have meritorious defenses, as well as valid third-party claims against Sumitomo Bakelite Co., Ltd. ("Sumitomo Bakelite"), the manufacturer of the challenged epoxy product, should the epoxy mold compound be found to be defective. We cannot be certain, however, that we will be able to recover any amount from Sumitomo Bakelite if we are held liable in this matter, or that any adverse result would not have a material impact upon us. Moreover, other customers of ours have made inquiries about the epoxy mold compound, which was widely used in the semiconductor industry, and no assurance can be given that claims similar to those already asserted will not be made against us by other customers in the future.

Resolved Epoxy Mold Compound Litigation

Fujitsu Limited v. Cirrus Logic, Inc., et al.

On April 16, 2002, we were served with a third-party complaint in an action entitled Fujitsu Limited v. Cirrus Logic, Inc., in the United States District Court for the Northern District of California, San Jose Division. Subsequently, substantially the same case was filed in the Superior Court of California, Santa Clara County, and the United States District Court case was stayed. In this action, Fujitsu Limited ("Fujitsu") alleged that semiconductor devices it purchased from Cirrus Logic, Inc. ("Cirrus Logic") were defective in that a certain epoxy mold compound manufactured by Sumitomo Bakelite and Sumitomo Plastics America, Inc. ("Sumitomo Plastics" and collectively with Sumitomo Bakelite, the "Sumitomo Bakelite

Parties") and used by us in the manufacture of the chip caused a short circuit which rendered Fujitsu disk drive products inoperable. Cirrus Logic, in response, denied the allegations of the complaint, cross-complained against Fujitsu for unpaid invoices, and filed its cross-complaint against us alleging that any liability for chip defects should be assigned to us because we assembled the subject semiconductor devices. We filed a cross-complaint against Sumitomo Bakelite asserting claims for breach of warranties and indemnification.

On April 18 and 19, 2005, we participated in a private mediation with all parties involved. As a result of the mediation, on April 28, 2005 an agreement was reached among Fujitsu, Cirrus Logic, the Sumitomo Bakelite Parties and ourselves to settle this litigation and the parties entered the agreement into the record in Superior Court; thereafter, the parties memorialized and executed their settlement agreement in written form. Pursuant to the settlement agreement, we paid $40 million to Fujitsu in consideration of a release from and dismissal of all claims related to this litigation. We also agreed to dismiss our claims against Sumitomo Bakelite as part of the parties' settlement agreement. The $40.0 million is reflected as part of the provision for legal settlements and contingencies in our Consolidated Statement of Operations for the year ended December 31, 2005. The $40.0 million was paid during the second quarter of 2005.

Seagate Technology LLC v. Atmel Corporation, et al.

In March 2003, we were served with a cross-complaint in an action between Seagate Technology LLC and Seagate Technology International ("Seagate") and Atmel Corporation and Atmel Sarl ("Atmel") in the Superior Court of California, Santa Clara County. Atmel's cross-complaint seeks indemnification from us for any damages incurred from the claims by Seagate involving the allegedly defective epoxy mold compound manufactured by Sumitomo Bakelite. We answered Atmel's cross-complaint, denying all liability, and filed a cross-complaint against Sumitomo Bakelite seeking indemnification. Atmel later amended its cross-complaint to include claims for negligence and negligent misrepresentation against us and added ChipPAC Inc. ("ChipPAC") and Sumitomo Bakelite as cross-defendants. ChipPAC filed a cross-complaint against Sumitomo Bakelite and us.

On April 14, 2005 an agreement was reached among Seagate, Atmel, ChipPAC, Sumitomo Bakelite and ourselves to settle this litigation. We agreed to pay $5.0 million to Seagate in consideration of a release from and dismissal of all claims related to this litigation. We also agreed to dismiss our claims against Sumitomo Bakelite as part of the parties' settlement agreement. The $5.0 million is reflected as part of the provision for legal settlements and contingencies in our Consolidated Statement of Operations for the year ended December 31, 2005. The $5.0 million was paid during the second quarter of 2005.

Fairchild Semiconductor Corporation v. Sumitomo Bakelite Singapore Pte. Ltd., et al.

In September 2003, we were served with an amended complaint filed by Fairchild Semiconductor Corporation ("Fairchild") against us, the Sumitomo Bakelite Parties and Sumitomo Bakelite Singapore Pte. Ltd. (collectively with the Sumitomo Bakelite Parties, the "Sumitomo Bakelite Defendants") in the Superior Court of California, Santa Clara County. The amended complaint seeks damages related to our use of Sumitomo Bakelite's epoxy mold compound in assembling Fairchild's semiconductor packages. We answered Fairchild's amended complaint, denying all liability, and filed a cross-complaint against Sumitomo Bakelite seeking indemnification.

In August 2005, we reached an agreement with Fairchild and the Sumitomo Bakelite Defendants to settle all claims involving us in this litigation. We agreed to pay $3.0 million to Fairchild and release our claims against Sumitomo Bakelite in consideration of a release from and dismissal of all claims against us. The $3.0 million is reflected as part of the provision for legal settlements and contingencies in our Consolidated Statement of Operations for the year ended December 31, 2005. The $3.0 million was paid during the third quarter of 2005.

Maxtor Corporation v. Koninklijke Philips Electronics N.V., et al.

In April 2003, we were served with a cross-complaint in an action between Maxtor Corporation ("Maxtor") and Koninklijke Philips Electronics ("Philips") in the Superior Court of California, Santa Clara County. Philips' cross-complaint sought indemnification from us for any damages incurred from the claims by

Maxtor involving the allegedly defective epoxy mold compound manufactured by Sumitomo Bakelite. Philips subsequently filed a cross-complaint directly against the Sumitomo Bakelite Parties, alleging, among other things, that the Sumitomo Bakelite Parties breached their contractual obligations to both us and Philips by supplying a defective mold compound resulting in the failure of certain Philips semiconductor devices. We denied all liability in this matter and also asserted a cross-complaint against Sumitomo Bakelite. The Sumitomo Bakelite Parties denied any liability. Maxtor and Philips reached a settlement of Maxtor's claims against Philips on or about April 28, 2004 in which, reportedly, Philips agreed to pay Maxtor $24.8 million. On October 15, 2004, we and Sumitomo Bakelite reached a settlement agreement whereby Sumitomo Bakelite agreed to indemnify us for any damages awarded to Philips in excess of $3.5 million. In exchange, we dismissed our cross-claims against Sumitomo Bakelite. Trial of this matter before a jury began on October 18, 2004 and closing arguments were heard on November 29, 2004. On December 1, 2004, the Court and the jury rendered verdicts in our favor related to all of Philips' claims against us. By those verdicts, we were exonerated of all alleged liability. The jury's verdict further determined the Sumitomo Bakelite Parties' share of liability to be 57% and Philips' share to be 43%. Philips has agreed not to appeal the judgment in our favor in return for our agreement not to seek costs of suit from Philips.

Pending Epoxy Mold Compound Litigation

While the ultimate outcome is uncertain, as a result of the previously discussed epoxy mold compound litigation settlements, we have established a loss accrual related to the following pending claim. This amount is reflected as part of the provision for legal settlements and contingencies in our Consolidated Statement of Operations for the year ended December 31, 2005.

Maxim Integrated Products, Inc. v. Amkor Technology, Inc., et al.

In August 2003, we were served with a complaint filed by Maxim Integrated Products, Inc. ("Maxim") against us and the Sumitomo Bakelite Parties in the Superior Court of California, Santa Clara County. The complaint seeks damages related to our use of Sumitomo Bakelite's epoxy mold compound in assembling Maxim's semiconductor packages. We have asserted cross-claims against Sumitomo Bakelite for indemnification. Discovery is ongoing. The Court has set a trial date of June 12, 2006. We have denied all liability. We intend to defend ourselves vigorously, pursue our cross-claims against Sumitomo Bakelite and seek judgment in our favor.

Other Litigation

Amkor Technology, Inc. v. Motorola, Inc.

In August 2002, we filed a complaint against Motorola, Inc. ("Motorola") seeking declaratory judgment relating to a controversy between us and Motorola concerning: (i) the assignment by Citizen Watch Co., Ltd. ("Citizen") to us of a Patent License Agreement dated January 25, 1996 between Motorola and Citizen (the "License Agreement") and concurrent assignment by Citizen to us of Citizen's interest in U.S. Patents 5,241,133 and 5,216,278 (the "'133 and '278 patents") which patents relate to BGA packages; and (ii) our obligation to make certain payments pursuant to an immunity agreement (the "Immunity Agreement") dated June 30, 1993 between us and Motorola, pending in the Superior Court of the State of Delaware in and for New Castle County.

We and Motorola resolved the controversy with respect to all issues relating to the Immunity Agreement, and all claims and counterclaims filed by the parties in the case relating to the Immunity Agreement were dismissed or otherwise disposed of without further litigation. The claims relating to the License Agreement and the '133 and '278 Patents remained pending.

We and Motorola both filed motions for summary judgment on the remaining claims, and oral arguments were heard in September 2003. On October 6, 2003, the Superior Court of Delaware ruled in favor of us and issued an Opinion and Order granting our motion for summary judgment and denying Motorola's motion for summary judgment. Motorola filed an appeal in the Supreme Court of Delaware. In May 2004, the Supreme Court reversed the Superior Court's decision, and remanded for further development of the factual record.

The bench trial in this matter was concluded on January 27, 2006. The parties are preparing post-trial briefs and oral argument, and a decision from the judge is currently expected mid-year 2006.

Citizen Watch Co. Ltd. v. Amkor Technology, Inc.

We entered into an Intellectual Property Assignment Agreement ("IPAA") with Citizen with an effective date of March 28, 2002, pursuant to which Citizen assigned to us (i) its rights under the License Agreement and (ii) Citizen's interest in the '133 and '278 patents. The parties entered into the IPAA in conjunction with having entered into a Master Purchase Agreement under which we purchased substantially all of the assets of a division of Citizen in April 2002. The IPAA provided for a deferred payment of 1.4 billion Japanese yen (the "Deferred Payment"). Subsequent to that transaction, Motorola challenged the validity of Citizen's assignment of its rights under the License Agreement to us, which resulted in our litigation with Motorola, Inc., which is described above (the "Motorola case").

Pending resolution of the Motorola case, and in accordance with the terms of the IPAA, we were withholding final payment of the Deferred Payment. In March 2004, Citizen submitted a Demand for Arbitration in the International Chamber of Commerce ("ICC"), claiming breach of our obligation to make the Deferred Payment. We contended that we were rightfully withholding payment of the Deferred Payment in accordance with the terms of the IPAA. The arbitration hearing before the ICC on this matter was held in May 2005. In September 2005, the ICC ruled in favor of Citizen, and as a result we paid Citizen the Deferred Payment ($12.6 million based on the spot exchange rate at September 30, 2005), plus interest of approximately $300,000 on September 30, 2005. The Deferred Payment was accrued in the purchase accounting.

Alcatel Business Systems v. Amkor Technology, Inc., Anam Semiconductor, Inc.

On November 5, 1999, we agreed to sell certain semiconductor parts to Alcatel Microelectronics, N.V. ("AME"), a subsidiary of Alcatel S.A. The parts were manufactured for us by Anam Semiconductor, Inc. ("ASI") and delivered to AME. AME transferred the parts to another Alcatel subsidiary, Alcatel Business Systems ("ABS"), which incorporated the parts into cellular phone products. In early 2001, a dispute arose as to whether the parts sold by us were defective. On March 18, 2002, ABS and its insurer filed suit against us and ASI in the Paris Commercial Court of France, claiming damages of approximately 50.4 million Euros (approximately $59.7 million based on the spot exchange rate at December 31, 2005). We have denied all liability and intend to vigorously defend ourselves and have not established a loss accrual associated with this claim. Additionally, we have entered into a written agreement with ASI whereby ASI has agreed to indemnify us fully against any and all loss related to the claims of AME, ABS and ABS' insurer. The Paris Commercial Court commenced a special proceeding before a technical expert to report on the facts of the dispute. The report of the court-appointed expert was put forth on December 31, 2003. The report does not specifically allocate liability to any particular party. On May 18, 2004, the Paris Commercial Court of France declared that it did not have jurisdiction over the matter. The Court of Appeal of Paris heard the appeal regarding jurisdiction during October 2004, confirmed the first tier ruling and dismissed the appeal on November 3, 2004. A motion was recently filed by ABS and its insurer before the French Supreme Court to challenge the lack of jurisdiction ruling and a brief was filed by ABS and its insurer in June 2005. We filed a response brief before the French Supreme Court in August 2005.

In response to the French lawsuit, on May 22, 2002, we filed a petition to compel arbitration in the United States District Court for the Eastern District of Pennsylvania against ABS, AME and ABS' insurer, claiming that the dispute is subject to the arbitration clause of the November 5, 1999 agreement between us and AME. ABS and ABS' insurer have refused to arbitrate and continue to challenge the lack of jurisdiction ruling.

Amkor Technology, Inc. v. Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd, and Carsem Inc.

In November 2003, we filed complaints against Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd, and Carsem Inc. (collectively "Carsem") with the International Trade Commission ("ITC") in Washing-

ton, D.C. and subsequently in the Northern District of California. The complaints allege infringement of our United States Patent Nos. 6,433,277, 6,455,356, and 6,630,728 (collectively the "Amkor Patents"). We allege that by making, using, selling, offering for sale, or importing into the U.S. the Carsem Dual and Quad Flat No-Lead Package, Carsem has infringed on one or more of our *Micro*LeadFrame® packaging technology claims in the Amkor Patents. The District Court action had been stayed pending resolution of the ITC case. The ITC Administrative Law Judge ("ALJ") conducted an evidentiary hearing during July and August of 2004 in Washington D.C. and issued an initial determination that Carsem infringed some of our patent claims relating to our *Micro*LeadFrame® package technology, that some of our 21 asserted patent claims are valid, and that all of our asserted patent claims are enforceable. However, the ALJ did not find a statutory violation of the Tariff Act. We filed a petition in November 2004 to have the ALJ's ruling reviewed by the full International Trade Commission. The ITC ordered a new claims construction related to various disputed claim terms and remanded the case to the ALJ for further proceedings. The ITC subsequently authorized the ALJ to reopen the record on certain discovery issues related to third party conception documents. The ITC previously ordered the ALJ to issue the final Initial Determination by November 9, 2005 and set a date of February 9, 2006 for completion of the investigation. On February 9, 2006, the ITC ordered a delay in issuance of the Final Determination, pending resolution of the discovery issues related to third party conception documents. The discovery issues are the subject of a subpoena enforcement action which is pending in the District Court for the District of Columbia; a schedule has not yet been established for that action. The case we filed in 2003 in the Northern District of California remains stayed pending completion of the ITC investigation.

Tessera, Inc. v. Amkor Technology, Inc.

On March 2, 2006, Tessera, Inc. filed a Request for Arbitration with the International Court of Arbitration of the International Chamber of Commerce, captioned *Tessera, Inc. v. Amkor Technology, Inc.* The Request for Arbitration claims, among other things, that Amkor is in breach of its license agreement with Tessera as a result of Amkor's failure to pay Tessera royalties allegedly due on certain packages Amkor assembles for some of its customers.

Securities Class Action Litigation

On January 23, 2006, a purported securities class action suit entitled *Nathan Weiss et al. v. Amkor Technology, Inc. et al*., was filed in U.S. District Court for the Eastern District of Pennsylvania against Amkor and certain of its current and former officers. Subsequently, other law firms have filed related cases, which we expect to be consolidated with the initial complaint. The complaints allege, among other things, that Amkor engaged in "channel stuffing" and made certain materially false statements and omissions in its disclosures during the putative class period of October 2003 to July 2004. We believe the suit is without merit, and are preparing to vigorously defend the matter.

Shareholder Derivative Lawsuits

On February 23, 2006, a purported shareholder derivative lawsuit entitled *Scimeca v. Kim, et al.* was filed in the U.S. District Court for the District of Arizona against certain of Amkor's officers, former officers and directors. Amkor is named as a nominal defendant. The complaint includes claims for breach of fiduciary duty, abuse of control, waste of corporate assets and mismanagement, and is generally based on the same allegations as in the securities class action litigation described above.

On March 2, 2006 a purported shareholder derivative lawsuit entitled *Kahn v. Kim, et al.* was filed in the Superior Court of the State of Arizona against certain of Amkor's current and former officers and directors. Amkor is named as a nominal defendant. The complaint includes claims for breach of fiduciary duty and unjust enrichment, and is based on allegations similar to those made in the previously filed federal shareholder derivative action.

Other Legal Matters

Securities and Exchange Commission Investigation

In August 2005, the SEC issued a formal order of investigation regarding certain activities with respect to Amkor securities. As previously announced, the primary focus of the investigation appears to be activities during the period from June 2003 to July 2004. Amkor believes that the investigation continues to relate to transactions in the Company's securities by certain individuals, and that the investigation may in part relate to whether tipping with respect to trading in Amkor securities occurred. The matters at issue involve activities with respect to Amkor securities during the subject period by certain insiders or former insiders and persons or entities associated with them, including activities by or on behalf of certain members of the board of directors and Amkor's Chief Executive Officer. Amkor has cooperated fully with the SEC on the formal investigation and the informal inquiry that preceded it. The SEC has not informed Amkor of any conclusions of wrong doing by any person or entity. Amkor cannot predict the outcome of the investigation. In the event that the investigation leads to SEC action against an officer or director of the Company, our business or the trading price of our common stock may be adversely impacted.

Item 4. ***Submission of Matters to a Vote of Security Holders***

There were no matters submitted to a vote of security holders during the fourth fiscal quarter of the fiscal year ended December 31, 2005.

PART II

Item 5. ***Market For Registrant's Common Equity Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our common stock is traded on the Nasdaq National Market under the symbol "AMKR." The following table sets forth, for the periods indicated, the high and low sale price per share of our common stock as quoted on the Nasdaq National Market.

	High	Low
2005		
First Quarter	$ 6.90	$ 3.73
Second Quarter	5.20	2.87
Third Quarter	6.12	4.08
Fourth Quarter	6.99	3.57
2004		
First Quarter	$ 21.87	$ 12.61
Second Quarter	15.90	7.80
Third Quarter	6.40	3.31
Fourth Quarter	6.80	3.73

There were approximately 223 holders of record of our common stock as of February 28, 2006.

DIVIDEND POLICY

Since our public offering in 1998, we have never paid a dividend to our stockholders. We currently expect to retain future earnings, if any, for use in the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future. In addition, our secured bank debt agreements and the indentures governing our senior and senior subordinated notes restrict our ability to pay dividends. Refer to the Liquidity and Capital Resources Section in Item 7 "Management's Discussion and Analysis."

RECENT SALES OF UNREGISTERED SECURITIES

Convertible Subordinated Notes

On November 18, 2005, James J. Kim, our chairman of the board of directors and chief executive officer, and certain other Kim family trusts (the "Purchasers") purchased an aggregate amount of $100.0 million of 6.25% Convertible Subordinated Notes due 2013 (the "Notes") in a private placement pursuant to the exemptions from the registration requirements of the Securities Act afforded by Section 4(2) of the Securities Act and Rule 144A promulgated under the Securities Act. In connection with sale of the Notes, Amkor entered into an indenture (the "Indenture") with U.S. Bank National Association, as trustee, governing the Notes and an investor rights agreement (the "Rights Agreement") with the Purchasers.

The material terms and conditions of the Notes, the Indenture and the Rights Agreement are set forth in Items 2.03 and 3.02 of the Form 8-K filed with the Commission on November 16, 2005, which is hereby incorporated by reference.

EQUITY COMPENSATION PLANS

The information required by this item regarding equity compensation plans is set forth in Item 12 "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" of this Annual Report on Form 10-K.

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS(1)

Period	Total Principal Amount of Convertible Notes Purchased	Average Price Paid per $1,000 Principal Amount of Convertible Notes	Total Number of Principal Amount of Convertible Notes Purchased as Part of a Publicly Announced Plan or Program	Maximum Number (or Approximate Dollar Value) of Convertible Notes That May yet be Purchased Under the Plan or Program
October 1 — October 31, 2005	$ —	$ —	$ —	$ —
November 1 — November 30, 2005	100,000,000	991.25	—	—
December 1 — December 31, 2005	—	—	—	—

(1) In November 2005, we repurchased $100.0 million of our outstanding 5.75% Convertible Subordinated Notes due June 2006. All repurchases were made in open market transactions. We do not have a specific note repurchase plan or program.

Item 6. ***Selected Consolidated Financial Data***

We have derived the selected historical consolidated financial data presented below as of and for each of the years in the five-year period ended December 31, 2005 from our consolidated financial statements. You should read the selected consolidated financial data set forth below in conjunction with Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes, included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report.

The summary consolidated financial data below reflects the following transactions on a historical basis: (i) our 2001 acquisitions of Amkor Iwate Corporation, Sampo Semiconductor Corporation and Taiwan Semiconductor Technology Corporation (a prior equity investment), (ii) our 2002 acquisitions of semiconductor packaging businesses from Citizen Watch Co., Ltd. and Agilent Technologies, Inc. and (iii) our 2004 acquisitions of the remaining 40% ownership interest in Amkor Iwate Corporation, certain packaging and test assets from IBM, 60% of UST and 100% of Unitive. We historically marketed the output of fabricated semiconductor wafers provided by a wafer fabrication foundry owned and operated by ASI. On February 28, 2003, we sold our wafer fabrication services business to ASI. We restated our historical results to reflect our wafer fabrication services segment as a discontinued operation for all the periods presented.

	Year Ended December 31,				
	2005	2004	2003	2002	2001
	(In thousands, except per share data)				
Statement of Operations Data:					
Net sales	$ 2,099,949	$ 1,901,279	$ 1,603,768	$ 1,406,178	$ 1,336,674
Cost of sales	1,743,996	1,533,447	1,267,302	1,310,563	1,284,423
Gross profit	355,953	367,832	336,466	95,615	52,251
Operating expenses:					
Selling, general and administrative	243,155	221,915	183,291	213,271	207,613
Research and development	37,347	36,707	30,167	35,918	42,450
Provision for legal settlements and contingencies	50,000	—	—	—	—
Gain on sale of specialty test operations	(4,408)	—	—	—	—
Amortization of goodwill(a)	—	—	—	—	79,336
Impairment of long-lived assets and goodwill(b)	—	—	—	263,346	—
Total operating expenses	326,094	258,622	213,458	512,535	329,399
Operating income (loss)	29,859	109,210	123,008	(416,920)	(277,148)
Other (income) expense:					
Interest expense, related party	521	—	—	—	—
Interest expense, net	165,351	148,902	140,281	147,497	150,626
Foreign currency (gain) loss	9,318	6,190	(3,022)	906	872
Other (income) expense, net(c)	(444)	(24,444)	31,052	(1,014)	9,852
Total other expense	174,746	130,648	168,311	147,389	161,350
Loss before income taxes, equity investment losses, minority interests and discontinued operations	(144,887)	(21,438)	(45,303)	(564,309)	(438,498)

(Continued)

	Year Ended December 31,				
	2005	2004	2003	2002	2001
	(In thousands, except per share data)				
Statement of Operations Data: (Continued)					
Equity investment losses(d)	(55)	(2)	(3,290)	(208,165)	(100,706)
Minority interests(e)	2,502	(904)	(4,008)	(1,932)	(1,896)
Loss from continuing operations before income taxes	(142,440)	(22,344)	(52,601)	(774,406)	(541,100)
Income tax provision (benefit)(f)	(5,551)	15,192	(233)	60,683	(84,613)
Loss from continuing operations	(136,889)	(37,536)	(52,368)	(835,089)	(456,487)
Discontinued operations:					
Income from wafer fabrication services business, net of tax	—	—	54,566	8,330	5,626
Net income (loss)	$ (136,889)	$ (37,536)	$ 2,198	$ (826,759)	$ (450,861)
Basic and diluted net income (loss) per common share:					
From continuing operations	$ (0.78)	$ (0.21)	$ (0.31)	$ (5.09)	$ (2.91)
From discontinued operations	—	—	0.32	0.05	0.04
Net income (loss) per common share	$ (0.78)	$ (0.21)	$ 0.01	$ (5.04)	$ (2.87)
Shares used in computing basic and diluted net income (loss) per common share	176,385	175,342	167,142	164,124	157,111
Other Financial Data:					
Depreciation and amortization	$ 248,637	$ 230,344	$ 219,735	$ 323,265	$ 440,591
Capital expenditure payments related to continuing operations	295,943	407,740	190,891	99,771	158,595

	Year Ended December 31,				
	2005	2004	2003	2002	2001
			(In thousands)		
Balance Sheet Data:					
Cash and cash equivalents	$ 206,575	$ 372,284	$ 313,259	$ 311,249	$ 200,057
Working capital	131,758	346,956	337,917	163,498	139,097
Total assets	2,955,091	2,965,368	2,563,919	2,552,085	3,219,253
Total long-term debt	1,956,247	2,040,813	1,650,707	1,737,690	1,771,453
Total debt, including short-term borrowings and current portion of long-term debt	2,140,636	2,092,960	1,679,372	1,808,713	1,826,268
Stockholders' equity	224,301	369,529	401,004	231,367	1,008,717

(a) As of January 1, 2002, we adopted Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets. We reclassified $30.0 million of intangible assets previously identified as an assembled workforce intangible to goodwill. Additionally, we stopped amortizing goodwill of $659.1 million.

(b) During 2002, we recorded an impairment on long-lived assets of $190.3 million primarily to reduce the carrying value of assets to be held and used to their fair value. In addition we recognized an impairment on goodwill of $73.1 million as a result of our annual impairment review performed in the second quarter.

(c) In April 2004, we sold 10.1 million shares of ASI common stock for approximately $49.7 million and recorded an associated gain of $21.6 million. In 2003, we recognized a pre-tax loss of $37.8 million as a result of the early extinguishment of $425.0 million principal amount of our 9.25% senior notes due 2006, $29.5 million principal amount of our 9.25% senior notes due 2008, $17.0 million principal amount of our 5.75% convertible subordinated notes due 2006 and $112.3 million principal amount of our 5% convertible subordinated notes due 2007. This loss was offset by a $7.3 million gain on the sale of our investment in an intellectual property company.

(d) As of January 1, 2002, we adopted Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets. We stopped amortizing goodwill of $118.6 million associated with our equity method investment in ASI. During 2002, we recorded impairment charges totaling $172.5 million to reduce the carrying value of our investment in ASI to market value. ASI is a publicly traded company on the Korean stock exchange. Additionally during 2002, we recorded a loss of $1.8 million on the disposition of a portion of our interest in ASI. On March 24, 2003, we divested 7 million shares of ASI which reduced our ownership percentage in ASI to 16% at that time and we ceased accounting for our investment in ASI under the equity method of accounting.

(e) In 2003, 2002 and 2001, minority interests primarily reflects Toshiba's 40% ownership interest in Amkor Iwate in Japan which we acquired in January 2004. In 2005 and 2004, minority interests primarily reflects the 40% minority ownership interest in UST in which we acquired a majority interest during August 2004.

(f) During 2002, we recorded a $214.8 million charge to establish a valuation allowance against our deferred tax assets consisting primarily of U.S. and Taiwanese net operating loss carryforwards and tax credits. This charge was partially offset by the tax benefit recognized on the loss from continuing operations.

Item 7. *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 and growth of the industry in which we operate, including trends toward increased outsourcing, reductions in inventory and demand and selling prices for our services, (2) our anticipated capital expenditures and financing needs, (3) our belief as to our future capacity utilization rates, revenue, gross margin and operating performance, (4) our contractual obligations 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," "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 "Risk Factors that May Affect Future Operating Performance" included in Item 1A "Risk Factors" of this Annual Report. The following discussion provides information and analysis of our results of operations for the three years ended December 31, 2005 and our liquidity and capital resources. You should read the following discussion in conjunction with Item 1 "Business," Item 3 "Legal Proceedings," Item 6 "Selected Consolidated Financial Data" and Item 8 "Financial Statements and Supplemental Data" in this Annual Report as well as other reports we file with the SEC.

Overview

During 2005, we began to leverage our 2004 strategic initiatives and experienced a broad-based strengthening of our customer demand, particularly in the second half of the year. In 2005, we also began to refocus our organization for long-term success through enhanced operational effectiveness and improved financial performance. We believe that current and forecast business strength, coupled with tight industry capacity and moderate capital expansion, will lead to improved economics for the outsourced semiconductor assembly and test industry. Our goal is to take advantage of this cycle and achieve measured and profitable growth and generate levels of free cash flow that will allow us to reduce our debt.

Our net sales for 2005 were a record $2.1 billion, indicating that the semiconductor industry inventory correction has generally run its course. We serviced 7.4 billion units in 2005 compared to 7.2 billion units in 2004 with services provided extending across a broad range of customers and products. Our increase over 2004 is attributable to market acceptance of our newer service offerings that include flip chip, wafer bumping, wafer level processing and advanced test services as well as an increase in the volume of laminate and leadframe packages we processed.

Gross margin in 2005 was 17.0%. The first and second quarters, at 10.4% and 13.6%, respectively, were impacted by an increased cost structure attributable to our 2004 capacity expansion with the associated revenue ramp not realized until the second half of the year, product mix, pricing issues and increasing material costs. The third quarter saw an improvement in our gross margin to 16.4% due to improvements in both pricing environment and product mix, partially offset by $6.4 million in charges associated with manufacturing overhead reductions and costs stemming from the closing of our Semisys operation, discussed below. Fourth quarter margin rose to 24.2% as a result of favorable product mix, improved pricing and recovery of increasing material costs, higher capacity utilization and increasing contribution from our newer factories.

Our capacity utilization was approximately 90% at the end of 2005 versus approximately 70% at the end of 2004 due primarily to increased customer demand and the ramp of business at our newer factories. Capacity expansion lagged customer demand in the fourth quarter; however, we are committed to growing responsibly by making strategic, financially-disciplined investments. Our capital investments have been, and will continue to be, primarily focused on increasing our test, wafer bumping, flip chip and advanced laminate packaging capacity. During 2005, we entered into several supply agreements with customers that guarantee the customer capacity and provide for customer prepayment of services in exchange for such capacity guarantees. In some cases, customers may forfeit the prepayment if the capacity is not utilized per contract terms. Customer advances of $2.5 million and $0.7 million are included in accrued expenses and other non-current liabilities,

respectively, as of December 31, 2005, and will be returned to the customer over the life of the contract. We anticipate signing more of these types of agreements in 2006.

During 2005, we divested and closed certain non-core packaging and test operations. In the third quarter we terminated the operations of Semisys, a Korean-based subsidiary which produced molds and other equipment used in semiconductor packaging, resulting in a charge of $3.0 million, primarily in cost of sales. Early in the fourth quarter, we sold Amkor Test Services, a specialty test operation in Wichita, Kansas resulting in a gain of $4.4 million shown in operating expenses.

Our net loss for 2005 was $136.9 million, or ($0.78) per share compared to a net loss of $37.5 million, or ($0.21) per share in 2004. In addition to the gross margin impact discussed above, our 2005 results included a provision of $50.0 million for the settlement of mold compound litigation. We paid out $48.0 million in cash against this provision during 2005. Legal expenses were a major contributor to the increased selling, general and administrative expenses in 2005 and 2004. We expect these costs to be lower going forward now that the mold compound and Carsem intellectual property litigation are substantially complete; however, there is uncertainty as to the impact the class action cases filed in early 2006 will have on our legal fees. Severance costs recognized in the third and fourth quarter totaled $4.0 million with anticipated annualized savings of $11.0 million. These employee reductions were part of a comprehensive program we are undertaking to streamline our corporate-wide support organization and reduce selling, general and administrative costs. We intend to continue this program during 2006 with the goal of not only reducing costs, but also improving operational effectiveness. We recorded a tax benefit of $5.6 million which includes the impact of the finalization of the Internal Revenue Service's examination of U.S. federal income tax returns and the issuance of regulations by the IRS in January 2006 clarifying the tax status of certain of our foreign subsidiaries.

During 2005, we completed a series of financing initiatives designed to improve our liquidity. Our chairman, Mr. James J. Kim, and certain other Kim family trusts, subscribed to an offering of $100.0 million of our 6.25% convertible subordinated notes due 2013, the proceeds of which were used to repurchase $100.0 million of our 5.75% convertible notes due June, 2006 at 99.125%, resulting in a gain of $0.9 million, which was partially offset by the write-off of a proportionate amount of our deferred debt issuance costs of $0.3 million. In addition, we replaced our $30.0 million senior secured revolving credit facility with a new $100.0 million first lien secured revolving credit facility that is available through November 2009. We also completed a NT$1.8 billion (approximately $53.5 million) 5-year secured term loan with two Taiwanese lenders. These initiatives, together with improved cash flow from operations, have enhanced our financial flexibility. Please see the Liquidity and Capital Resources section below for further details on these transactions and an analysis of the changes in our balance sheet and cash flows.

Results of Continuing Operations

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

	Year Ended December 31,		
	2005	2004	2003
Net sales	100.0%	100.0%	100.0%
Gross profit	17.0%	19.3%	21.0%
Operating income	1.4%	5.7%	7.7%
Loss before income taxes, equity earnings (losses), minority interests and discontinued operations	(6.9)%	(1.1)%	(2.8)%
Loss from continuing operations	(6.5)%	(2.0)%	(3.3)%

Year Ended December 31, 2005 Compared to Year Ended December 31, 2004

Net Sales. Net sales increased $198.7 million, or 10.5%, to $2,100.0 million in 2005 from $1,901.3 million in 2004. Net sales from our 2004 acquisitions accounted for 58.2% of the increase in our net sales from 2004 to 2005. The following table sets forth by product type the amount of our net sales in millions of dollars and the percentage of such revenue:

	2005		2004	
	Year Ended December 31,			
	(Dollars in millions)			
Packaging				
Leadframe	$ 834	39.7%	$ 844	44.4%
Laminate	987	47.0%	838	44.1%
Other	82	3.9%	44	2.3%
Test	197	9.4%	175	9.2%
Total net sales	$ 2,100	100.0%	$ 1,901	100.0%

Gross Profit. Gross profit decreased $11.9 million, or 3.2%, to $355.9 million in 2005 from $367.8 million in 2004. Our cost of sales consists principally of materials, labor and depreciation. Because a substantial portion of our costs at our factories is fixed, relatively insignificant increases or decreases in capacity utilization rates can have a significant effect on our gross margin.

Material costs increased due to the volume increase and increasing commodity prices. Material costs as a percent of revenue increased from 40.2% in 2004 to 40.9% in 2005. We were able to hold this percentage relatively flat due to richer product mix.

Labor was up both in dollars and as a percentage of net sales due to the ramp in the new factories and wage increases and an unfavorable currency impact at our Korean operations. In addition, we recorded charges in the third quarter of $4.7 million for the shut down of Semisys and the secondment of employees in our Iwate plant.

Other manufacturing costs increased 12.8%, but only 0.6% as a percent of net sales, primarily due to an increase in depreciation, repairs and maintenance and facilities costs attributable to the addition of the new factories and the volume ramp at existing factories.

Gross margin decreased to 17.0% in 2005 from 19.3% in 2004. The decline of 2.3% is a result of lower average selling prices for our leadframe products and increased labor and other manufacturing costs offset by increased contribution from our laminate business and the businesses acquired in 2004. Refer to the Overview above for a discussion of our 2005 quarterly gross margin progression.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $21.32 million to $243.2 million, or 11.6% of net sales, in 2005 from $221.9 million, or 11.7% of net sales, in 2004. Selling, general and administrative expenses for 2004 only included acquired companies' expenses for the portion of the year subsequent to the respective acquisition dates, whereas 2005 included a full year of expenses. In addition, these operations continue to incur increased costs for the ramp in business. Indirect labor at our existing factories increased primarily due to merit increases and an unfavorable foreign currency impact in Korea.

Provision for Legal Settlements and Contingencies. In, 2005 we recorded a $50.0 million provision for legal settlements and contingencies related to the mold compound litigation, as discussed in the Overview above.

Other (Income) Expense. Other expenses, net, increased $44.1 million, to $174.7 million, or 8.3% of net sales, in 2005 from $130.6 million, or 6.9% of net sales, in 2004. The net increase is the result of higher interest expense of $17.0 million; a realized loss on our ASI shares of $3.7 million due to an other-than-temporary

decline in market value for 2005 compared to gain of $21.6 million in 2004 related to the sale of a portion of the shares in ASI and a $3.1 million increase in foreign currency loss.

Provision (Benefit) for Income Taxes. In 2005, we recorded an income tax benefit of ($5.6 million) reflecting an effective tax rate of (3.8%), as compared to an income tax expense of $15.2 million in 2004, reflecting an effective tax rate of 70.9%. The income tax benefit in 2005 was driven by the finalization of our Internal Revenue Service ("IRS") audits of our U.S. federal income tax returns for the years 2000 and 2001 ($3.4 million), the issuance of regulations by the IRS in January 2006 clarifying the tax status of certain of our foreign subsidiaries ($6.5 million), and the net release of other U.S. and foreign reserves applicable to prior years ($1.3 million). The income tax benefit in 2005 was partially offset by foreign withholding taxes and income taxes at our profitable foreign locations. Our 2004 tax provision of $15.2 million included taxes relating to our profitable foreign tax jurisdictions, a provision of $6.5 million recorded in connection with regulations issued by the IRS in August 2004 relating to the tax status of certain of our foreign subsidiaries and U.S. alternative minimum taxes for which we do not anticipate a future benefit. The 2004 provision was partially offset by a tax benefit of ($2.8 million) resulting from a favorable ruling in a foreign jurisdiction.

In 2005, we continued to record a valuation allowance for substantially all of our deferred tax assets, including net operating losses generated in the U.S. and certain foreign jurisdictions during the year ended December 31, 2005. We will begin to reverse the related valuation allowance once profitable operations resume at our various locations.

Minority Interests. Minority interest income was $2.5 million in 2005, as compared to $0.9 million in 2004. In January 2004, we acquired the remaining 40% ownership interest of Amkor Iwate from Toshiba for $12.9 million, eliminating the previous 40% minority interest related to this company. In addition, in August 2004 we acquired 60% of the capital stock of UST, and accordingly, during 2004 and 2005, account for the remaining 40% as a minority interest in our consolidated statement of operations. Refer to *Our 2004 Acquisitions* below for further discussion related to these acquisitions.

Year Ended December 31, 2004 Compared to Year Ended December 31, 2003

Net Sales. Net sales increased $297.5 million, or 18.6%, to $1,901.3 million in 2004 from $1,603.8 million in 2003. This increase in net sales for 2004 was principally attributed to an overall unit volume increase of 30.1%. This increase in volume was driven by a 25.7% increase for advanced packages and a 37.0% increase in our traditional packages. Partially offsetting the volume increases, average selling prices for 2004 declined approximately 7% as compared to average selling prices in 2003. This decrease in overall average selling prices was driven by a 5% decrease in average selling prices for advanced packages and a 12% decrease in average selling prices for traditional packages. Sales from our 2004 acquisitions (refer to *Our 2004 Acquisitions* below) accounted for 6.5% of our increase in net sales for the twelve months ended December 31, 2004.

Gross Profit. Gross profit increased $31.4 million, or 9.3%, to $367.8 million in 2004 from $336.5 million in 2003. Our cost of sales consists principally of materials, labor and depreciation. Because a substantial portion of our costs at our factories is fixed, relatively insignificant increases or decreases in capacity utilization rates can have a significant effect on our gross margin.

Gross margin as a percentage of net sales decreased to 19.3% in 2004 from 21.0% in 2003. The decline of 1.7% is a result of average selling price erosion across our product lines, which decreased gross margin by approximately 2%, increased labor and overhead expenses, which decreased gross margin by approximately 1%, and a shift in product mix, which decreased gross margin by approximately 1%. Principally offsetting these negative impacts on gross margin was the benefit of positive operating leverage associated with increased unit volumes.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $38.6 million to $221.9 million, or 11.7% of net sales, in 2004 from $183.3 million, or 11.4% of net sales, in 2003. During 2004, we experienced increased litigation costs of $14.1 million over the prior year related to our patent infringement and epoxy mold compound litigation matters. The remaining increase in our selling, general and administrative expenses was primarily due to $18.0 million related to increased compensation

costs and general business activity to support our overall business growth and increased compliance costs, $5.8 million related to the operations of our 2004 acquisitions and an increase in executive termination benefits of $0.9 million.

Research and Development. Research and development expenses increased $6.5 million to $36.7 million, or 1.9% of net sales, in 2004 from $30.2 million, or 1.9% of net sales, in 2003. Our increase in our research and development expenses was primarily related to the establishment of a research and development center, located within our Amkor Iwate factory in Japan and increased activities related to our leading edge technologies.

Other (Income) Expense. Other expenses, net, decreased $37.7 million, to $130.6 million, or 6.9% of net sales, in 2004 from $168.3 million, or 10.5% of net sales, in 2003. The net decrease, or favorable change, was primarily the result of debt retirement costs decreasing $34.9 million as compared to the prior year and gains from sale of ASI shares increasing $16.9 million over the prior year. Also contributing to this decrease was a $3.4 million legal settlement gain related to our claims against a software vendor incurred during 2004. In addition, in 2004 we did not incur a $5.7 million loss related to our ASI call options that we incurred in 2003.

The above favorable changes of $63.2 million were partially offset by increased foreign currency losses of $9.2 million due to the depreciation of the U.S. dollar against many of the Asian currencies where we operate, increased interest expense of $8.6 million and a gain from the prior year of $7.3 million related to the sale of our investment in an intellectual property company.

Provision (Benefit) for Income Taxes. We recorded an income tax expense of $15.2 million in 2004, compared to an income tax benefit of $0.2 million in 2003. Our 2004 tax provision includes taxes relating to our profitable foreign tax jurisdictions, a provision of $6.5 million recorded in connection with regulations issued by the Internal Revenue Service relating to the tax status of certain of our foreign subsidiaries for federal income tax purposes, and U.S. alternative minimum taxes for which we do not anticipate a future benefit. The 2004 provision is partially offset by a non-recurring $2.8 million tax benefit as a result of a favorable ruling in a foreign jurisdiction. In 2004, we continued to record a valuation allowance for substantially all of our deferred tax assets generated. We will resume the recognition of deferred tax assets when we return to sustained profitability in our various tax jurisdictions. In 2003, we recorded a tax provision of $7.5 million related to our discontinued operations, for which we were able to record an offsetting tax benefit in continuing operations. We also reduced tax accruals during 2003 by $20.0 million related to tax periods for which the related statutes closed during the year. These tax benefits were offset by taxes related to our profitable foreign tax jurisdictions.

Equity Investment Losses. Our earnings include our share of losses in our equity affiliates in 2004 of $0.2 million, as compared to $3.3 million in 2003. Our 2003 equity investment losses are comprised primarily of our share of losses from our investment in ASI during the period January 1, 2003 through March 23, 2003. On March 24, 2003, we divested 7 million shares of ASI which reduced our ownership percentage in ASI to 16% at that time, and we then ceased the equity method accounting for our investment in ASI.

Minority Interests. Minority interest expense was $0.9 million in 2004, as compared to $4.0 million in 2003. In January 2004, we acquired the remaining 40% ownership interest of Amkor Iwate from Toshiba for $12.9 million, eliminating the previous 40% minority interest related to this company. In addition, in August 2004 we acquired approximately 60% of the capital stock of UST, and accordingly, now account for the remaining 40% as a minority interest in our consolidated statement of operations. Refer to *Our 2004 Acquisitions* below for further discussion related to these acquisitions.

Results of Discontinued Operations

On February 28, 2003, we sold our wafer fabrication services business to ASI. Additionally, we obtained a release from Texas Instruments regarding our contractual obligations with respect to wafer fabrication services to be performed subsequent to the transfer of the business to ASI. We restated our historical results to reflect our wafer fabrication services segment as a discontinued operation. In connection with the disposition of our

wafer fabrication business, we recorded, in the first quarter of 2003, $1.0 million in severance and other exit costs to close our wafer fabrication services operations in Boise, Idaho and Lyon, France. Also in the first quarter of 2003, we recognized a pre-tax gain on the disposition of our wafer fabrication services business of $58.6 million ($51.5 million, net of tax).

Our 2004 Acquisitions

In January 2001, Amkor Iwate Corporation commenced operations and acquired from Toshiba a packaging and test facility located in the Iwate prefecture in Japan. At that time, we owned 60% of Amkor Iwate and Toshiba owned the balance of the outstanding shares. In January 2004, we acquired the remaining 40% ownership interest of Amkor Iwate from Toshiba for $12.9 million. Also in January 2004, we paid approximately $2.0 million to terminate our commitment to purchase a tract of land adjacent to the Amkor Iwate facility. A $2.0 million charge was recorded in selling, general and administrative expenses during the fourth quarter of 2003 related to this termination fee. Amkor Iwate provides packaging and test services principally to Toshiba's adjacent Iwate factory under a long-term supply agreement that provides for services that were performed on a cost plus basis through December 2003 and then at market based rates beginning January 2004. This long-term supply agreement with Toshiba's Iwate factory automatically renews annually by mutual consent.

In May 2004, we acquired certain packaging and test assets from IBM and Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd. ("Xin Development Co., Ltd."). The acquired assets included a test operation located in Singapore (primarily test equipment and workforce), a 953,000 square foot building and associated 50-year land use rights located in Shanghai, China, and other intangible assets. The 953,000 square foot facility is classified as construction-in-progress and we began facilitizing the building in 2005. These assets were acquired for the purposes of increasing our packaging and test capacity. The purchase price was valued at approximately $138.1 million, including $117.0 million of short-term notes payable (net of a $4.6 million discount). The short-term notes payable, and interest thereon of $4.6 million, was paid during the fourth quarter of 2004.

In August 2004, we acquired approximately 93% of the capital stock of Unitive, based in North Carolina, and approximately 60% of the capital stock of UST, a Taiwan-based joint venture between Unitive and various Taiwanese investors. Unitive and UST are providers of wafer level technologies and services for flip chip and wafer level packaging applications. The total purchase price was comprised of $48.0 million, which included cash consideration due at closing of $31.6 million, $1.0 million of direct acquisition costs and $16.2 million (or $15.4 million based on the discounted value) due one year after closing, which was paid in 2005. In addition, we assumed $24.9 million of debt. In December 2004, we acquired the remaining 7% of Unitive. In January 2006, we exercised an option to acquire an additional 39.6% of UST for $18.4 million in cash consideration, which brings our combined ownership to 99.6% of UST. Both original acquisition transactions provided provisions for contingent, performance-based earn-outs which could increase the value of the transactions. With respect to Unitive, the earn-out lapsed with no additional consideration being paid to the former owners. With respect to UST, the earn-out is based on the performance of that subsidiary for the twelve month period ended January 31, 2007. We currently estimate the value of the earn-out will range from $1.0 million to $3.1 million. The results of Unitive and UST operations are included in our Consolidated Statement of Operations beginning on their dates of acquisition, August 19, 2004 and August 20, 2004, respectively. As of December 31, 2005, we reflect as a minority interest the 40.0% of UST which we did not own. As of January 2006, the minority interest was reduced to 0.4%.

Quarterly Results

The following table sets forth our unaudited consolidated financial data, including as a percentage of our net sales, for the last eight fiscal quarters ended December 31, 2005. Our results of operations have varied and may continue to vary from quarter to quarter and are not necessarily indicative of the results of any future

period. The results of the 2004 acquisitions are included in the consolidated financial data from the date of the respective acquisitions.

We believe that we have included all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of our selected quarterly data. You should read our selected quarterly data in conjunction with our consolidated financial statements and the related notes, included in Item 8 “Financial Statements and Supplementary Data” of this Annual Report.

Our net sales, gross profit and operating income are generally lower in the first quarter of the year as compared to the fourth quarter of the preceding year primarily due to the combined effect of holidays in the U.S. and Asia. Semiconductor companies in the U.S. generally reduce their production during the holidays at the end of December which results in a significant decrease in orders for packaging and test services during the first two weeks of January. In addition, we typically close our factories in the Philippines for holidays in January, and we close our factories in Korea for holidays in February.

During the first quarter of 2005, we recorded a charge of $50.0 million related to the mold compound litigation. During the fourth quarter of 2005, we recorded a gain of $4.4 million in connection with the sale of Amkor Test Services, a specialty test operation.

During the second quarter of 2004, we recorded a gain of $21.6 million related to our sale of 10.1 million shares of ASI common stock, which is included in other expense, net.

The calculation of basic and diluted per share amounts for each quarter is based on the weighted average shares outstanding for that period; consequently, the sum of the quarters may not necessarily be equal to the full year basic and diluted net income (loss) per share.

	Quarter Ended							
	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	March 31, 2005	Dec. 31, 2004	Sept. 30, 2004	June 30, 2004	March 31, 2004
	(Unaudited) (In thousands, except per share data)							
Net sales	$ 643,492	$ 549,641	$ 489,335	$ 417,481	$ 453,254	$ 490,843	$ 492,536	$ 464,646
Cost of sales	487,776	459,297	422,837	374,086	379,812	403,076	397,761	352,798
Gross profit	155,716	90,344	66,498	43,395	73,442	87,767	94,775	111,848
Operating expenses:								
Selling, general and administrative	56,242	59,582	66,865	60,466	56,380	54,811	55,710	55,014
Research and development	9,653	8,870	9,924	8,900	9,166	8,664	9,900	8,977
Provision for legal settlements and contingencies	—	—	—	50,000	—	—	—	—
Gain on sale of specialty test operations	(4,408)	—	—	—	—	—	—	—
Total operating expenses	61,487	68,452	76,789	119,366	65,546	63,475	65,610	63,991
Operating income (loss)	94,229	21,892	(10,291)	(75,971)	7,896	24,292	29,165	47,857
Other expense, net	44,758	45,429	41,630	42,929	42,800	39,044	13,650	35,154
Income (loss) before income taxes, equity investment earnings (losses) and minority interests	49,471	(23,537)	(51,921)	(118,900)	(34,904)	(14,752)	15,515	12,703
Equity investment earnings (losses)	(11)	5	(55)	6	(4)	12	(10)	—
Minority interests	(685)	1,250	926	1,011	717	(1,266)	3	(358)
Income (loss) before income taxes	48,775	(22,282)	(51,050)	(117,883)	(34,191)	(16,006)	15,508	12,345
Income tax provision (benefit)	(5,226)	(2,865)	1,353	1,187	1,901	6,328	5,528	1,435
Net income (loss)	$ 54,001	$ (19,417)	$ (52,403)	$ (119,070)	$ (36,092)	$ (22,334)	$ 9,980	$ 10,910
Net income (loss) per common share:								
Basic	$ 0.31	$ (0.11)	$ (0.30)	$ (0.68)	$ (0.21)	$ (0.13)	$ 0.06	$ 0.06
Diluted	$ 0.30	$ (0.11)	$ (0.30)	$ (0.68)	$ (0.21)	$ (0.13)	$ 0.06	$ 0.06

	Quarter Ended							
	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	March 31, 2005	Dec. 31, 2004	Sept. 30, 2004	June 30, 2004	March 31, 2004
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	75.8%	83.6%	86.4%	89.6%	83.8%	82.1%	80.8%	75.9%
Gross profit	24.2%	16.4%	13.6%	10.4%	16.2%	17.9%	19.2%	24.1%
Operating expenses:								
Selling, general and administrative	8.7%	10.8%	13.7%	14.5%	12.4%	11.2%	11.3%	11.8%
Research and development	1.5%	1.6%	2.0%	2.1%	2.0%	1.8%	2.0%	1.9%
Provision for legal settlement and contingencies	0.0%	0.0%	0.0%	12.0%	0.0%	0.0%	0.0%	0.0%
Gain on sale of specialty test operations	(0.7)%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total operating expenses	9.5%	12.4%	15.7%	28.6%	14.4%	13.0%	13.5%	13.7%
Operating income (loss)	14.7%	4.0%	(2.1)%	(18.2)%	1.8%	4.9%	5.7%	10.4%
Other expense, net	7.0%	8.3%	8.5%	10.3%	9.4%	7.9%	2.7%	7.6%
Income (loss) before income taxes, equity investment earnings (losses) and minority interests	7.7%	(4.3)%	(10.6)%	(28.5)%	(7.6)%	(3.0)%	3.0%	2.8%
Equity investment earnings (losses)	(0.0)%	0.0%	(0.0)%	0.0%	0.0%	0.0%	0.0%	0.0%
Minority interests	(0.1)%	0.2%	0.2%	0.2%	0.2%	(0.3)%	0.0%	(0.1)%
Income (loss) before income taxes	7.6%	(4.1)%	(10.4)%	(28.3)%	(7.4)%	(3.3)%	3.0%	2.7%
Income tax provision (benefit)	(0.8)%	(0.5)%	0.3%	0.2%	0.4%	1.3%	1.1%	0.3%
Net income (loss)	8.4%	(3.6)%	(10.7)%	(28.5)%	(7.8)%	(4.6)%	1.9%	2.4%

Liquidity and Capital Resources

We generated a loss from continuing operations of $136.9 million for the year ended December 31, 2005, which included a provision of $50.0 million for legal settlements and a gain on the sale of our specialty test operations of $4.4 million. This compares to a loss from continuing operations for the years ended December 31, 2004 and 2003 of $37.5 million and $52.4 million, respectively. Our operating activities provided cash totaling $97.1 million in 2005, $218.6 million in 2004 and $136.7 million in 2003. However, in 2005 and 2004, cash flow from operating activities was insufficient to fully cover cash used for investing activities. Investing activities during these periods have been primarily for capital expenditures for additional processing capacity to service anticipated customer demand and business acquisitions to fuel future growth. The cash shortfall was covered by incurring additional indebtedness. We now have and for the foreseeable future will continue to have a significant amount of indebtedness. At December 31, 2005 we had $2,140.6 million of debt, of which $184.4 million was classified as a current liability. We were in compliance with all debt covenants at December 31, 2005 and expect to remain in compliance with these covenants through December 31, 2006.

As of December 31, 2005, we had cash and cash equivalents of $206.6 million and $96.7 million available under our new senior secured revolving credit facility. We have prepared a forecast for 2006 which is based on our current expectations regarding revenue growth and associated operating expense and capital spending levels. If our actual results should differ materially from our expectations, our liquidity may be adversely impacted. If that were to occur, we would take steps to adjust our operating costs and capital expenditures to

levels necessary to support our incoming business. We may also need to raise additional equity or borrow additional funds to achieve our longer-term business objectives. There can be no assurance, however, that such equity or borrowings will be available or, if available, will be at rates or prices which are acceptable to us. Nevertheless, we believe that our cash flow from operating activities coupled with existing cash balances and availability under our new senior secured revolving credit facility will be sufficient to fund our working capital, debt service and purchases of property, plant and equipment through December 31, 2006, including retiring the remaining $133.0 million of our 5.75% convertible subordinated notes at maturity on June 1, 2006. The performance of our business is dependent on many factors and subject to risks and uncertainties as discussed under "Risk Factors that May Affect Future Operating Performance" in Item 1A "Risk Factors" of this Annual Report.

The terms of our first and second lien debt, senior notes and senior subordinated notes significantly reduce our ability to incur additional debt. In May, August and November 2005 our liquidity and debt ratings were lowered reflecting heightened liquidity concerns and weak operating results.

Many of our debt agreements restrict our ability to pay dividends. We have never paid a dividend to our shareholders and we do not anticipate paying any cash dividends in the foreseeable future. We expect cash flows, if any, to be used in the operation and expansion of our business.

We exercised an option to acquire an additional 39.6% of UST for $18.4 million in cash consideration, which brings our combined ownership to 99.6%. The funds were placed into escrow on December 28, 2005 and the transaction closed on January 2, 2006. The escrow funds are included in other long-term assets at December 31, 2005 and the cash transfer is presented as an outflow in investing activities on the consolidated statement of cash flows for the year ended December 31, 2005.

Cash flows

Net cash provided by (used in) operating, investing and financing activities from continuing operations and cash provided by discontinued operations for the three years ended December 31, 2005 were as follows:

	Year Ended December 31,		
	2005	2004	2003
		(In thousands)	
Continuing Operations:			
Operating activities	$ 97,112	$ 218,628	$ 136,733
Investing activities	(307,010)	(395,708)	(127,483)
Financing activities	47,683	235,175	(22,012)
Discontinued Operations:			
Operating activities	—	111	10,872
Investing activities	—	—	2,412
Financing activities	—	—	—

Operating activities. Our 2005 net cash flows from continuing operating activities decreased $121.5 million to $97.1 million in 2005, from $218.6 million in 2004, primarily as a result of an increase in net loss of $99.4 million over the prior year as discussed above in Results of Operations. Our trade receivables at December 31, 2005 increased by $115.9 million compared to December 31, 2004 due to the increase in sales during the fourth quarter of 2005 as compared to the fourth quarter of 2004. In addition, our accounts payable at December 31, 2005, increased by $114.9 million compared to December 31, 2004, as a result of extending payment terms with our suppliers to more closely align our payment terms with payments from our customers and delayed payment processing at year end due to holiday schedules.

Investing activities. Our 2005 net cash flows used in continuing investing activities decreased by $88.7 million over the prior year to $307.0 million, primarily due to a $111.8 million decrease in payments for property, plant and equipment from $407.7 million in 2004 to $295.9 million in 2005 as 2004 included the acquisition of the IBM and Unitive business assets as described in *"Our 2004 Acquisitions"* above. The cash outflows during 2004 were offset by cash proceeds from the collection of an $18.6 million note receivable and an increase of proceeds from our net sales of investments and fixed assets of $55.4 million.

Financing activities. Our 2005 net cash flows provided by financing activities were $47.7 million, a decrease of $187.5 million, as compared to $235.2 million for 2004. The net cash flows from financing activities for 2004 reflect the March 2004 issuance of $250.0 million of senior notes due 2011. The net proceeds were $245.2 million and were used to repay the balance outstanding under our senior secured term loan of $168.7 million. In October 2004, we entered into a $300.0 million second lien term loan and the net proceeds of $288.8 million were used for working capital and general corporate purposes. In 2005, one of our Taiwanese subsidiaries received NT$1.8 billion (approximately $53.5 million) in proceeds of a syndication loan with two Taiwanese lenders. During the fourth quarter of 2005, we issued $100.0 million of our 6.25% convertible subordinated notes due 2013 in a private placement to James J. Kim, Chairman and Chief Executive Officer, and Kim family trusts, as discussed above. The proceeds from this issuance were used to purchase and retire a portion of the 5.75% convertible notes due 2006.

We provide the following supplemental data to assist our investors and analysts in understanding our liquidity and capital resources. Free cash flow represents net cash provided by operating activities less investing activities related to the acquisition of property, plant and equipment. Free cash flow is not defined by generally accepted accounting principles and our definition of free cash flow may not be comparable to similar companies. We believe free cash flow provides our investors and analysts useful information to analyze our liquidity and capital resources.

	Year Ended December 31,		
	2005	2004	2003
	(In thousands)		
Net cash provided by operating activities	$ 97,112	$ 218,628	$ 136,733
Less purchases of property, plant and equipment	295,943	407,740	190,891
Free cash flow	$ (198,831)	$ (189,112)	$ (54,158)

Debt Instruments and Related Covenants

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

	December 31, 2005	December 31, 2004
	(In thousands)	
Debt of Amkor Technology, Inc.		
Senior Secured Credit Facilities		
$100.0 million revolving credit facility, LIBOR plus 1.5% — 2.25% due November 2009	—	—
$30.0 million revolving line of credit, LIBOR plus 3.5% due June 2007 (Terminated November 2005)	—	—
Second lien term loan, LIBOR plus 4.5% due October 2010	$ 300,000	$ 300,000
Senior Notes		
9.25% Senior notes due February 2008	470,500	470,500
7.75% Senior notes due May 2013	425,000	425,000
7.125% Senior notes due March 2011	248,658	248,454
Senior Subordinated Notes		
10.5% Senior subordinated notes due May 2009	200,000	200,000
Convertible Subordinated Notes		
5.75% Convertible subordinated notes due June 2006, convertible at $35.00 per share	133,000	233,000
5.0% Convertible subordinated notes due March 2007, convertible at $57.34 per share	146,422	146,422
Related Party Convertible Subordinated Notes		
6.25% Convertible subordinated notes due December 2013, convertible at $7.49 per share	100,000	—
Notes Payable and Other Debt	823	16,798
Debt of subsidiaries		
Secured Term Loans		
Term loan, Taiwan 90-Day Commercial Paper plus 1.2%, due November 2010	55,586	—
Term loans, various interest rates, due October 2005 to November 2010 (Paid off in June 2005)	—	13,576
Term loan, Taiwan 90-Day Commercial Paper secondary market rate plus 2.25%, due June 20, 2008	11,329	—
Term loan, 2.69%, due April 2010 (Paid off in August 2005)	—	3,371
Secured Equipment and Property Financing	20,454	7,544
Revolving Credit Facilities	26,501	24,258
Other Debt	2,363	4,037
Total Debt	2,140,636	2,092,960
Less: Short-term borrowings and current portion of long-term debt	(184,389)	(52,147)
Long-term debt (including related party)	$ 1,956,247	$ 2,040,813

We now have, and for the foreseeable future will continue to have, a significant amount of indebtedness. Our indebtedness requires us to dedicate a substantial portion of our cash flow from operations to service payments on our debt. Amkor Technology, Inc. also guarantees certain debt of our subsidiaries. For the year ended 2005, cash paid for interest expense was $162.7 million. As discussed in Note 20 of the Notes to the

Consolidated Financial Statements, certain of our subsidiaries guarantee our senior notes and senior subordinated notes.

2005 Significant Financing Activities:

In September 2005, Amkor Technology Taiwan, Inc. ("ATT"), entered into a short-term interim financing arrangement with two Taiwanese banks for NT$1.0 billion (approximately U.S. $30.0 million) (the "Bridge Loan") in connection with a syndication loan with the same group of lenders. In November 2005, ATT finalized the NT$1.8 billion (approximately U.S. $53.5 million) syndication loan due November 2010 (the "Syndication Loan"), which accrues interest at the Taiwan 90-Day Commercial Paper Primary Market rate plus 1.2%. A portion of the Syndication Loan was used to pay off the Bridge Loan. Amkor Technology, Inc. has guaranteed the repayment of this loan.

In November 2005, we entered into a $100.0 million first lien revolving credit facility available through November 2009, with a letter of credit sub-limit of $25.0 million. Interest is charged under the credit facility at a floating rate based on the base rate in effect from time to time plus the applicable margins which range from 0.0% to 0.5% for base rate revolving loans, or LIBOR plus 1.5% to 2.25% for LIBOR revolving loans. Amkor Technology, Inc., along with Unitive and Unitive Electronics Inc., granted a first priority lien on substantially all of their assets, excluding inter-company loans and capital stock of our foreign subsidiaries and certain domestic subsidiaries. As of December 31, 2005, we had utilized $3.3 million of the available letter of credit sub-limit, and had $96.7 million available under this facility. The borrowing base for the revolving credit facility is based on the valuation of our eligible accounts receivable. We incur commitment fees on the unused amounts of the revolving credit facility ranging from 0.25% to 0.50%, based on our liquidity. The $100.0 million credit facility replaced our prior $30.0 million senior secured revolving credit facility which we entered into in June 2004.

In November 2005, we sold $100.0 million of our 6.25% Convertible Subordinated Notes due 2013 (the "2013 Notes") in a private placement to James J. Kim, Chairman and Chief Executive Officer, and certain Kim family trusts. The 2013 Notes are convertible into our common stock at an initial conversion price of $7.49 per share and are subordinated to the prior payment in full of all of our senior and senior subordinated debt.

We were in compliance with all debt covenants contained in our loan agreements at December 31, 2005, and have met all debt payment obligations. Additional details about our debt are available in Note 9 of the Notes to the Consolidated Financial Statements included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report.

2004 Significant Financing Activities:

In March 2004, we sold $250.0 million of 7.125% senior notes due March 2011. The notes were priced at 99.321% of the $250.0 million face value, yielding an effective interest rate of 7.25%. We sold these notes to qualified institutional investors, and used a portion of the net proceeds of the issuance to satisfy in full our outstanding term loan due 2006 of $168.7 million. We used the remainder of the proceeds for general corporate purposes, including working capital and capital expenditures. The notes have a coupon rate of 7.125% annually and interest payments are due semi-annually. In connection with the offering of these notes, we entered into a registration rights agreement with the purchasers. The registration rights agreement entitled the purchasers, within 210 days from the original issuance, to exchange their notes for registered notes with substantially identical terms as the original notes. We filed a registration statement with the SEC for the exchange of the notes, and the exchange was completed in July 2004.

In June 2004, we entered into a new $30.0 million senior secured revolving credit facility (the "Facility"). The Facility, which was originally available through June 2007, replaced our prior $30.0 million secured revolving line of credit which had been scheduled to mature in October 2005. At December 31, 2004, there was $29.7 million available under this Facility. The Facility was replaced in 2005 by the $100.0 million revolving credit facility discussed above.

In October 2004, we entered into a $300.0 million second lien term loan credit facility with a group of institutional lenders. The term loan bears interest at a rate of LIBOR plus 450 basis points and matures in October 2010. The net proceeds of $288.8 million from the term loan are available for working capital and general corporate purposes.

In November 2004, we paid $121.6 million of notes payable related to our 2004 acquisition from IBM and Xin Development Co., Ltd.

Capital Additions and Contractual Obligations

The following table reconciles our activity related to property, plant and equipment payments as presented on the consolidated statement of cash flows to property, plant and equipment additions as reflected on the balance sheet:

	For the Year Ended December 31,		
	2005	2004	2003
		(In thousands)	
Payments for property, plant, and equipment	295,943	$ 407,740	$ 190,891
Increase (decrease) in property, plant, and equipment in accounts payable and accrued expenses, net	(1,164)	(2,014)	39,613
Property, plant and equipment additions	$ 294,779	$ 405,726	$ 230,504

A summary of our contractual obligations is as follows:

		Payments Due for Year Ending December 31,					
	Total	2006	2007	2008	2009	2010	Thereafter
			(In thousands)				
Total debt	$ 2,140,636	$ 184,389	$ 166,629	$ 491,611	$ 211,724	$ 311,762	$ 774,521
Scheduled interest payment obligations(1)	704,529	162,769	152,417	113,564	93,561	79,960	102,258
Purchase obligations(2)	69,402	69,402					
Operating lease obligations	111,664	12,881	11,052	8,356	7,120	6,751	65,504
Other long-term obligations(3)	—						
Total contractual obligations	$ 3,026,231	$ 429,441	$ 330,098	$ 613,531	$ 312,405	$ 398,473	$ 942,283

(1) Scheduled interest payment obligations were calculated using stated coupon rates for fixed rate debt and interest rates applicable at December 31, 2005 for variable rate debt.

(2) Includes $63.5 million of capital-related purchase obligations.

(3) Our other noncurrent liabilities as of December 31, 2005 were $135.9 million and included $129.3 million related to pension and severance obligations, which are not included in the above chart due to the lack of contractual certainty as to the timing of payment.

Related Party Transactions

In November 2005, we sold $100.0 million of our 6.25% Convertible Subordinated Notes due 2013 in a private placement to James J. Kim, Chairman and Chief Executive Officer, and certain Kim family trusts, as discussed above under Liquidity and Capital Resources. The terms were approved by a majority of the independent members of the board of directors and we obtained a fairness opinion from a recognized investment banking firm.

We have entered into the following related party transactions in the normal course of business:

Mr. JooHo Kim is an employee of Amkor and a brother of James J. Kim, our Chairman and CEO. Mr. JooHo Kim owns with his children 19.2% of Anam Information Technology, Inc., a company that provides computer hardware and software components to Amkor Technology Korea, Inc. (a subsidiary of

Amkor). During 2005, 2004, and 2003, purchases from Anam Information Technology, Inc. were $1.8 million, $1.2 million, and $2.9 million, respectively. Amounts due to Anam Information Technology, Inc. at December 31, 2005 and 2004 were $0.3 million and $0.00 million respectively.

Mr. JooHo Kim, together with his wife and children, own 96.1% of Jesung C&M, a company that provides cafeteria services to Amkor Technology Korea, Inc. During 2005, 2004, and 2003, purchases from Jesung C&M were $6.5 million, $6.4 million, and $5.6 million respectively. Amounts due to Jesung C&M at December 31, 2005 and 2004 were $0.5 million and $0.5 million respectively.

Dongan Engineering Co., Ltd. is 100% owned by JooCheon Kim, a brother of James J. Kim. Mr. JooCheon Kim is not an employee of Amkor. Dongan Engineering Co., Ltd. provides construction and maintenance services to Amkor Technology Korea, Inc. and Amkor Technology Philippines, Inc., both subsidiaries of Amkor. During 2005, 2004, and 2003, purchases from Dongan Engineering Co., Ltd were $0.5 million, $3.0 million, and $1.3 million, respectively. Amounts due to Dongan Engineering Co., Ltd. at December 31, 2005 and 2004 were not significant.

The services provided by Anam Information Technology, Inc, Jesung C&M and Dongan Engineering Co. are subject to competitive bid.

We purchase leadframe inventory from Acqutek Semiconductor & Technology Co., Ltd. James J. Kim's ownership in Acqutek Semiconductor & Technology Co., Ltd. is approximately 17.7%. During 2005, 2004, and 2003, purchases from Acqutek Semiconductor & Technology Co., Ltd. were $11.8 million, $11.8 million, and $16.1 million, respectively. Amounts due to Acqutek Semiconductor & Technology Co., Ltd. at December 31, 2005 and 2004 were $1.4 million and $0.4 million, respectively. The purchases are arms length and consistent with our non-related party vendors.

We lease office space in West Chester, Pennsylvania from trusts related to James J. Kim. During 2005, 2004, and 2003, amounts paid for this lease were $0.6 million, $1.1 million, and $1.1 million, respectively. During 2005, 2004, and 2003 our sublease income included $0.3 million, $0.6 million, and $0.5 million, respectively, from related parties. We vacated a portion of this space in connection with the move of our corporate headquarters to Arizona. In the second quarter of 2005 we paid a lease termination fee of approximately $0.7 million and assigned sublease income to the trusts. We currently lease approximately 2,700 square feet of office space from these trusts.

Off-Balance Sheet Arrangements

We had no off-balance sheet guarantees or other off-balance sheet arrangements as of December 31, 2005.

Other Contingencies

We refer you to Item 3 "Legal Proceedings" for a discussion of our contingencies related to our patent-related litigation, securities litigation, remaining epoxy mold compound litigation and other litigation and legal matters. We are currently a party to these various legal proceedings. While we currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on our financial position, results of operations, or cash flows, litigation is subject to inherent uncertainties. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on our net results in the period in which the ruling occurs. The estimate of the potential impact from the legal proceedings, discussed under Item 3 "Legal Proceedings," on our financial position, results of operations, or cash flows, could change in the future.

Critical Accounting Policies and Use of Estimates

We have identified the policies below as critical to our business operations and the understanding of our results of operations. A summary of our significant accounting policies used in the preparation of our Consolidated Financial Statements appears in Note 1 of the Notes to the Consolidated Financial Statements included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report. Our preparation

of this Annual Report on Form 10-K requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenue and expenses during the reporting period. There can be no assurance that actual results will not differ from those estimates.

Revenue Recognition and Risk of Loss. We recognize revenue from our packaging and test services when persuasive evidence of an arrangement exists, services have been rendered, the fee is fixed or determinable and collectibility is reasonably assured. We do not take ownership of customer-supplied semiconductor wafers. Title and risk of loss remains with the customer for these materials at all times. Accordingly, the cost of the customer-supplied materials is not included in the consolidated financial statements. A sales allowance is recognized in the period of sale, based on our historical experience. Prior to the sale of our wafer fabrication services business on February 28, 2003, we recorded wafer fabrication services revenues upon shipment of completed wafers.

Provision for Income Taxes. We operate in and file income tax returns in various U.S. and non-U.S. jurisdictions which are subject to examination by tax authorities. The tax returns for open years in all jurisdictions in which we do business are subject to change upon examination. We believe that we have estimated and provided adequate accruals for the probable additional taxes and related interest expense that may ultimately result from such examinations. We believe that any additional taxes or related interest over the amounts accrued will not have a material effect on our financial condition, results of operations or cash flows. However, resolution of these matters involves uncertainties and there are no assurances that the outcomes will be favorable. In addition, changes in the mix of income from our foreign subsidiaries, expiration of tax holidays and changes in tax laws or regulations could result in increased effective tax rates in the future.

Additionally, we record the estimated future tax effects of temporary differences between the tax basis of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating loss and tax credit carryforwards. Generally accepted accounting principles require companies to weigh both positive and negative evidence in determining the need for a valuation allowance for deferred tax assets. As a result of net operating losses experienced over the last several years, we have determined that a valuation allowance representing substantially all of our deferred tax assets was appropriate. We will evaluate the reversal of our valuation allowance when we return to sustained profitability in the related tax jurisdictions.

Valuation of Long-Lived Assets. We assess the carrying value of long-lived assets which includes property, plant and equipment, intangible assets and goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important which could trigger an impairment review include the following:

- significant under-performance relative to expected historical or projected future operating results;
- significant changes in the manner of our use of the asset;
- significant negative industry or economic trends; and
- our market capitalization relative to net book value.

Upon the existence of one or more of the above indicators of impairment, we would test such assets for a potential impairment. The carrying value of a long-lived asset, excluding goodwill, is considered impaired when the anticipated undiscounted cash flows are less than the asset's carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved.

We test goodwill for impairment in the second quarter of each year. We review our defined reporting units, calculate the fair value of each reporting unit using a discounted cash flow model and compare these fair values to the carrying value for each reporting unit. Since separate balance sheets are not maintained for the reporting units, we determine carrying value for each reporting unit by assigning all assets and liabilities based on specific identification where possible and use an allocation method for the remaining items. In order to further support the reasonableness of the fair value estimates prepared utilizing the discounted cash flow

valuation model, we compare the combined total reporting unit values per the model to our quoted market price at the end of the second quarter. Based on this assessment, we determined that goodwill was not impaired.

Legal Contingencies. We are subject to certain legal proceedings, lawsuits and other claims. We assess the likelihood of any adverse judgment or outcome related to these matters, as well as potential ranges of probable losses. Our determination of the amount of reserves required, if any, for these contingencies is based on a careful analysis of each individual issue, often with the assistance of outside legal counsel. We record provisions in our consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated.

Our assessment of required reserves may change in the future due to new developments in each matter. The present legislative and litigation environment is substantially uncertain, and it is possible that our consolidated results of operations, cash flows or financial position could be materially affected by an unfavorable outcome or settlement of our pending litigation.

Investments in Marketable Securities. We evaluate our investments for impairment due to declines in market value that are considered other than temporary. 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. The stock prices of semiconductor companies' stocks, including ASI and its competitors, have experienced significant volatility during the past several years. During 2005, we recorded impairment charges totaling $3.7 million to reduce the carrying value of our investment in ASI to its market value. In determining whether declines in market value are other than temporary, we look at market value trends over the previous six months. We recognized a loss at December 31, 2004 and again at June 30, 2005 due to the six month trend. Due to the recurring market decline and concern over the recapitalization announcement, we also recognized the unrealized loss for each of the quarters ended of September 30, 2005 and December 31, 2005.

Valuation of Inventory. We order raw materials based on customers' forecasted demand. If our customers change their forecasted requirements and we are unable to cancel our raw materials order or if our vendors require that we order a minimum quantity that exceeds the current forecasted demand, we will experience a build-up in raw material inventory. We will either seek to recover the cost of the materials from our customers or utilize the inventory in production. However, we may not be successful in recovering the cost from our customers or be able to use the inventory in production and, accordingly, if we believe that it is probable that we will not be able to recover such costs we adjust our reserve estimate. Additionally, our reserve for excess and obsolete inventory is based on forecasted demand we receive from our customers. When a determination is made that the inventory will not be utilized in production it is written-off and disposed.

Property, Plant and Equipment. Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method over the estimated useful lives of depreciable assets. Depreciable lives are as follows:

Buildings and improvements	10 to 30 years
Machinery and equipment	3 to 7 years
Furniture, fixtures and other equipment	3 to 10 years

Cost and accumulated depreciation for property retired or disposed of are removed from the accounts and any resulting gain or loss is included in earnings. Expenditures for maintenance and repairs are charged to expense as incurred. We acquired land use rights in Shanghai, China. These land use rights are amortized on a straight-line basis over the 50-year useful life.

Pension Obligation Assumptions. In pension accounting, the most significant actuarial assumptions are the discount rate and the rate of return. The weighted average discount rate for our pension plans, all of which are located outside the U.S., was 8.1%, 6.3% and 7.2% as of December 31, 2005, 2004 and 2003, respectively. Weighted average discount rates were generally derived from yield curves constructed from foreign government bonds for which the timing and amount of cash outflows approximate the estimated payouts. The expected rate of return was 6.4%, 6.3% and 7.2% as of December 31, 2005, 2004 and 2003, respectively. The

expected rate of return assumption is based on weighted-average expected returns for each asset class. Expected returns reflect a combination of historical performance analysis and the forward-looking views of the financial markets, and include input from our actuaries. We have no control over the direction of our investments in our Taiwanese defined benefit plans as the local Labor Standards Law Fund mandates such contributions into a cash account balance at the Central Trust of China. The Japanese defined benefit pension plans are non-funded plans, and as such, no assets exist related to these plans. Our investment strategy for our Philippine defined benefit plan is long-term, sustained asset growth through low to medium risk investments. The current rate of return assumption targets an asset allocation strategy for our Philippine plan assets of 20% to 75% emerging market debt, 10% to 30% international equities (primarily U.S. and Europe), and 0% to 10% international fixed-income securities. The remainder of the portfolio may contain other investments such as short-term investments. At December 31, 2005, 2004 and 2003, Philippine plan assets included $0.6 million, $0.7 million and $1.8 million, respectively, of Amkor common stock. A third assumption is the long-term rate of compensation increase which was 6.5%, 6.2% and 6.4% as of December 31, 2005, 2004 and 2003, respectively. Total pension expense was $6.5 million, $5.7 million and $5.0 million for the year ended December 31, 2005, 2004 and 2003, respectively. We expect pension expense to be $5.6 million for the year ended December 31, 2006.

Recently Issued Accounting Standards Not Yet Effective. In November 2004, FASB issued SFAS No. 151, *Inventory Costs, an Amendment of ARB No. 43, Chapter 4.* SFAS No. 151 clarifies that abnormal amounts of idle facility expense, freight, handling costs and wasted materials (spoilage) should be recognized as current-period charges and requires the allocation of fixed production overheads to inventory based on the normal capacity of the production facilities. The guidance in this Statement is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The adoption of this Statement will not have a material impact on our financial statements and disclosures.

In December 2004, FASB issued SFAS No. 153, *Exchanges of Nonmonetary Assets, an Amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions.* SFAS No. 153 eliminates the exception from fair value measurement for nonmonetary exchanges of similar productive assets in paragraph 21(b) of APB Opinion No. 29 and replaces it with an exception for exchanges that do not have commercial substance. SFAS No. 153 specifies that a nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS No. 153 is effective in fiscal years beginning after June 15, 2005. We do not anticipate that the adoption of SFAS No. 153 will have a material impact on our financial statements and disclosures.

In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Corrections.* SFAS No. 154 replaces APB No. 20, *Accounting Changes* and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements* and establishes retrospective application as the required method for reporting a change in accounting principle. SFAS No. 154 provides guidance for determining whether retrospective application of a change in accounting principle is impracticable and how to report such a change. The reporting of a correction of an error by restating previously issued financial statements is also addressed. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. We do not anticipate that the adoption of SFAS No. 154 will have a material impact on our financial statements and disclosures.

In December 2004, the FASB issued SFAS No. 123R, *Share-Based Payment.* SFAS No. 123R is a revision of SFAS No. 123, *Accounting for Stock Based Compensation* and supersedes APB No. 25. Among other items, SFAS No. 123R eliminates the use of APB No. 25 and the intrinsic value method of accounting and requires companies to recognize the cost of employee services received in exchange for awards of equity instruments, based on the grant date fair value of those awards, in the financial statements. On April 14, 2005, the SEC amended the effective date of SFAS No. 123R to January 1, 2006 for calendar year companies. We intend to adopt this statement on the new effective date and will use the modified prospective method upon adoption and therefore will not restate our prior-period results. Under the modified prospective method, awards that are granted, modified, or settled after the date of adoption should be measured and accounted for in accordance with SFAS 123R. Unvested equity-classified awards that were granted prior to the effective

date should continue to be accounted for in accordance with SFAS 123 except that amounts must be recognized in the income statement. The unrecognized compensation expense associated with unvested stock options was approximately $6.8 million as of December 31, 2005 which will be amortized over a weighted average period of approximately 1.5 years. Our 2006 results are expected to include approximately $4.8 million of additional compensation expense as a result of the adoption of SFAS 123R. Future compensation expense will be impacted by various factors, including the number of awards granted and their related fair value at the date of grant.

We currently utilize a standard option pricing model (Black-Scholes) to measure the fair value of stock options granted to employees. While SFAS No. 123R permits entities to continue to use such a model, the standard also permits the use of a "lattice" model. We will continue to use the Black-Scholes option pricing model to measure the fair value of employee stock options upon the adoption of SFAS No. 123R.

SFAS No. 123R also requires the benefits associated with the tax deductions in excess of recognized compensation cost be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after the effective date. These future amounts cannot be estimated because they depend on when the employees exercise stock options as well as when we will be able to utilize our federal net operating loss carryforwards.

In October 2005, the FASB issued FASB Staff Position ("FSP") FAS 123(R)-2, *Practical Accommodation to the Application of Grant Date as Defined in FASB Statement No. 123(R)*, which provides guidance on the application of grant date as defined in SFAS 123(R). The guidance in the FASB Statement of Position ("FSP") will be applied upon the Company's initial adoption of SFAS 123(R).

In November 2005, the FASB issued FSP FAS123(R)-3, *Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards.* This FSP requires an entity to follow either the transition guidance for the additional-paid-in-capital pool as prescribed in SFAS 123(R), or the alternative method as described in the FSP. An entity that adopts SFAS 123(R) using the modified prospective application may make a one-time election to adopt the transition method described in this FSP. An entity may take up to one year from the later of its adoption of SFAS 123(R) or the effective date of this FSP to evaluate its available transition alternatives and make its one-time election. We continue to evaluate the impact that the adoption of this FSP could have on our financial statements and disclosures.

In November 2005, FASB issued FSP FAS 115-1/ FAS 124-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments* ("FSP 115-1/124-1"). FSP 115-1/124-1 provides guidance on determining when investments in certain debt and equity securities are considered impaired, whether that impairment is other-than-temporary, and on measuring such impairment loss. FSP 115-1/124-1 also includes accounting considerations subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. This FSP is required to be applied to reporting periods beginning after December 15, 2005. We do not expect this FSP to have a material impact on our financial statements and disclosures.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Market Risk Sensitivity

We are 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. Our use of derivative instruments, including forward exchange contracts, has historically been insignificant and it is expected that our use of derivative instruments will continue to be minimal.

Foreign Currency Risks

Our primary exposures to foreign currency fluctuations are associated with transactions and related assets and liabilities denominated in Philippine pesos, Korean won, Japanese yen, Taiwanese dollar and Chinese

renminbi. The objective in managing these foreign currency exposures is to minimize the risk through minimizing the level of activity and financial instruments denominated in those currencies. Our foreign currency financial instruments primarily consist of cash, trade receivables, investments, deferred taxes, trade payables and accrued expenses.

For an entity with various financial instruments denominated in a foreign currency in a net asset position, an increase in the exchange rate would result in less net assets when converted to U.S. dollars. Conversely, for an entity with various financial instruments denominated in a foreign currency in a net liability position, a decrease in the exchange rate would result in more net liabilities when converted to U.S. dollars. Changes year over year are caused by changes in our net asset or net liability position and changes in currency exchange rates. Based on our portfolio of foreign currency based financial instruments at December 31, 2005 and 2004, a 20% change in the foreign currency to U.S. dollar spot exchange rate would result in the following foreign currency risk:

As of December 31, 2005:

	Chart of Foreign Currency Risk as of December 31, 2005				
	Philippine Peso	Korean Won	Taiwanese Dollar	Japanese Yen	Chinese Renminbi
			(In thousands)		
20% increase in foreign exchange rate	$ —	$ —	$ —	$ 1,552	$ —
20% decrease in foreign exchange rate	3,817	1,989	9,310	—	1,846

In addition, at December 31, 2005 we had other foreign currency denominated liabilities, including denominations of the Euro, Singapore dollar and Swiss franc, whereby a 20% decrease in the related exchange rates would result in an aggregate $0.3 million of additional foreign currency risk.

As of December 31, 2004:

	Chart of Foreign Currency Risk as of December 31, 2004				
	Philippine Peso	Korean Won	Taiwanese Dollar	Japanese Yen	Chinese Renminbi
			(In thousands)		
20% increase in foreign exchange rate	$ —	$ 1,878	$ —	$ 304	$ —
20% decrease in foreign exchange rate	2,266	—	2,740	—	1,980

In addition, at December 31, 2004 we had other foreign currency denominated liabilities, including denominations of the Euro, Singapore dollar and Swiss franc, whereby a 20% decrease in the related exchange rates would result in an aggregate $2.6 million of additional foreign currency risk.

Interest Rate Risks

We have interest rate risk with respect to our long-term debt. As of December 31, 2005, we had a total of $2,140.6 million of debt of which 81.9% was fixed rate debt and 18.1% was variable rate debt. Our variable rate debt principally consists of short-term borrowings, our $100.0 million revolving line of credit, of which $96.7 million was available at December 31, 2005, our senior secured $300.0 million second lien term loan and the debt of our subsidiaries. The fixed rate debt consisted of senior notes, senior subordinated notes and convertible subordinated notes. As of December 31, 2004, we had a total of $2,093.0 million of debt of which 84.2% was fixed rate debt and 15.8% was variable rate 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 December 31, 2005.

	Year Ended December 31,							
	2006	2007	2008	2009	2010	Thereafter	Total	Fair Value
Long term debt:								
Fixed rate debt (In thousands)	$ 144,751	$ 154,723	$ 479,924	$ 200,000	$ —	$ 773,658	$ 1,753,056	$ 1,629,626
Average interest rate	5.6%	5.0%	9.1%	10.5%	0.0%	7.4%	7.9%	
Variable rate debt (In thousands)	$ 39,631	$ 11,905	$ 11,688	$ 11,724	$ 311,763	$ 863	$ 387,574	$ 396,574
Average interest rate	2.1%	3.1%	3.1%	3.1%	9.0%	5.6%	7.7%	

Equity Price Risks

We have convertible subordinated notes, as described above, that are convertible into our common stock. We currently intend to repay our remaining convertible subordinated notes upon maturity, unless converted or refinanced. If investors were to decide to convert their notes to common stock, our future earnings would benefit from a reduction in interest expense and our common stock outstanding would be increased. If we paid a premium to induce such conversion, our earnings could include an additional charge.

Further, 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. Such fluctuations could impact our decision or ability to utilize the equity markets as a potential source of our funding needs in the future.

Item 8. ***Financial Statements and Supplementary Data***

We present the information required by Item 8 of Form 10-K here in the following order:

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Amkor Technology, Inc.:

We have completed integrated audits of Amkor Technology, Inc.'s 2005 and 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2005, and an audit of its 2003 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements and financial statement schedule

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Amkor Technology, Inc. and its subsidiaries (the "Company") at December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that the Company maintained effective internal control over financial reporting as of December 31, 2005, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated based on those criteria. Furthermore, in our opinion, the Company maintained in all material respects, effective internal control over financial reporting as of December 31, 2005 based on criteria established in *Internal Control — Integrated Framework* issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Phoenix, Arizona
March 15, 2006

AMKOR TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,		
	2005	2004	2003
	(In thousands, except per share data)		
Net sales	$ 2,099,949	$ 1,901,279	$ 1,603,768
Cost of sales	1,743,996	1,533,447	1,267,302
Gross profit	355,953	367,832	336,466
Operating expenses:			
Selling, general and administrative	243,155	221,915	183,291
Research and development	37,347	36,707	30,167
Provision for legal settlements and contingencies	50,000	—	—
Gain on sale of specialty test operations	(4,408)	—	—
Total operating expenses	326,094	258,622	213,458
Operating income	29,859	109,210	123,008
Other (income) expense:			
Interest expense, related party	521	—	—
Interest expense, net	165,351	148,902	140,281
Foreign currency (gain) loss	9,318	6,190	(3,022)
Other (income) expense, net	(444)	(24,444)	31,052
Total other expense	174,746	130,648	168,311
Loss before income taxes, equity investment losses, minority interests and discontinued operations	(144,887)	(21,438)	(45,303)
Equity investment losses	(55)	(2)	(3,290)
Minority interests	2,502	(904)	(4,008)
Loss from continuing operations before income taxes	(142,440)	(22,344)	(52,601)
Income tax provision (benefit)	(5,551)	15,192	(233)
Loss from continuing operations	(136,889)	(37,536)	(52,368)
Income from discontinued operations, net of tax (see Note 15)	—	—	54,566
Net income (loss)	$ (136,889)	$ (37,536)	$ 2,198
Basic and diluted income (loss) per common share:			
From continuing operations	$ (0.78)	$ (0.21)	$ (0.31)
From discontinued operations	—	—	0.32
Net income (loss) per common share	$ (0.78)	$ (0.21)	$ 0.01
Shares used in computing net income (loss) per common share:			
Basic	176,385	175,342	167,142
Diluted	176,385	175,342	167,142

The accompanying notes are an integral part of these financial statements.

AMKOR TECHNOLOGY, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2005	December 31, 2004
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 206,575	$ 372,284
Accounts receivable:		
Trade, net of allowance for doubtful accounts of $4,947 and $5,074	381,495	265,547
Other	5,089	3,948
Inventories, net	138,109	111,616
Other current assets	35,222	32,591
Total current assets	766,490	785,986
Property, plant and equipment, net	1,419,472	1,380,396
Goodwill	653,717	656,052
Intangibles, net	38,391	47,302
Investments	9,668	13,762
Other assets	67,353	81,870
Total assets	$ 2,955,091	$ 2,965,368
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	$ 184,389	$ 52,147
Trade accounts payable	326,712	211,808
Accrued expenses	123,631	175,075
Total current liabilities	634,732	439,030
Long-term debt, related party	100,000	—
Long-term debt	1,856,247	2,040,813
Other non-current liabilities	135,861	109,317
Total liabilities	2,726,840	2,589,160
Commitments and contingencies (see Note 13)		
Minority interests	3,950	6,679
Stockholders' equity:		
Preferred stock, $0.001 par value, 10,000 shares authorized designated Series A, none issued	—	—
Common stock, $0.001 par value, 500,000 shares authorized, issued and outstanding of 176,733 in 2005 and 175,718 in 2004	178	176
Additional paid-in capital	1,326,426	1,323,579
Accumulated deficit	(1,105,961)	(969,072)
Accumulated other comprehensive income	3,658	14,846
Total stockholders' equity	224,301	369,529
Total liabilities and stockholders' equity	$ 2,955,091	$ 2,965,368

The accompanying notes are an integral part of these financial statements.

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AMKOR TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Receivable from Stockholders	Accumulated Other Comprehensive Income (Loss)	Total	Comprehensive Income (Loss)
				(In thousands)				
Balance at December 31, 2002	165,156	$ 166	$ 1,170,227	$ (933,734)	$ (2,887)	$ (2,405)	$ 231,367	
Net income	—	—	—	2,198	—	—	2,198	$ 2,198
Unrealized gain on available for sale investments, net of tax	—	—	—	—	—	12,152	12,152	12,152
Cumulative translation adjustment	—	—	—	—	—	5,454	5,454	5,454
Comprehensive income								$ 19,804
Issuance of common stock	7,375	7	133,459	—	—	—	133,466	
Issuance of stock through employee stock purchase plan and stock options	1,977	2	13,478	—	—	—	13,480	
Payment received from stockholders	—	—	—	—	2,887	—	2,887	
Balance at December 31, 2003	174,508	175	1,317,164	(931,536)	—	15,201	401,004	
Net loss	—	—	—	(37,536)	—	—	(37,536)	$ (37,536)
Unrealized loss on available for sale investments, net of tax	—	—	—	—	—	(9,575)	(9,575)	(9,575)
Cumulative translation adjustment	—	—	—	—	—	9,220	9,220	9,220
Comprehensive loss							—	$ (37,891)
Issuance of stock through employee stock purchase plan and stock options	1,210	1	6,415	—	—	—	6,416	
Balance at December 31, 2004	175,718	176	1,323,579	(969,072)	—	14,846	369,529	
Net loss	—	—	—	(136,889)	—	—	(136,889)	$ (136,889)
Unrealized loss on available for sale investments, net of tax	—	—	—	—	—	(333)	(333)	(333)
Cumulative translation adjustment	—	—	—	—	—	(10,855)	(10,855)	(10,855)
Comprehensive loss							—	$ (148,077)
Issuance of stock through employee stock purchase plan and stock options	1,015	2	2,847	—	—	—	2,849	
Balance at December 31, 2005	176,733	$ 178	$ 1,326,426	$ (1,105,961)	$ —	$ 3,658	$ 224,301	

The accompanying notes are an integral part of these financial statements.

AMKOR TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,		
	2005	2004	2003
		(In thousands)	
Cash flows from operating activities:			
Net income (loss)	$ (136,889)	$ (37,536)	$ 2,198
Income from discontinued operations, net of tax	—	—	54,566
Loss from continuing operations	(136,889)	(37,536)	(52,368)
Adjustments to reconcile loss from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	248,637	230,344	219,735
Amortization of deferred debt issuance costs and discounts	8,684	12,396	18,540
Provision for accounts receivable	96	(161)	—
Provision for excess and obsolete inventory	10,718	14,841	4,463
Deferred income taxes	25,118	(3,603)	7,895
Equity investment loss	55	2	3,290
Loss (gain) on debt redemption	(253)	1,687	24,148
Loss (gain) on disposal of fixed assets, net	3,451	(3,721)	(586)
Gain on sale of specialty test operations	(4,408)	—	—
Other (gains) losses, net	4,037	(21,581)	(4,019)
Minority interests	(2,502)	904	4,008
Changes in assets and liabilities, excluding effects of acquisitions:			
Accounts receivable	(126,665)	53,779	(74,619)
Other receivables	59	420	4,035
Inventories	(38,499)	(32,084)	(23,825)
Other current assets	(4,739)	1,985	(2,335)
Other non-current assets	1,026	(5,135)	12,374
Accounts payable	131,210	(29,731)	(906)
Accrued expenses	(49,200)	9,565	(16,080)
Other long-term liabilities	27,176	26,257	12,983
Net cash provided by operating activities	97,112	218,628	136,733
Cash flows from continuing investing activities:			
Purchases of property, plant and equipment	(295,943)	(407,740)	(190,891)
Acquisitions, net of cash acquired	—	(63,613)	(2,505)
Proceeds from the sale of property, plant and equipment	1,596	7,609	4,001
Proceeds from sale of specialty test operations	6,587	—	—
Advances for acquisition of minority interest	(19,250)	—	—
Proceeds from the sale of investments	—	49,409	56,595
Purchase of investments	—	—	(13,765)
Proceeds from note receivable	—	18,627	18,253
Other	—	—	829
Net cash used in investing activities	(307,010)	(395,708)	(127,483)

(Continued)

AMKOR TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

	For the Year Ended December 31,		
	2005	2004	2003
		(In thousands)	
Cash flows from continuing financing activities:			
Net change in bank overdrafts	(102)	(2,588)	(1,943)
Borrowings under revolving credit facilities	120,405	260,423	402,692
Payments under revolving credit facilities	(120,727)	(256,720)	(420,120)
Proceeds from issuance of long-term debt and capital leases	116,317	549,764	595,000
Proceeds from issuance of related party debt	100,000	—	—
Payments for debt issuance costs	(2,187)	(15,278)	(10,577)
Net proceeds from the issuance of common stock	—	—	133,466
Payments of long-term debt, including redemption premiums	(168,872)	(185,242)	(736,897)
Payments on notes payable	—	(121,600)	—
Proceeds from issuance of stock through stock compensation plans	2,849	6,416	13,480
Payments on receivable from stockholders	—	—	2,887
Net cash provided by (used in) financing activities	47,683	235,175	(22,012)
Effect of exchange rate fluctuations on cash and cash equivalents	(3,494)	819	1,488
Cash flows from discontinued operations:			
Net cash provided by operating activities	—	111	10,872
Net cash provided by investing activities	—	—	2,412
Net cash provided by financing activities	—	—	—
Net cash provided by discontinued operations	—	111	13,284
Net increase (decrease) in cash and cash equivalents	(165,709)	59,025	2,010
Cash and cash equivalents, beginning of period	372,284	313,259	311,249
Cash and cash equivalents, end of period	$ 206,575	$ 372,284	$ 313,259
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	$ 168,564	$ 136,957	$ 147,188
Income taxes	$ 1,885	$ 23,800	$ 7,839
Noncash investing and financing activities:			
Note receivable from sale of specialty test operations	$ 890	$ —	$ —

The accompanying notes are an integral part of these financial statements.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

Amkor is one of the world's largest subcontractors of semiconductor packaging (sometimes referred to as assembly) and test services. Amkor pioneered the outsourcing of semiconductor packaging and test services through a predecessor in 1968, and over the years has built a leading position by:

- Providing a broad portfolio of packaging and test technologies and services;
- Maintaining a leading role in the design and development of new package and test technologies;
- Cultivating long-standing relationships with customers, including many of the world's leading semiconductor companies;
- Developing expertise in high-volume manufacturing processes to provide our services; and
- Providing a broadly diversified operational scope, with production capabilities in China, Korea, Japan, the Philippines, Singapore, Taiwan and the U.S.

Packaging and test are integral parts of the process of manufacturing semiconductor chips. This process begins with silicon wafers and involves the fabrication of electronic circuitry into complex patterns, thus creating large numbers of individual chips on the wafers. The fabricated wafers are probed to ensure the individual chips meet design specifications. The packaging process creates an electrical interconnect between the semiconductor chip and the system board through wire bonding or bumping technologies. In packaging, individual chips are separated from the fabricated semiconductor wafers, attached to a substrate and then encased in a protective material to provide optimal electrical connectivity and thermal performance. The packaged chips are then tested using sophisticated equipment to ensure that each packaged chip meets its design specifications. Increasingly, packages are custom designed for specific chips and specific end-market applications. We are able to provide turnkey solutions including semiconductor wafer bumping, wafer probe, wafer backgrind, package design, packaging, test and drop shipment services. The semiconductors that we package and test for our customers ultimately become components in electronic systems used in communications, computing, consumer, industrial and automotive applications.

Basis of Presentation

The consolidated financial statements include the accounts of Amkor Technology, Inc. and its subsidiaries ("Amkor"). The consolidated financial statements reflect the elimination of all significant inter-company accounts and transactions. As discussed further below, we adopted Financial Accounting Standards Board ("FASB") Interpretation No. ("FIN") 46, "Consolidation of Variable Interest Entities" on July 1, 2003. Accordingly, our investments in variable interest entities in which we are the primary beneficiary are consolidated. Our investments in variable interest entities in which we are not the primary beneficiary are accounted for under the equity method. Investments in and the operating results of 20% to 50% owned companies which are not variable interest entities are included in the consolidated financial statements using the equity method of accounting. Prior to the adoption of FIN 46, all investments in and the operating results of 20% to 50% owned companies were included in the consolidated financial statements using the equity method of accounting.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Certain previously reported amounts have been reclassified to conform to the current presentation.

Consolidation of Variable Interest Entities

In January 2003, the FASB issued FIN 46, "Consolidation of Variable Interest Entities." The primary objective of FIN 46 is to provide guidance on the identification of, and financial reporting for, entities over which control is achieved through means other than voting rights; such entities are known as variable interest entities. FIN 46 requires variable interest entities to be consolidated by the primary beneficiary and expands disclosure requirements for both variable interest entities that are consolidated as well as those within which an enterprise holds a significant variable interest. On July 1, 2003, we elected early adoption of FIN 46 and have elected not to restate prior periods.

We have variable interests in certain Philippine realty corporations in which we have a 40% ownership and from whom we lease land and buildings in the Philippines. Beginning July 1, 2003, we have consolidated these Philippine realty corporations within our financial statements. As of December 31, 2005, the combined book value of the assets and the liabilities associated with these Philippine realty corporations included in our consolidated balance sheet was $20.8 million and $2.0 million (which excludes an inter-company payable of $19.2 million which eliminates during consolidation), respectively. There was no net effect to our consolidated statements of operations as a result of the consolidation of the Philippine realty corporations as these entities were previously accounted for as equity investments with our proportionate share of gains and losses recorded in our consolidated statements of operations. In addition, the consolidation of Philippine realty companies was treated as a non-cash transaction. The creditors of the Philippine realty corporations have no recourse to the general credit of Amkor Technology, Inc., the primary beneficiary of these variable interest entities.

Foreign Currency Translation

The U.S. dollar is the functional currency of our subsidiaries in China, Korea, the Philippines and Singapore, and the foreign currency asset and liability amounts at these subsidiaries are remeasured into U.S. dollars at end-of-period exchange rates, except for nonmonetary items which are remeasured at historical rates. Foreign currency income and expenses are remeasured at average exchange rates in effect during the year, except for expenses related to balance sheet amounts remeasured at historical exchange rates. Exchange gains and losses arising from remeasurement of foreign currency-denominated monetary assets and liabilities are included in other income (expense) in the period in which they occur.

The local currency is the functional currency of our subsidiaries in Japan and Taiwan, and the asset and liability amounts of these subsidiaries are translated into U.S. dollars at end-of-period exchange rates. The resulting translation adjustments are reported as a component of accumulated other comprehensive income (loss) in the stockholders' equity section of the balance sheet. Assets and liabilities denominated in a currency other than the local currency are remeasured into the local currency prior to translation into U.S. dollars, and the resulting exchange gains or losses are included in other income (expense) in the period in which they occur. Income and expenses are translated into U.S. dollars at average exchange rates in effect during the period.

Concentrations and Credit Risk

Financial instruments, for which we are subject to credit risk, consist principally of accounts receivable and cash and cash equivalents. With respect to accounts receivable, we mitigate our credit risk by selling primarily to well established companies, performing ongoing credit evaluations and making frequent contact with customers. We have historically mitigated our credit risk with respect to cash and cash equivalents through diversification of our holdings into various high-grade money market accounts.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Risks and Uncertainties

Our future results of operations involve a number of risks and uncertainties. Factors that could affect future 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, fluctuations in operating results, declines in average selling prices, our high leverage and the restrictive covenants contained in the agreements governing our indebtedness, the absence of significant backlog in our business, our dependence on international operations and sales, difficulties integrating acquisitions, our dependence on materials and equipment suppliers, our need for significant capital expenditures, the increased litigation incident to our business, rapid technological change, competition, our need to comply with existing and future environmental regulations, the enforcement of intellectual property rights by or against us and continued control by existing stockholders.

We are subject to certain legal proceedings, lawsuits and other claims, as discussed in Note 13. We assess the likelihood of any adverse judgment or outcome related to these matters, as well as potential ranges of probable losses. Our determination of the amount of reserves required, if any, for these contingencies is based on an analysis of each individual issue, often with the assistance of outside legal counsel. We record provisions in our consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated.

Cash and Cash Equivalents

We consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2005 and 2004, $1.7 million and $1.9 million of our cash was restricted and recorded in other long-term assets, according to the time deposit maturity dates.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined for approximately 90% of our inventories by using a moving average method. The remaining inventories use standard cost, which approximates actual cost. We order raw materials based on the customers' forecasted demand. If our customers change their forecasted requirements and we are unable to cancel our raw materials order or if our vendor requires that we order a minimum quantity that exceeds the current forecasted demand, we will experience a build-up in raw material inventory. We will either seek to recover the cost of the materials from our customers or utilize the inventory in production. Our reserve for excess and obsolete inventory is based on the forecasted demand we receive from our customers and the age of our inventory. When a determination is made that the inventory will not be utilized in production it is written-off and disposed.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method over the estimated useful lives of depreciable assets which are as follows:

Buildings and improvements	10 to 30 years
Machinery and equipment	3 to 7 years
Furniture, fixtures and other equipment	3 to 10 years
Land use rights	50 years

Cost and accumulated depreciation for property retired or disposed of are removed from the accounts and any resulting gain or loss is included in earnings. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expense related to continuing operations was $239.1 million, $223.0 million and $211.0 million for 2005, 2004 and 2003, respectively.

We review long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Recoverability of a long-lived asset is measured by a comparison of the carrying amount to the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If such asset is considered to be impaired, the impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. Long-lived assets to be disposed of are carried at the lower of cost or fair value less the costs of disposal.

Goodwill and Acquired Intangibles

Goodwill is recorded when the cost of an acquisition exceeds the fair value of the net tangible and identifiable intangible assets acquired. Goodwill and indefinite-lived intangible assets are tested for impairment at least annually. These tests are performed more frequently if warranted. Impairment losses are recorded when the carrying amount of goodwill exceeds its implied fair value.

Finite-lived intangible assets include customer relationship and supply agreements as well as patents and technology rights and are amortized on a straight-line basis over their estimated useful lives, generally for periods ranging from 5 to 10 years. We continually evaluate the reasonableness of the useful lives of these assets. Finite-lived intangibles are tested for recoverability whenever events or changes in circumstances indicate the carrying amount many not be recoverable. An impairment loss, if any, would be measured as the excess of the carrying value over the fair value determined by discounted cash flows.

Other Noncurrent Assets

Other noncurrent assets consist principally of deferred income tax assets, deferred debt issuance costs and refundable security deposits. At December 31, 2005, other noncurrent assets includes $19.3 million related to the advance on the acquisition of minority interest in Unitive Semiconductor Taiwan (“UST”), (See Note 21 “Subsequent Events”) as well as $28.1 million of unamortized debt issuance costs.

Other Noncurrent Liabilities

Other noncurrent liabilities consist primarily of Korean severance plan obligations and foreign pension obligations (see Note 10 “Employee Benefit Plans”).

Revenue Recognition and Risk of Loss

We recognize revenue from our packaging and test services when persuasive evidence of an arrangement exists, services have been rendered, the fee is fixed or determinable and collectibility is reasonably assured. We do not take ownership of customer-supplied semiconductor wafers. Title and risk of loss remains with the customer for these materials at all times. Accordingly, the cost of the customer-supplied materials is not included in the consolidated financial statements. A sales allowance is recognized in the period of sale, based on our historical experience.

Shipping and Handling Fees and Costs

Amounts billed to customers for shipping and handling are classified in net sales. Amounts incurred for shipping and handling are included in costs of sales.

Stock Compensation

We apply Accounting Principles Board (“APB”) Opinion No. 25, “Accounting for Stock Issued to Employees,” and related Interpretations, to our stock option plans. These stock option plans are discussed more fully in Note 12, “Stock Compensation Plans.” Generally, no compensation expense has been recognized for our employee stock options that have been granted. If compensation costs for our stock option

plans had been determined using the fair value method of accounting as set forth in Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," our reported net results and amounts per share would have been unfavorably affected, as illustrated below.

During August 2004, the Compensation Committee of our Board of Directors approved the vesting of all unvested outstanding employee stock options that were issued prior to July 1, 2004. The purpose for accelerating the vesting of all such options was to enhance employee morale, help retain high-potential employees in the face of a downturn in industry conditions and to avoid future compensation charges subsequent to the adoption of SFAS No. 123R. The following table illustrates the effect on net results and per share amounts as if the fair value based method had been applied to all outstanding and unvested awards in each period. This table includes a pro forma charge of approximately $43.0 million for the year ended December 31, 2004 related to the August 2004 accelerated vesting. Substantially all unvested employee stock options had exercise prices above market value at that time. Had we not accelerated the vesting of unvested options in August 2004, a charge to earnings for the majority of the pro forma charge would have been reflected in our statements of operations as the related options vested in future periods. Such charges would begin in the first quarter of 2006, the effective date of SFAS No. 123R (discussed below under *Recently Issued Accounting Standards Not Yet Effective*). Refer to Note 12 for a discussion of the assumptions used in calculating the fair value of the options granted.

	For the Year Ended December 31,		
	2005	2004	2003
	(In thousands, except per share data)		
Net income (loss):			
Net income (loss), as reported	$ (136,889)	$ (37,536)	$ 2,198
Add: Total stock-based employee compensation recognized under intrinsic value method, net of tax	45	—	—
Deduct: Total stock-based employee compensation determined under fair value based method, net of tax	(3,553)	(63,164)	(31,573)
Net loss, pro forma	$ (140,397)	$ (100,700)	$ (29,375)
Earnings (loss) per share:			
Basic and diluted:			
As reported	(0.78)	$ (0.21)	$ (0.01)
Pro forma	(0.80)	$ (0.57)	$ (0.18)

For 2005, 2004 and 2003 pro forma net losses, there was no offsetting impact to our tax provision related to pro forma stock compensation expense because of our consolidated net losses for those years and the associated recognition of valuation allowances against the related deferred tax assets (see Note 11 "Income Taxes").

Research and Development Costs

Research and development expenses include costs directly attributable to the conduct of research and development programs primarily related to the development of new package designs and improving the efficiency and capabilities of our existing production processes. Such costs include salaries, payroll taxes, employee benefit costs, materials, supplies, depreciation on and maintenance of research equipment, fees under licensing agreements, services provided by outside contractors, and the allocable portions of facility costs such as rent, utilities, insurance, repairs and maintenance, depreciation and general support services. All costs associated with research and development are expensed as incurred.

Provision for Income Taxes

Income taxes are accounted for using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for those deferred tax assets for which it is more likely than not that the related benefits will not be realized.

In determining the amount of the valuation allowance, we consider estimated future taxable income, as well as feasible tax planning strategies, in each taxing jurisdiction. If all or a portion of the remaining deferred tax assets will not be realized, the valuation allowance will be increased with a charge to income tax expense. Conversely, if we will ultimately be able to utilize all or a portion of the deferred tax assets for which a valuation allowance has been provided, the related portion of the valuation allowance will be released to income as a credit to income tax expense. We monitor on an ongoing basis our ability to utilize our deferred tax assets and the continuing need for a related valuation allowance. In 2005, we continued to record a valuation allowance for substantially all of our deferred tax assets.

Earnings Per Share

Basic Earnings Per Share ("EPS") is computed using 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, convertible debt and warrants. For the years ended December 31, 2005, 2004 and 2003, we excluded from the computation of diluted earnings per share potentially dilutive securities which would have an antidilutive effect on EPS because either the exercise price of the securities exceeded the average fair value of our common stock or we had net losses, and therefore these securities were anti-dilutive. As of December 31, 2005, 2004 and 2003, the total number of potentially dilutive securities for outstanding options was 16.4 million, 17.7 million and 15.8 million, respectively. As of December 31, 2005, 2004 and 2003, the total number of potentially dilutive securities outstanding from the conversion of the convertible debt was 19.7 million, 9.2 million and 9.2 million, respectively. As of December 31, 2003, the total number of potentially dilutive securities for outstanding warrants for common stock was 3.9 million. The basic and diluted per share amounts are the same for the years 2005, 2004 and 2003 due to net losses from continuing operations.

Recently Issued Accounting Standards Not Yet Effective

In November 2004, the FASB issued SFAS No. 151, *Inventory Costs, an Amendment of ARB No. 43, Chapter 4.* SFAS No. 151 clarifies that abnormal amounts of idle facility expense, freight, handling costs and wasted materials (spoilage) should be recognized as current-period charges and requires the allocation of fixed production overheads to inventory based on the normal capacity of the production facilities. The guidance in this Statement is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The adoption of this Statement will not have a material impact on our financial statements and disclosures.

In December 2004, the FASB issued SFAS No. 153, *Exchanges of Nonmonetary Assets, an Amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions.* SFAS No. 153 eliminates the exception from fair value measurement for nonmonetary exchanges of similar productive assets in paragraph 21(b) of APB Opinion No. 29 and replaces it with an exception for exchanges that do not have commercial substance. SFAS No. 153 specifies that a nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS No. 153 is effective in fiscal

years beginning after June 15, 2005. We do not anticipate that the adoption of SFAS No. 153 will have a material impact on our financial statements and disclosures.

In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Corrections.* SFAS No. 154 replaces APB No. 20, *Accounting Changes* and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements* and establishes retrospective application as the required method for reporting a change in accounting principle. SFAS No. 154 provides guidance for determining whether retrospective application of a change in accounting principle is impracticable and how to report such a change. The reporting of a correction of an error by restating previously issued financial statements is also addressed. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. We do not anticipate that the adoption of SFAS No. 154 will have a material impact on our financial statements and disclosures.

In December 2004, the FASB issued SFAS No. 123R, *Share-Based Payment.* SFAS No. 123R is a revision of SFAS No. 123, *Accounting for Stock Based Compensation* and supersedes APB No. 25. Among other items, SFAS No. 123R eliminates the use of APB No. 25 and the intrinsic value method of accounting and requires companies to recognize the cost of employee services received in exchange for awards of equity instruments, based on the grant date fair value of those awards, in the financial statements. On April 14, 2005, the Securities and Exchange Commission ("SEC") amended the effective date of SFAS No. 123R to January 1, 2006 for calendar year companies. We intend to adopt this statement on the new effective date and will use the modified prospective method. Under the modified prospective method, awards that are granted, modified, or settled after the date of adoption should be measured and accounted for in accordance with SFAS 123R. Unvested equity-classified awards that were granted prior to the effective date should continue to be accounted for in accordance with SFAS 123 except that amounts must be recognized in the income statement. The unrecognized compensation expense associated with unvested stock options was approximately $6.8 million as of December 31, 2005 which will be amortized over a weighted average period of approximately 1.5 years. Future compensation expense will be impacted by various factors, including the number of awards granted and their related fair value at the date of grant.

We currently utilize a standard option pricing model (Black-Scholes) to measure the fair value of stock options granted to employees. While SFAS No. 123R permits entities to continue to use such a model, the standard also permits the use of a "lattice" model. We will continue to use the Black-Scholes option pricing model to measure the fair value of employee stock options upon the adoption of SFAS No. 123R.

SFAS No. 123R also requires the benefits associated with the tax deductions in excess of recognized compensation cost be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after the effective date. These future amounts cannot be estimated because they depend on when the employees exercise stock options as well as when we will be able to utilize our federal net operating loss carryforwards.

In October 2005, the FASB issued FASB Staff Position ("FSP") FAS 123(R)-2, *Practical Accommodation to the Application of Grant Date as Defined in FASB Statement No. 123(R)*, which provides guidance on the application of grant date as defined in SFAS 123(R). The guidance in the FSP will be applied upon the Company's initial adoption of SFAS 123(R).

In November 2005, the FASB issued FSP FAS123(R)-3, *Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards.* This FSP requires an entity to follow either the transition guidance for the additional-paid-in-capital pool as prescribed in SFAS 123(R), or the alternative method as described in the FSP. An entity that adopts SFAS 123(R) using the modified prospective application may make a one-time election to adopt the transition method described in this FSP. An entity may take up to one year from the later of its adoption of SFAS 123(R) or the effective date of this FSP to evaluate its available

transition alternatives and make its one-time election. We continue to evaluate the impact that the adoption of this FSP could have on our financial statements and disclosures.

In November 2005, FASB issued FSP FAS 115-1/ FAS 124-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments* (FSP 115-1/124-1). FSP 115-1/124-1 provides guidance on determining when investments in certain debt and equity securities are considered impaired, whether that impairment is other-than-temporary, and on measuring such impairment loss. FSP 115-1/124-1 also includes accounting considerations subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. This FSP is required to be applied to reporting periods beginning after December 15, 2005. We do not expect this FSP will have a material impact on our financial statements and disclosures.

2. Liquidity

We generated a loss from continuing operations of $136.9 million for the year ended December 31, 2005, which included a provision of $50.0 million for legal settlements and a gain on the sale of our specialty test operations of $4.4 million. This compares to a loss from continuing operations for the years ended December 31, 2004 and 2003 of $37.5 million and $52.4 million, respectively. Our operating activities provided cash totaling $97.1 million in 2005, $218.6 million in 2004 and $136.7 million in 2003. However, in 2005 and 2004, cash flow from operating activities was insufficient to fully cover cash used for investing activities. Investing activities during these periods have been primarily for capital expenditures for additional processing capacity to service anticipated customer demand and business acquisitions to fuel future growth. The cash shortfall was covered by incurring additional indebtedness. We now have and for the foreseeable future will continue to have a significant amount of indebtedness. At December 31, 2005 we had $2,140.6 million of debt, of which $184.4 million was classified as a current liability. We were in compliance with all debt covenants at December 31, 2005 and expect to remain in compliance with these covenants through December 31, 2006.

As of December 31, 2005, we had cash and cash equivalents of $206.6 million and $96.7 million available under our new senior secured revolving credit facility. We have prepared a forecast for 2006 which is based on our current expectations regarding revenue growth and associated operating expense and capital spending levels. If our actual results should differ materially from our expectations, our liquidity may be adversely impacted. If that were to occur, we would take steps to adjust our operating costs and capital expenditures to levels necessary to support our incoming business. We may also need to raise additional equity or borrow additional funds to achieve our longer-term business objectives. There can be no assurance; however, that such equity or borrowings will be available or, if available, will be at rates or prices which are acceptable to us. Nevertheless, we believe that our cash flow from operating activities coupled with existing cash balances and availability under our new senior secured revolving credit facility will be sufficient to fund our working capital, debt service and purchases of property, plant and equipment through December 31, 2006, including retiring the remaining $133.0 million of our 5.75% convertible subordinated notes at maturity on June 1, 2006. The performance of our business is dependent on many factors and subject to risks and uncertainties as discussed in Note 1 “Description of Business and Summary of Significant Accounting Policies,” *Risks and Uncertainties.*

3. Fair Value of Financial Instruments

The estimated fair value of financial instruments has been determined using available market information and appropriate methodologies; however, considerable judgment is required in interpreting market data to develop the estimates for fair value. Accordingly, these estimates are not necessarily indicative of the amounts that we could realize in a current market exchange. Certain of these financial instruments are with major financial institutions and expose us to market and credit risks and may at times be concentrated with certain

counterparties or groups of counterparties. The creditworthiness of counterparties is continually reviewed, and full performance is anticipated.

The carrying amounts reported in the balance sheet for other accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of these instruments. The methods and assumptions used to estimate the fair value of other significant classes of financial instruments is set forth below:

Cash and Cash Equivalents. Cash and cash equivalents are due on demand or carry a maturity date of less than three months when purchased. The carrying amount of these financial instruments is a reasonable estimate of fair value.

Available for sale investments. Available for sale investments are recorded at market value. The fair value of these financial instruments is estimated based on market quotes.

Long-term debt. The carrying amount of our total long-term debt as of December 31, 2005 and 2004 was $2,140.6 million and $2,093.0 million, respectively. The fair value of our total long-term debt as of December 31, 2005 and 2004, based on available market quotes, was estimated to be $2,026.2 million and $2,044.6 million, respectively.

4. Inventories

Inventories consist of the following:

	December 31,	
	2005	2004
	(In thousands)	
Raw materials and purchased components, net of reserves of $23.7 million and $25.3 million, respectively	$ 106,308	$ 89,506
Work-in-process	30,124	21,150
Finished goods	1,677	960
	$ 138,109	$ 111,616

5. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	December 31,	
	2005	2004
	(In thousands)	
Land	$ 111,451	$ 112,009
Land use rights	19,945	19,945
Buildings and improvements	655,042	633,528
Machinery and equipment	1,958,181	1,953,392
Furniture, fixtures and other equipment	140,163	165,446
Construction in progress	103,439	102,952
	2,988,221	2,987,272
Less — Accumulated depreciation and amortization	(1,568,749)	(1,606,876)
	$ 1,419,472	$ 1,380,396

Construction in progress at December 31, 2005 and 2004, includes $95.4 million and $93.7 million, respectively, related to the facility in Shanghai, China acquired in connection with our May 2004 acquisition (see Note 16 "Acquisitions"). Associated with this facility, we have rights to use the land on which the building is located for a period of 50 years. During 2005, we wrote off $175.1 million of fully-depreciated assets which are no longer in use.

The following table reconciles our activity related to property, plant and equipment payments as presented on the statement of cash flows to property, plant and equipment additions reflected on the balance sheet:

	For the Year Ended December 31,		
	2005	2004	2003
	(In thousands)		
Payments for property, plant, and equipment	$ 295,943	$ 407,740	$ 190,891
Increase (decrease) in property, plant, and equipment in accounts payable and accrued expenses, net	(1,164)	(2,014)	39,613
Property, plant and equipment additions	$ 294,779	$ 405,726	$ 230,504

6. Goodwill and Other Intangible Assets

During the second quarters of 2005 and 2004, we performed our annual review for impairment and concluded that goodwill was not impaired in each year. The changes in the carrying value of goodwill, all of which relates to our packing services segment, are as follows:

	(In thousands)
Balance as of December 31, 2003	$ 629,850
Goodwill acquired	23,814
Translation adjustments	2,388
Balance as of December 31, 2004	$ 656,052
Translation adjustments	(2,335)
Balance as of December 31, 2005	$ 653,717

Intangibles as of December 31, 2005 consist of the following:

	Gross	Accumulated Amortization	Net
		(In thousands)	
Patents and technology rights	$ 73,573	$ (41,839)	$ 31,734
Customer relationship and supply agreements	8,858	(2,201)	6,657
	$ 82,431	$ (44,040)	$ 38,391

Intangibles as of December 31, 2004 consist of the following:

	Gross	Accumulated Amortization	Net
		(In thousands)	
Patents and technology rights	$ 72,973	$ (33,595)	$ 39,378
Customer relationship and supply agreements	8,858	(934)	7,924
	$ 81,831	$ (34,529)	$ 47,302

Amortization expense was $9.5 million, $6.7 million and $8.2 million in 2005, 2004 and 2003, respectively. Estimated annual amortization expense for 2006, 2007, 2008, 2009 and 2010 is $9.5 million, $9.5 million, $9.5 million, $4.7 million and $2.5 million, respectively. The weighted average amortization period for the patents and technology rights is 9.0 years. The weighted average amortization period for all intangible assets is 8.6 years.

In connection with our January 2004 acquisition of Amkor Iwate Corporation (see Note 16 “Acquisitions”), we recorded a customer relationship intangible asset of $3.3 million. This asset is amortized on a straight-line basis, against net revenues, over its 7-year useful life.

In connection with our May 2004 acquisition from IBM and Xin Development Co., Ltd. (see Note 16 “Acquisitions”), we entered into a supply agreement to provide IBM certain packaging and test services. This supply agreement was recorded as an intangible asset in our consolidated balance sheet at a cost of $5.5 million. The supply agreement expires December 31, 2010 and is being amortized on a straight-line basis against net revenues over the 6.5 year term of the agreement.

7. Investments

Investments include non-current marketable securities and equity investments as follows:

	December 31,	
	2005	2004
	(In thousands)	
Marketable securities classified as available for sale:		
ASI (ownership of 2% at December 31, 2005 and 2004)	$ 8,879	$ 12,940
Other marketable securities classified as available for sale	714	722
Total marketable securities	9,593	13,662
Equity method investments	75	100
	$ 9,668	$ 13,762

During 2003, we sold 12 million shares of ASI stock and completed other related transactions generating cash proceeds of $45.6 million and resulting in a net loss of $0.6 million. During 2004, we sold another 10.1 million shares of ASI stock and completed other related transactions generating cash proceeds of $49.7 million and a net gain of $21.6 million. During 2005, we recognized impairment charges totaling $3.7 million, which was a charge of $4.0 million offset by the realization of $0.3 million in previously unrealized gains which were included in other comprehensive income at December 31, 2004. These charges were recognized as the Company believed the related decline in value was other than temporary. As of December 31, 2005, there are no gains or losses included in other comprehensive income relating to our investment in ASI.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

8. Accrued Expenses

Accrued expenses consist of the following:

	December 31,	
	2005	2004
	(In thousands)	
Accrued interest	$ 34,545	$ 34,547
Accrued payroll	25,943	25,648
Accrued income taxes	2,776	35,387
Other accrued expenses	60,367	79,493
	$ 123,631	$ 175,075

Accrued income taxes decreased $32.6 million from December 31, 2004 to December 31, 2005 primarily as a result of the finalization of the audits of our 2000 and 2001 federal income tax returns by the Internal Revenue Service. See Note 11 “Income Taxes” for further discussion.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

9. Debt

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

	December 31, 2005	December 31, 2004
	(In thousands)	
Debt of Amkor Technology, Inc.		
Senior secured credit facilities:		
$100.0 million revolving credit facility, LIBOR plus 1.5% — 2.25%, due November 2009	—	—
$30.0 million revolving line of credit, LIBOR plus 3.5%, due June 2007 (Terminated November 2005)	—	—
Second lien term loan, LIBOR plus 4.5%, due October 2010	$ 300,000	$ 300,000
Senior Notes		
9.25% Senior notes due February 2008	470,500	470,500
7.75% Senior notes due May 2013	425,000	425,000
7.125% Senior notes due March 2011	248,658	248,454
Senior Subordinated Notes		
10.5% Senior subordinated notes due May 2009	200,000	200,000
Convertible Subordinated Notes		
5.75% Convertible subordinated notes due June 2006, convertible at $35.00 per share	133,000	233,000
5.0% Convertible subordinated notes due March 2007, convertible at $57.34 per share	146,422	146,422
Related Party Convertible Subordinated Notes		
6.25% Convertible subordinated notes due December 2013, convertible at $7.49 per share	100,000	—
Notes Payable and Other Debt	823	16,798
Debt of subsidiaries		
Secured Term Loans		
Term loan, Taiwan 90-Day Commercial Paper plus 1.2%, due November 2010 (Paid off in June 2005)	55,586	—
Term loans, various interest rates, due October 2005 to November 2010	—	13,576
Term loan, Taiwan 90-Day Commercial Paper secondary market rate plus 2.25%, due June 20, 2008	11,329	—
Term loan, 2.69%, due April 2010 (Paid off in August 2005)	—	3,371
Secured Equipment and Property Financing	20,454	7,544
Revolving Credit Facilities	26,501	24,258
Other Debt	2,363	4,037
Total Debt	2,140,636	2,092,960
Less: Short-term borrowings and current portion of long-term debt	(184,389)	(52,147)
Long-term debt (including related party)	$ 1,956,247	$ 2,040,813

Debt of Amkor Technology Inc.

Senior Secured Credit Facilities

In November 2005, we entered into a $100.0 million first lien revolving credit facility available through November 2009, with a letter of credit sub-limit of $25.0 million. Interest is charged under the credit facility at a floating rate based on the base rate in effect from time to time plus the applicable margins which range from 0.0% to 0.5% for base rate revolving loans, or LIBOR plus 1.5% to 2.25% for LIBOR revolving loans. The interest rate at December 31, 2005, was 5.89%; however, no borrowings were outstanding on this credit facility. Amkor Technology, Inc., along with, Unitive Inc. ("Unitive") and Unitive Electronics Inc., granted a first priority lien on substantially all of their assets, excluding inter-company loans and the capital stock of foreign subsidiaries and certain domestic subsidiaries. As of December 31, 2005, we had utilized $3.3 million of the available letter of credit sub-limit, and had $96.7 million available under this facility. The borrowing base for the revolving credit facility is based on the valuation of our eligible accounts receivable. We incur commitment fees on the unused amounts of the revolving credit facility ranging from 0.25% to 0.50%, based on our liquidity. The $100.0 million credit facility replaces our prior $30.0 million senior secured revolving credit facility which we entered into in June 2004.

In October 2004, we entered into a $300.0 million second lien term loan with a group of institutional lenders. The term loan bears interest at a rate of LIBOR plus 450 basis points and matures in October 2010. The net proceeds of $288.8 million from the second lien term loan were used to support working capital and general corporate purposes.

Senior Notes

In February 2001, we sold $500.0 million of 9.25% Senior Notes due 2008 (the "2008 Notes"). During 2003, we received board approval to purchase up to $150.0 million of the 2008 Notes. As of December 31, 2005, we had purchased $29.5 million of these notes and in January 2006, we purchased an additional $30.0 million.

In May 2003, we sold $425.0 million of 7.75% Senior Notes due 2013.

In March 2004, we sold $250.0 million of 7.125% Senior Notes due March 2011. The notes were priced at 99.321%, yielding an effective interest rate of 7.25%.

As discussed in Note 20 "Subsidiary Guarantors", certain of our subsidiaries guarantee our senior notes.

Senior Subordinated Notes

In May 1999, we sold $200.0 million of 10.5% Senior Subordinated Notes due May 2009.

Convertible Subordinated Notes

In May 2001, we sold $250.0 million of our 5.75% Convertible Subordinated Notes due 2006 (the "2006 Notes") in a private placement. The 2006 Notes are convertible into our common stock at a price of $35.00 per share, subject to adjustment. In November 2003, we purchased $17.0 million of the 2006 Notes. In November 2005, we purchased an additional $100.0 million of the 2006 Notes with proceeds from the issuance of $100.0 million of 6.25% Convertible Subordinated Notes due December 2013 described below. We purchased $100.0 million of the 2006 Notes on the open market at 99.125% and recorded a gain on extinguishment of $0.9 million included in other (income) expense, which was partially offset by the write-off of a proportionate amount of our deferred debt issuance costs of $0.3 million. In January 2006, we purchased an additional $1.0 million of the 2006 Notes at 99.25%.

In March 2000, we issued $258.8 million of our 5.0% Convertible Subordinated Notes due March 2007 (the "2007 Notes"). The 2007 Notes are convertible into our common stock at any time at a conversion price of $57.34 per share, subject to adjustment. In November 2003, we repurchased $112.3 million of our 2007 Notes. We recorded a $2.5 million loss on extinguishment related to premiums paid for the purchase of the 2007 Notes and a $2.2 million charge for the associated unamortized deferred debt issuance costs. These amounts are included in other (income) expense.

Related Party Convertible Subordinated Notes

In November 2005, we sold $100.0 million of our 6.25% Convertible Subordinated Notes due 2013 (the "2013 Notes") in a private placement to James J. Kim, Chairman and Chief Executive Officer, and certain Kim family trusts. The 2013 Notes are convertible into our common stock at an initial price of $7.49 per share (market price of our common stock on the date of issuance of the 2013 Notes was $6.20 per share), subject to adjustment, and are subordinated to the prior payment in full of all of our senior and senior subordinated debt. We also entered into a registration rights agreement that requires us to register the debt. The proceeds from the sale of the 2013 Notes were used to purchase a portion of the 2006 Notes described above.

Notes Payable and Other Debt

As of December 31, 2004, our Notes Payable and Other Debt of $16.8 million (net of $0.5 million unamortized debt discount) related to our Unitive acquisition. During 2005, we paid $16.5 million and in January 2006, we paid the remaining $0.8 million.

Debt of Subsidiaries

Secured Term Loans

In September 2005, Amkor Technology Taiwan, Inc. ("ATT") entered into a short-term interim financing arrangement with two Taiwanese banks for New Taiwan ("NT") $1.0 billion (approximately $30.0 million) (the "Bridge Loan") in connection with a syndication loan with the same lenders. The Bridge Loan matured at the earlier of 6 months or the completion of the syndication loan. In November 2005, ATT finalized the NT$1.8 billion (approximately $53.5 million) syndication loan due November 2010 (the "Syndication Loan"), which accrues interest at the Taiwan 90-Day Commercial Paper Primary Market rate plus 1.2%. At December 31, 2005, the interest rate was 3.0%. A portion of the Syndication Loan was used to pay off the Bridge Loan. Amkor Technology, Inc. has guaranteed the repayment of this loan.

Unitive Semiconductor Taiwan ("UST"), at the date of acquisition, had outstanding NT$434.8 million (approximately $13.6 million) in term loans due October 2005-November 2010, which accrued interest at either the prime rate less 0.75%, the prime rate less 2.125% or the 2-year time deposit rate plus 2.45%. The interest rates ranged from 3.70% to 5.71% at December 31, 2004. In June 2005, the loans were fully paid with the proceeds of a new NT$400.0 million (approximately $12.2 million) term loan described below.

In June 2005, UST entered into a NT$400.0 million (approximately $12.2 million) term loan due June 20, 2008 (the "UST Note"), which accrues interest at the Taiwan 90-Day Commercial Paper Secondary Market rate plus 2.25% (3.97% as of December 31, 2005). The proceeds of the UST Note were used to satisfy notes previously held by UST. Amkor Technology, Inc. has guaranteed the repayment of this loan.

At December 31, 2004, ATT had an outstanding term note due to a Taiwan bank in the amount of $3.4 million that accrued interest at 2.63% annually and was due 2010. In August 2005, the term note was paid in full.

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Other debt includes debt related to our Taiwanese subsidiaries with fixed and variable interest rates maturing between 2006 and 2007. As of December 31, 2005, the interest rate on this debt ranged from 2.67% to 3.10%.

Secured Equipment and Property Financing

Our secured equipment and property financing consists of loans secured with specific assets at our Japanese, Singaporean and Chinese subsidiaries. Our credit facility in Japan provides for equipment financing on a three-year basis for each piece of equipment purchased. The Japanese facility accrues interest at 3.59% on all outstanding balances and has maturities at various times between 2006 and 2008. In December 2005, our Singaporean subsidiary entered into a loan with a finance company for $10.0 million, which accrues interest at 4.86% and is due December 2008. The loan, guaranteed by Amkor Technology, Inc., is secured by a monetary security deposit and certain equipment in our Singapore facility. In May 2004, our Chinese subsidiary entered into a $5.5 million credit facility secured with buildings at one of our Chinese production facilities and is payable ratably through January 2012. The interest rate for the Chinese credit facility at December 31, 2005, was 5.58%.

Revolving Credit Facilities

Amkor Iwate Corporation, a Japanese subsidiary ("AIC"), has a revolving line of credit with a Japanese bank for 2.5 billion Japanese yen (approximately $21.2 million), maturing in March 2006, that accrues interest at the Tokyo Interbank Offering Rate ("TIBOR") plus 0.6%. The interest rate at December 31, 2005 was 0.66% and the line of credit was fully drawn. Amkor Technology, Inc. has guaranteed the repayment of this line of credit. Management intends to renew this line of credit.

Additionally, AIC has a revolving line of credit at a Japanese bank for 300.0 million Japanese yen (approximately $2.5 million), maturing in June 2006, that accrues interest at TIBOR plus 0.5%. The interest rate at December 31, 2005 was 0.56%, however there were no amounts drawn on this line of credit. Management intends to renew this line of credit.

In September 2005, our Philippine subsidiary entered into a 300.0 million Philippine peso (approximately $5.3 million) one-year revolving line of credit that accrues interest at 5.2%. The revolving line of credit matures in the third quarter of 2006. In January 2006, we repaid all amounts outstanding under the Philippine revolving line of credit.

Covenants

Certain of our debt agreements contain performance covenants, such as restrictions on our ability to declare and pay dividends, issue preferred stock, sell assets as well as covenants that limit the incurrence of additional debt based on our interest expense coverage ratio and collateralization. Certain of our foreign subsidiaries' debt agreements contain financial covenants such as a minimum current ratio, maximum leverage ratio and limitations on inter-company loans with certain of our subsidiaries. We were in compliance with all of our covenants as of December 31, 2005.

Maturities

Payments Due for the year ending December 31,	Total debt
	(In thousands)
2006	$ 184,389
2007	166,629
2008	491,611
2009	211,724
2010	311,762
Thereafter	774,521
Total	$ 2,140,636

10. Employee Benefit Plans

U.S. Defined Contribution Plan

We have a defined contribution plan covering substantially all U.S. employees. Eligible employees can contribute up to 60% of their salary, subject to annual Internal Revenue Service limitations. We match in cash 75% of the employee's contributions up to a defined maximum on an annual basis. The expense for this plan was $2.2 million, $1.9 million and $1.7 million in 2005, 2004 and 2003, respectively.

Taiwan Defined Contribution Plan

On July 1, 2005, we implemented a defined contribution plan under the Taiwanese Labor Pension Act in Taiwan whereby employees can contribute up to 6% of salary. We contribute no less than 6% of the employees' salaries up to a defined maximum into their individual accounts. The expense for this plan in 2005 was $0.9 million.

Korean Severance Plans

Our Korean subsidiary participates in an accrued severance plan that covers employees and directors with at least one year of service. Eligible employees are entitled to receive a lump-sum payment upon termination of employment, based on their length of service and rate of pay at the time of termination. Accrued severance benefits, which represent the majority of our other noncurrent liabilities, are estimated assuming all eligible employees were to terminate their employment at the balance sheet date. Our contributions to the National Pension Plan of the Republic of Korea are deducted from accrued severance benefit liabilities. The changes to our Korean severance accrual are as follows:

	December 31,		
	2005	2004	2003
	(In thousands)		
Balance at the beginning of year	$ 93,500	$ 66,939	$ 52,346
Provision of severance benefits	26,824	20,130	24,010
Severance payments	(5,314)	(5,133)	(9,229)
Foreign currency (gain) loss	2,901	11,564	(188)
Balance at end of year	117,911	93,500	66,939
Payments on deposit with the Korean National Pension Fund	(1,488)	(1,521)	(1,424)
Balance at the end of year, net of payments on deposit	$ 116,423	$ 91,979	$ 65,515

The estimated future benefit payments related to our Korean severance plans are as follows:

2006	$ 4,204
2007	4,372
2008	4,547
2009	4,729
2010	4,918
2011 to 2015	27,703

Foreign Defined Benefit Pension Plans

Our Philippine, Taiwanese and Japanese subsidiaries sponsor defined benefit plans (the "Plans") that cover substantially all of their respective employees who are not covered by statutory plans. Charges to expense are based upon costs computed by independent actuaries. We acquired UST (see Note 16 "Acquisitions") and its related defined benefit plan during the third quarter of 2004.

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The following table sets forth the Plans' benefit obligations, fair value of the Plans' assets and the funded status of the Plans at December 31, 2005 and 2004.

	December 31,	
	2005	2004
	(In thousands)	
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 33,105	$ 24,273
Service cost	5,182	4,841
Interest cost	2,146	1,683
Effect of curtailment	(21)	—
Benefits paid	(1,153)	(491)
Actuarial (gains) losses	(5,937)	2,185
Acquisition of UST	—	664
Foreign currency (gain) loss	1,119	(50)
Projected benefit obligation at end of year	34,441	33,105
Change in plan assets:		
Fair value of plan assets at beginning of year	17,293	15,032
Actual return (loss) on plan assets	439	(683)
Employer contributions	4,557	3,172
Benefits paid	(931)	(435)
Acquisition of UST	—	191
Foreign currency gain (loss)	835	16
Fair value of plan assets at end of year	22,193	17,293
Reconciliation of funded status:		
Funded status	(12,248)	(15,812)
Unrecognized transition obligation	369	358
Unrecognized prior service cost	881	1,136
Unrecognized actuarial (gains) losses	(1,878)	3,337
Net amount recognized at year end	$ (12,876)	$ (10,981)

	December 31,	
	2005	2004
	(In thousands)	
Amounts recognized in the consolidated balance sheets consist of:		
Prepaid benefit cost	$ 318	$ —
Accrued benefit liability	(13,432)	(11,585)
Intangible asset	238	604
Net amount recognized at year end	$ (12,876)	$ (10,981)
Projected benefit obligation	$ 34,441	$ 33,105
Accumulated benefit obligation	18,420	17,422
Fair value of plan assets	22,193	17,293
Minimum liability	238	604

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Information for pension plans with benefit obligations in excess of plan assets are as follows:

	For the Year Ended December 31,		
	2005	2004	2003
		(In thousands)	
Plans with underfunded or non-funded projected benefit obligation:			
Aggregate projected benefit obligation	$ 34,441	$ 33,105	$ 24,273
Aggregate fair value of plan assets	22,193	17,293	15,032
Plans with underfunded or non-funded accumulated benefit obligation:			
Aggregate accumulated benefit obligation	3,630	2,634	1,043
Aggregate fair value of plan assets	275	191	—

The following table sets forth the net periodic pension costs for each year in the three-year period ended December 31, 2005.

	December 31,		
	2005	2004	2003
		(In thousands)	
Components of net periodic pension cost and total pension expense:			
Service cost	$ 5,182	$ 4,841	$ 4,228
Interest cost	2,146	1,683	1,488
Expected return on plan assets	(1,289)	(973)	(2,539)
Amortization of transitional obligation	73	60	61
Amortization of prior service cost	71	82	—
Recognized actuarial (gain)/loss	52	5	1,787
Net periodic pension cost	6,235	5,698	5,025
Curtailments	216	—	—
Total pension expense	$ 6,451	$ 5,698	$ 5,025

	2005	2004	2003
Weighted-average assumptions used in computing the net periodic pension cost and projected benefit obligation at year end:			
Discount rate for determining net periodic pension cost	6.3%	7.2%	7.5%
Discount rate for determining benefit obligations at year end	8.1%	6.3%	7.2%
Rate of compensation increase for determining net periodic pension cost	6.2%	6.4%	6.6%
Rate of compensation increase for determining benefit obligations at year end	6.5%	6.2%	6.4%
Expected rate of return on plan assets for determining net periodic pension cost	6.4%	6.3%	7.2%

The measurement date for determining the Plans' assets and benefit obligations was December 31, each year.

Discount rates were generally derived from yield curves constructed from foreign government bonds for which the timing and amount of cash outflows approximate the estimated payouts.

The expected rate of return assumption is based on weighted-average expected returns for each asset class. Expected returns reflect a combination of historical performance analysis and the forward-looking views of the financial markets, and include input from our actuaries. We have no control over the direction of our investments in our Taiwanese defined benefit plans as the local Labor Standards Law Fund mandates such contributions into a cash account balance at the Central Trust of China. The Japanese defined benefit pension plans are non-funded plans, and as such, no assets exist related to these plans. Our investment strategy for our Philippine defined benefit plan is long-term, sustained asset growth through low to medium risk investments. The current rate of return assumption targets an asset allocation strategy for our Philippine plan assets of 20% to 75% emerging market debt, 10% to 30% international equities (primarily U.S. and Europe), and 0% to 10% international fixed-income securities. The remainder of the portfolio will contain other investments such as short-term investments. At December 31, 2005, 2004 and 2003, Philippine plan assets included $0.6 million and $0.7 million and $1.8 million, respectively, of Amkor common stock.

The weighted average asset allocations for the Plans, by asset category, are as follows:

	December 31,	
	2005	2004
	(In thousands)	
Cash and cash equivalents	11.0%	25.2%
Equity securities	22.2%	10.4%
Debt securities	65.2%	57.0%
Short-term notes	0.0%	2.8%
Other	1.6%	4.6%
	100.0%	100.0%

We contributed $4.6 million, $3.2 million and $3.7 million to the Plans during 2005, 2004 and 2003, respectively and we expect to contribute $6.4 million during 2006. We closely monitor the funded status of the Plans with respect to legislative requirements. We intend to make at least the minimum contribution required by law each year.

The estimated future benefit payments related to our foreign defined benefit plans are as follows:

2006	$ 1,451
2007	1,614
2008	1,880
2009	2,272
2010	3,410
2011 to 2015	20,727

11. Income Taxes

Geographic sources of income (loss) from continuing operations before income taxes and minority interest and after equity losses are as follows:

	For the Year Ended December 31,		
	2005	2004	2003
		(In thousands)	
United States	$ (116,032)	$ (47,158)	$ (101,945)
Foreign	(28,910)	25,718	53,352
	$ (144,942)	$ (21,440)	$ (48,593)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The provision (benefit) for income taxes includes federal, state and foreign taxes currently payable and those deferred because of temporary differences between the financial statement and the tax bases of assets and liabilities. The components of the provision (benefit) for income taxes applicable to continuing operations are as follows:

	For the Year Ended December 31,		
	2005	2004	2003
	(In thousands)		
Current			
Federal	$ (34,535)	$ 11,029	$ (20,242)
State	—	—	—
Foreign	3,942	7,766	19,614
	(30,593)	18,795	(628)
Deferred			
Federal	25,023	213	2,719
State	—	—	—
Foreign	19	(3,816)	(2,324)
	25,042	(3,603)	395
Total provision (benefit)	$ (5,551)	$ 15,192	$ (233)

The reconciliation between the U.S. federal statutory income tax rate of 35% and our income tax provision (benefit) is as follows:

	For the Year Ended December 31,		
	2005	2004	2003
	(In thousands)		
Expected federal tax benefit at 35%	$ (50,730)	$ (7,504)	$ (17,008)
State taxes, net of federal benefit	(4,351)	(1,175)	(792)
Foreign income taxed at different rates	42,090	(2,856)	(829)
Repatriation of foreign earnings and profits	—	60,201	—
Adjustments related to prior years	(70,103)	903	(14,701)
Change in valuation allowance	76,026	(34,252)	34,950
Other	1,517	(125)	(1,853)
Total	$ (5,551)	$ 15,192	$ (233)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following is a summary of the components of our deferred tax assets and liabilities:

	December 31,	
	2005	2004
	(In thousands)	
Deferred tax assets:		
Net operating loss carryforwards	$ 179,774	$ 138,004
Capital loss carryforwards	108,723	109,141
Investments	15,841	10,222
Income tax credits	12,183	7,349
Property, plant and equipment	20,167	9,579
Other	28,434	42,927
Total deferred tax assets	365,122	317,222
Valuation allowance	(345,776)	(269,750)
Net deferred tax assets	19,346	47,472
Deferred tax liabilities:		
Property, plant and equipment	5,598	3,837
Other	6,972	11,176
Total deferred tax liabilities	12,570	15,013
	$ 6,776	$ 32,459

During 2005, the valuation allowance on our deferred tax assets increased by $76.0 million, resulting from a charge to establish a valuation allowance against the increase in our U.S., Taiwanese, Singaporean, and Philippine net operating loss carryforwards, capital loss carryforwards, tax credits and other deferred tax assets. In 2004, the valuation allowance on our deferred tax assets decreased by $24.5 million, primarily as a result of a $34.2 million benefit relating to utilization of U.S. net operating loss carryforwards, offset by a $9.7 million valuation allowance against UST's net operating losses which was recorded in connection with our UST acquisition accounting. In connection with our divestiture in 2004 of 10.1 million shares of ASI common stock, we generated a capital loss of approximately $56.8 million; however, we provided a full valuation allowance against such capital loss because we did not have any offsetting capital gains. At December 31, 2005, the valuation allowance includes amounts relating to the tax benefits of pre-acquisition net operating losses and credits and the tax deduction associated with employee stock options. If these benefits are subsequently realized, they will be recorded to goodwill, non-current intangible assets, and contributed capital in the amounts of $16.4 million, $3.7 million, and $5.3 million, respectively.

As a result of certain capital investments, export commitments and employment levels, income from operations in Korea, the Philippines and China is subject to reduced tax rates, and in some cases is exempt from taxes. In Korea, we benefit from a tax holiday extending through 2014 that provides for a 100% tax holiday for seven years and then a 50% tax holiday for an additional three years. In the Philippines, our operating locations operate in economic zones and in exchange for tax holidays, we have committed to certain export and employment levels. For 2005, certain qualifying Philippine operations benefited from a full tax holiday, expiring at the end of 2005, while the remaining operations benefited from a perpetual reduced tax rate of 5%. As a result of our 2001 investment in China, we expect to benefit from a 100% tax holiday for five years and then a 50% tax holiday for an additional two years. This tax holiday commences in the first full taxable period when our Chinese operations have taxable income, after utilization of any allowable Chinese net operating loss carryforwards. Additionally, in January 2006, we received an agreement in principal with the Singapore Economic Development Board. Subject to final approval by the tax authorities and certain capital

investment, employment, research and development, and revenue targets, our Singapore operations will benefit from a 100% tax holiday for up to ten years, beginning no later than January 1, 2007. As a result of the net operating losses incurred by our foreign subsidiaries subject to tax holidays we did not recognize any benefits relating to such tax holidays in 2005, 2004 or 2003.

At December 31, 2005, we have U.S. and state net operating losses available to be carried forward totaling $385.4 million and $349.3 million, respectively, expiring in varying amounts through 2025. Additionally, as of December 31, 2005, our Taiwan, Singapore, and Philippines operations had $70.7 million, $4.5 million, and $4.7 million respectively, of net operating losses available for carryforward. If these foreign net operating losses are not utilized, they will expire in varying amounts through 2010. We also have U.S. capital loss carryforwards of $271.8 million which will expire in varying amounts from 2006 through 2009. Our ability to utilize our U.S. net operating and capital loss carryforwards may be limited in the future if we experience an ownership change as defined by the Internal Revenue Code.

Income taxes have not been provided on the undistributed earnings of our foreign subsidiaries (approximately $45.6 million at December 31, 2005) over which we have sufficient influence to control the distribution of such earnings and have determined that such earnings have been reinvested indefinitely. These earnings could become subject to federal income tax if they are remitted as dividends, if foreign earnings are loaned to any of our domestic subsidiaries, or if we sell our investment in such subsidiaries. We estimate that repatriation of these foreign earnings would generate additional foreign withholding taxes of $4.6 million. There would be no U.S. federal income tax since our U.S. net operating losses exceed the amount of undistributed foreign earnings.

At December 31, 2005 and 2004, current deferred tax assets of $5.3 million and $4.4 million, respectively, are included in other current assets and noncurrent deferred tax assets of $3.7 million and $29.6 million, respectively, are included in other assets in the consolidated balance sheet. In addition, at December 31, 2005 and 2004, current deferred tax liabilities of $0.1 million and $0.0 million, respectively, are included in other current liabilities and noncurrent deferred tax liabilities of $2.2 million and $1.5 million, respectively, are included in other noncurrent liabilities in the consolidated balance sheet.

We operate in and file income tax returns in various U.S. and foreign jurisdictions which are subject to examination by tax authorities. For our larger foreign operations, our tax returns have been examined through 1999 in Korea, through 2001 in the Philippines and through 2002 in Taiwan and Japan. Our tax returns for open years in all jurisdictions are subject to changes upon examination.

During 2003, the Internal Revenue Service (“IRS”) commenced an examination of our U.S. federal income tax returns relating to years 2000 and 2001. In September 2005, the Congressional Joint Committee on Taxation approved the settlement of our IRS examination of the years 2000 and 2001. As part of the settlement, we agreed to make certain adjustments to our U.S. federal income tax returns in the years 2000 through 2003 for local attribution of income resulting from inter-company transactions, including ownership and use of intellectual property, in various U.S. and foreign jurisdictions. The IRS adjustments for the years 2000 and 2001 lowered our U.S. net operating loss carryforwards by $29.2 million. As a result of the finalization of this IRS examination, we reduced our deferred tax assets by $25.0 million and our accrued income taxes by $28.4 million, resulting in a net tax benefit of $3.4 million recorded in 2005.

During 2005, the IRS also commenced an examination of our U.S. federal income tax returns relating to years 2002 and 2003. The IRS completed their field work in 2005, performing a limited-scope examination, primarily reviewing inter-company transfer pricing and cost-sharing issues carried over from the 2000 and 2001 examination. The IRS proposed four adjustments relating to these issues. We have agreed to three of the IRS adjustments, lowering our U.S. net operating loss carryforwards by $36.1 million. The remaining adjustment is an IRS proposed transfer pricing adjustment which would further reduce our net operating loss carryforwards by $55.7 million. We disagree with this adjustment and have referred it to IRS Appeals.

Regardless of the outcome, we anticipate no impact to our consolidated statements of operations as we maintain a full valuation allowance against the related deferred tax assets.

Our estimated tax liability is subject to change as examinations of specific tax years are completed in the respective jurisdictions. Amounts accrued for potential income tax assessments, which are included in accrued expenses in the consolidated balance sheet, total $2.8 million and $41.0 million at December 31, 2005 and 2004, respectively. The $38.2 million reduction in our related accrual was driven by the $28.4 million reduction resulting from the finalization of the IRS examination of our 2000 and 2001 federal income tax returns discussed above, a $6.5 million reduction resulting from the issuance of regulations by the IRS in January 2006 clarifying the tax status of certain of our foreign subsidiaries for federal income tax purposes, a $2.0 million reduction for federal interest and state taxes paid relating to the 2000 and 2001 IRS audit, and a $1.3 million net reduction relating to other U.S. and foreign tax matters.

We believe that any additional taxes or related interest over the amounts accrued will not have a material effect on our financial condition, results of operations or cash flows, nor do we expect that examinations to be completed in the near term would have a material favorable impact. However, resolution of these matters involves uncertainties and there are no assurances that the outcomes will be favorable.

12. Stock Compensation Plans

1998 Director Option Plan. A total of 300,000 shares of common stock have been reserved for issuance under the Director Plan. The option grants under the Director Plan are automatic and non-discretionary. As of January 1, 2003, the Director Plan provides for an initial grant of options to purchase 20,000 shares of common stock to each new non-employee director of the company when such individual first becomes an outside director. In addition, each non-employee director will automatically be granted subsequent options to purchase 10,000 shares of common stock on each date on which such director is re-elected by the stockholders of the company, provided that as of such date such director has served on the Board of Directors for at least six months. The exercise price of the options is 100% of the fair market value of the common stock on the grant date. The term of each option is ten years and each option granted to a non-employee director vests over a three-year period. The Director Plan will terminate in January 2008 unless sooner terminated by the Board of Directors. As of December 31, 2005, there are 105,000 shares available for future grant under the Director Plan. Future grants to non-employee directors are permitted to be granted, and may to be granted under the Director Plan or the 1998 Stock Plan.

1998 Stock Plan. The 1998 Stock Plan generally provides for the grant to employees, directors and consultants of stock options and stock purchase rights. Unless terminated sooner, the 1998 Plan will terminate automatically in January 2008. A total of 5 million shares are available for issuance under the 1998 Stock Plan, and there is a provision for an annual replenishment to bring the number of shares of common stock reserved for issuance under the plan up to 5 million as of each January 1. On December 31, 2005, we had 6,157,761 shares available for grant; therefore, an annual replenishment in January 2006 was not required.

Unless determined otherwise by the Board of Directors or a committee appointed by the Board of Directors, options and stock purchase rights granted under the 1998 Plan are not transferable by the optionee. Generally, the exercise price of all stock options granted under the 1998 Plan must be at least equal to the fair market value of the shares on the date of grant. In general, the options granted will vest over a four year-period and the term of the options granted under the 1998 Plan may not exceed ten years.

On November 8, 2002, we initiated a voluntary stock option replacement program such that employees and members of our Board of Directors could elect to surrender their existing options and be granted new options no earlier than six months and one day after the tendered options were cancelled. Pursuant to the terms and conditions of the offer to exchange, a total of 1,633 eligible employees participated. On June 16, 2003, we granted 6,978,563 shares of our common stock under the 1998 Stock Plan and 35,000 shares of our

common stock under the 1998 Director Option Plan for the options tendered by eligible employees and members of our Board of Directors and accepted by our company. For options that were granted under the previously existing 1998 French Plan, which was terminated in April 2003, and that were surrendered pursuant to voluntary stock option replacement program, we granted an additional 248,200 replacement options under the 1998 Stock Plan. We issued new option grants equal to the same number of options surrendered by the employees. The exercise price of the new options was $10.79, which was equal to the fair market value of our stock price on the date of grant. The vesting term of these new options are similar to the tendered options except the new options contain an additional one-year vesting period prior to any options becoming exercisable.

2003 Nonstatutory Inducement Grant Stock Plan. On September 9, 2003, we initiated the 2003 Nonstatutory Inducement Grant Stock Plan (the "2003 Plan"). The 2003 Plan generally provides for the grant to employees, directors and consultants of stock options and stock purchase rights and is generally used as an inducement benefit for the purpose of retaining new employees. The 2003 Plan terminates at the discretion of the Board of Directors. As of December 31, 2003, a total of 300,000 shares were reserved for issuance under the 2003 Stock Plan and there is a provision for an annual replenishment to bring the number of shares of common stock reserved for issuance under the 2003 Plan to 300,000 as of each January 1. At December 31, 2005, 338,000 shares remain available for future grant.

As discussed in Note 1, during August 2004 the Compensation Committee of our Board of Directors approved the full vesting of all unvested outstanding employee stock options that were issued prior to July 1, 2004.

A summary of the status of our stock option plans is as follows:

	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Grant Date Fair Values
Balance at December 31, 2002	6,573,263	$ 14.15	
Granted	11,406,399	11.29	$ 4.84
Exercised	976,903	10.40	
Cancelled	1,213,189	19.81	
Balance at December 31, 2003	15,789,570	11.90	
Granted	3,082,810	6.53	$ 4.00
Exercised	210,921	10.32	
Cancelled	934,693	15.26	
Balance at December 31, 2004	17,726,766	10.80	
Granted	706,300	4.36	$ 3.30
Exercised	22,036	3.54	
Cancelled	2,041,036	10.90	
Balance at December 31, 2005	16,369,994	$ 10.53	
Options exercisable at:			
December 31, 2003	3,181,757	$ 13.52	
December 31, 2004	15,136,062	11.81	
December 31, 2005	14,164,987	11.42	

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Significant option groups outstanding at December 31, 2005 and the related weighted average exercise price and remaining contractual life information are as follows:

	Outstanding		Exercisable		
	Shares	Weighted Average Price	Shares	Weighted Average Price	Weighted Average Remaining Life
Options with exercise price of:					
$ 1.61 - $ 5.66	3,157,890	$ 4.72	1,032,460	$ 4.85	8.54
$ 5.67 - $ 9.06	440,646	$ 8.62	398,020	$ 8.90	4.46
$ 9.07 - $10.79	6,517,502	$ 10.73	6,503,502	$ 10.73	5.92
$10.80 - $12.40	3,651,889	$ 12.15	3,629,689	$ 12.15	6.57
$12.41 - $14.88	2,062,999	$ 13.80	2,062,248	$ 13.80	5.98
$14.89 - $32.31	493,068	$ 17.90	493,068	$ 17.90	6.93
$32.32 - $45.56	46,000	$ 43.53	46,000	$ 43.53	4.13
Options outstanding at December 31, 2005	16,369,994		14,164,987		

In order to calculate the fair value of stock options at date of grant, we used the Black-Scholes option pricing model. The following assumptions were used to calculate weighted average fair values of the options granted:

	For the Year Ended December 31,		
	2005	2004	2003
Expected life (in years)	5.8	4.0	4.0
Risk-free interest rate	4.3%	3.5%	2.9%
Volatility	78%	97%	68%
Dividend yield	—	—	—

1998 Employee Stock Purchase Plan ("ESPP"). A total of 1,000,000 shares of common stock are available for sale under the ESPP and an annual increase is to be added as of each January 1 to restore the maximum aggregate number of shares of common stock available for sale under the plan up to 1,000,000 shares. Employees (including officers and employee directors of the company but excluding 5% or greater stockholders) are eligible to participate if they are customarily employed for at least 20 hours per week. The ESPP permits eligible employees to purchase common stock through payroll deductions, which may not exceed 15% of the employee's compensation. Each participant will be granted a purchase right on the first day of a two year offering period, and shares of common stock will be purchased on four purchase dates within the offering period. The purchase price of the common stock under the ESPP will be equal to 85% of the lesser of the fair market value per share of common stock on the start date of the offering period or on the purchase date. Employees may end their participation in the ESPP at any time, and participation ends automatically on termination of employment with the company. The Board of Directors resolved to terminate the ESPP as of April 2006.

For the years ended December 31, 2005, 2004 and 2003, employees purchased common stock shares under the ESPP of 992,952, 999,817 and 996,827, respectively. The average estimated fair values of the purchase rights granted during the years ended December 31, 2005, 2004 and 2003 based on the Black-

Scholes option pricing model were $0.85, $2.55 and $1.70, respectively. The following assumptions were used to calculate weighted average fair values of the purchase rights granted:

	For the Year Ended December 31,		
	2005	2004	2003
Expected life (in years)	0.5	0.5	0.5
Risk-free interest rate	4.4%	3.5%	2.9%
Volatility	64%	97%	68%
Dividend yield	—	—	—

13. Commitments and Contingencies

Leases

Future minimum lease payments under operating leases that have initial or remaining noncancelable lease terms in excess of one year are:

	(In thousands)
2006	$ 12,881
2007	11,052
2008	8,356
2009	7,120
2010	6,751
Thereafter	65,504
Total (net of minimum sublease income of $0.7 million)	$ 111,664

Rent expense amounted to $11.5 million, $17.8 million and $16.4 million for 2005, 2004 and 2003, respectively.

Indemnifications and Guarantees

We have indemnified members of our Board of Directors and our corporate officers against any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that the individual is or was a director or officer of the company. The individuals are indemnified, to the fullest extent permitted by law, against related expenses, judgments, fines and any amounts paid in settlement. We also maintain directors and officers insurance coverage in order to mitigate our exposure to these indemnification obligations. The maximum amount of future payments is generally unlimited. There is no amount recorded for these indemnifications at December 31, 2005 and 2004. Due to the nature of these indemnifications, it is not possible to make a reasonable estimate of the maximum potential loss or range of loss. No assets are held as collateral and no specific recourse provisions exist related to these indemnifications.

As of December 31, 2005, we have outstanding $3.6 million of standby letters of credit. Such standby letters of credit are used in our ordinary course of business and are collateralized by our cash balances.

We generally provide a standard ninety-day warranty on our services. Our warranty activity has historically been immaterial.

Litigation

We are currently a party to various legal proceedings, including those noted below. While we currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on our financial position, results of operations or cash flows, litigation is subject to inherent uncertainties. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on our net results in the period in which the ruling occurs. The estimate of the potential impact from the following legal proceedings on our financial position, results of operations or cash flows could change in the future. We record provisions in our consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. During 2005, we recorded a provision of $50.0 million related to the litigation matters discussed below. There were no charges in 2004 or 2003.

Epoxy Mold Compound Litigation

We have become party to an increased number of litigation matters relative to our historic levels. Much of our recent litigation relates to an allegedly defective epoxy mold compound, formerly used in some of our packaging services, which is alleged to be responsible for certain semiconductor chip failures. With respect to the one pending matter, we believe we have meritorious defenses, as well as valid third-party claims against Sumitomo Bakelite Co., Ltd. ("Sumitomo Bakelite"), the manufacturer of the epoxy product, should the epoxy mold compound be found to be defective. We cannot be certain, however, that we will be able to recover any amount from Sumitomo Bakelite if we are held liable in this matter, or that any adverse result would not have a material impact upon us. Moreover, other customers of ours have made inquiries about the epoxy mold compound, which was widely used in the semiconductor industry, and no assurance can be given that claims similar to those already asserted will not be made against us by other customers in the future.

Resolved Epoxy Mold Compound Litigation

Fujitsu Limited v. Cirrus Logic, Inc., et al.

On April 16, 2002, we were served with a third-party complaint in an action entitled Fujitsu Limited v. Cirrus Logic, Inc., in the United States District Court for the Northern District of California, San Jose Division. Subsequently, substantially the same case was filed in the Superior Court of California, Santa Clara County, and the United States District Court case was stayed. In this action, Fujitsu Limited ("Fujitsu") alleged that semiconductor devices it purchased from Cirrus Logic, Inc. ("Cirrus Logic") were defective in that a certain epoxy mold compound manufactured by Sumitomo Bakelite and Sumitomo Plastics America, Inc. ("Sumitomo Plastics" and collectively with Sumitomo Bakelite, the "Sumitomo Bakelite Parties") and used by us in the manufacture of the chip caused a short circuit which rendered Fujitsu disk drive products inoperable. Cirrus Logic, in response, denied the allegations of the complaint, cross-complained against Fujitsu for unpaid invoices, and filed its cross-complaint against us alleging that any liability for chip defects should be assigned to us because we assembled the subject semiconductor devices. We filed a cross-complaint against Sumitomo Bakelite asserting claims for breach of warranties and indemnification.

On April 18 and 19, 2005, we participated in a private mediation with all parties involved. As a result of the mediation, on April 28, 2005 an agreement was reached among Fujitsu, Cirrus Logic, the Sumitomo Bakelite Parties and ourselves to settle this litigation and the parties entered the agreement into the record in Superior Court; thereafter, the parties memorialized and executed their settlement agreement in written form. Pursuant to the settlement agreement, we paid $40 million to Fujitsu in consideration of a release from and dismissal of all claims related to this litigation. We also agreed to dismiss our claims against Sumitomo Bakelite as part of the parties' settlement agreement. The $40.0 million is reflected as part of the provision for legal settlements and contingencies in our Consolidated Statement of Operations for the year ended December 31, 2005. The $40.0 million was paid during the second quarter of 2005.

Seagate Technology LLC v. Atmel Corporation, et al.

In March 2003, we were served with a cross-complaint in an action between Seagate Technology LLC and Seagate Technology International ("Seagate") and Atmel Corporation and Atmel Sarl ("Atmel") in the Superior Court of California, Santa Clara County. Atmel's cross-complaint seeks indemnification from us for any damages incurred from the claims by Seagate involving the allegedly defective epoxy mold compound manufactured by Sumitomo Bakelite. We answered Atmel's cross-complaint, denying all liability, and filed a cross-complaint against Sumitomo Bakelite seeking indemnification. Atmel later amended its cross-complaint to include claims for negligence and negligent misrepresentation against us and added ChipPAC Inc. ("ChipPAC") and Sumitomo Bakelite as cross-defendants. ChipPAC filed a cross-complaint against Sumitomo Bakelite and us.

On April 14, 2005 an agreement was reached among Seagate, Atmel, ChipPAC, Sumitomo Bakelite and ourselves to settle this litigation. We agreed to pay $5.0 million to Seagate in consideration of a release from and dismissal of all claims related to this litigation. We also agreed to dismiss our claims against Sumitomo Bakelite as part of the parties' settlement agreement. The $5.0 million is reflected as part of the provision for legal settlements and contingencies in our Consolidated Statement of Operations for the year ended December 31, 2005. The $5.0 million was paid during the second quarter of 2005.

Fairchild Semiconductor Corporation v. Sumitomo Bakelite Singapore Pte. Ltd., et al.

In September 2003, we were served with an amended complaint filed by Fairchild Semiconductor Corporation ("Fairchild") against us, the Sumitomo Bakelite Parties and Sumitomo Bakelite Singapore Pte. Ltd. (collectively with the Sumitomo Bakelite Parties, the "Sumitomo Bakelite Defendants") in the Superior Court of California, Santa Clara County. The amended complaint seeks damages related to our use of Sumitomo Bakelite's epoxy mold compound in assembling Fairchild's semiconductor packages. We answered Fairchild's amended complaint, denying all liability, and filed a cross-complaint against Sumitomo Bakelite seeking indemnification.

In August 2005, we reached an agreement with Fairchild and the Sumitomo Bakelite Defendants to settle all claims involving us in this litigation. We agreed to pay $3.0 million to Fairchild and release our claims against Sumitomo Bakelite in consideration of a release from and dismissal of all claims against us. The $3.0 million is reflected as part of the provision for legal settlements and contingencies in our Consolidated Statement of Operations for the year ended December 31, 2005. The $3.0 million was paid during the third quarter of 2005.

Maxtor Corporation v. Koninklijke Philips Electronics N.V., et al.

In April 2003, we were served with a cross-complaint in an action between Maxtor Corporation ("Maxtor") and Koninklijke Philips Electronics ("Philips") in the Superior Court of California, Santa Clara County. Philips' cross-complaint sought indemnification from us for any damages incurred from the claims by Maxtor involving the allegedly defective epoxy mold compound manufactured by Sumitomo Bakelite. Philips subsequently filed a cross-complaint directly against the Sumitomo Bakelite Parties, alleging, among other things, that the Sumitomo Bakelite Parties breached their contractual obligations to both us and Philips by supplying a defective mold compound resulting in the failure of certain Philips semiconductor devices. We denied all liability in this matter and also asserted a cross-complaint against Sumitomo Bakelite. The Sumitomo Bakelite Parties denied any liability. Maxtor and Philips reached a settlement of Maxtor's claims against Philips on or about April 28, 2004 in which, reportedly, Philips agreed to pay Maxtor $24.8 million. On October 15, 2004, we and Sumitomo Bakelite reached a settlement agreement whereby Sumitomo Bakelite agreed to indemnify us for any damages awarded to Philips in excess of $3.5 million. In exchange, we dismissed our cross-claims against Sumitomo Bakelite. Trial of this matter before a jury began on October 18, 2004 and closing arguments were heard on November 29, 2004. On December 1, 2004, the Court and the jury rendered verdicts in our favor related to all of Philips' claims against us. By those verdicts, we were exonerated

of all alleged liability. The jury's verdict further determined the Sumitomo Bakelite Parties' share of liability to be 57% and Philips' share to be 43%. Philips has agreed not to appeal the judgment in our favor in return for our agreement not to seek costs of suit from Philips.

Pending Epoxy Mold Compound Litigation

While the ultimate outcome is uncertain, as a result of the previously discussed epoxy mold compound litigation settlements, we have established a loss accrual related to the following pending claim. This amount is reflected as part of the provision for legal settlements and contingencies in our Consolidated Statement of Operations for the year ended December 31, 2005.

Maxim Integrated Products, Inc. v. Amkor Technology, Inc., et al.

In August 2003, we were served with a complaint filed by Maxim Integrated Products, Inc. ("Maxim") against us and the Sumitomo Bakelite Parties in the Superior Court of California, Santa Clara County. The complaint seeks damages related to our use of Sumitomo Bakelite's epoxy mold compound in assembling Maxim's semiconductor packages. We have asserted cross-claims against Sumitomo Bakelite for indemnification. Discovery is ongoing. The Court has set a trial date of June 12, 2006. We have denied all liability. We intend to defend ourselves vigorously, pursue our cross-claims against Sumitomo Bakelite and seek judgment in our favor.

Other Litigation

Amkor Technology, Inc. v. Motorola, Inc.

In August 2002, we filed a complaint against Motorola, Inc. ("Motorola") seeking declaratory judgment relating to a controversy between us and Motorola concerning: (i) the assignment by Citizen Watch Co., Ltd. ("Citizen") to us of a Patent License Agreement dated January 25, 1996 between Motorola and Citizen (the "License Agreement") and concurrent assignment by Citizen to us of Citizen's interest in U.S. Patents 5,241,133 and 5,216,278 (the "'133 and '278 patents") which patents relate to BGA packages; and (ii) our obligation to make certain payments pursuant to an immunity agreement (the "Immunity Agreement") dated June 30, 1993 between us and Motorola, pending in the Superior Court of the State of Delaware in and for New Castle County.

We and Motorola resolved the controversy with respect to all issues relating to the Immunity Agreement, and all claims and counterclaims filed by the parties in the case relating to the Immunity Agreement were dismissed or otherwise disposed of without further litigation. The claims relating to the License Agreement and the '133 and '278 Patents remained pending.

We and Motorola both filed motions for summary judgment on the remaining claims, and oral arguments were heard in September 2003. On October 6, 2003, the Superior Court of Delaware ruled in favor of us and issued an Opinion and Order granting our motion for summary judgment and denying Motorola's motion for summary judgment. Motorola filed an appeal in the Supreme Court of Delaware. In May 2004, the Supreme Court reversed the Superior Court's decision, and remanded for further development of the factual record. The bench trial in this matter was concluded on January 27, 2006. The parties are preparing post-trial briefs and oral arguments, and a decision from the judge is currently expected approximately mid-year 2006.

Citizen Watch Co. Ltd. v. Amkor Technology, Inc.

We entered into an Intellectual Property Assignment Agreement ("IPAA") with Citizen with an effective date of March 28, 2002, pursuant to which Citizen assigned to us (i) its rights under the License Agreement and (ii) Citizen's interest in the '133 and '278 patents. The parties entered into the IPAA in conjunction with having entered into a Master Purchase Agreement under which we purchased substantially

all of the assets of a division of Citizen in April 2002. The IPAA provided for a deferred payment of 1.4 billion Japanese yen (the "Deferred Payment"). Subsequent to that transaction, Motorola challenged the validity of Citizen's assignment of its rights under the License Agreement to us, which resulted in our litigation with Motorola, Inc., which is described above (the "Motorola case").

Pending resolution of the Motorola case, and in accordance with the terms of the IPAA, we were withholding final payment of the Deferred Payment. In March 2004, Citizen submitted a Demand for Arbitration in the International Chamber of Commerce ("ICC"), claiming breach of our obligation to make the Deferred Payment. We contended that we were rightfully withholding payment of the Deferred Payment in accordance with the terms of the IPAA. The arbitration hearing before the ICC on this matter was held in May 2005. In September 2005, the ICC ruled in favor of Citizen, and as a result we paid Citizen the Deferred Payment ($12.6 million based on the spot exchange rate at September 30, 2005), plus interest of approximately $300,000 on September 30, 2005. The Deferred Payment was accrued in the purchase accounting.

Alcatel Business Systems v. Amkor Technology, Inc., Anam Semiconductor, Inc.

On November 5, 1999, we agreed to sell certain semiconductor parts to Alcatel Microelectronics, N.V. ("AME"), a subsidiary of Alcatel S.A. The parts were manufactured for us by Anam Semiconductor, Inc. ("ASI") and delivered to AME. AME transferred the parts to another Alcatel subsidiary, Alcatel Business Systems ("ABS"), which incorporated the parts into cellular phone products. In early 2001, a dispute arose as to whether the parts sold by us were defective. On March 18, 2002, ABS and its insurer filed suit against us and ASI in the Paris Commercial Court of France, claiming damages of approximately 50.4 million Euros (approximately $59.7 million based on the spot exchange rate at December 31, 2005.) We have denied all liability and intend to vigorously defend ourselves and have not established a loss accrual associated with this claim. Additionally, we have entered into a written agreement with ASI whereby ASI has agreed to indemnify us fully against any and all loss related to the claims of AME, ABS and ABS' insurer. The Paris Commercial Court commenced a special proceeding before a technical expert to report on the facts of the dispute. The report of the court-appointed expert was put forth on December 31, 2003. The report does not specifically allocate liability to any particular party. On May 18, 2004, the Paris Commercial Court of France declared that it did not have jurisdiction over the matter. The Court of Appeal of Paris heard the appeal regarding jurisdiction during October 2004, confirmed the first tier ruling and dismissed the appeal on November 3, 2004. A motion was recently filed by ABS and its insurer before the French Supreme Court to challenge the lack of jurisdiction ruling and a brief was filed by ABS and its insurer in June 2005. We filed a response brief before the French Supreme Court in August 2005.

In response to the French lawsuit, on May 22, 2002, we filed a petition to compel arbitration in the United States District Court for the Eastern District of Pennsylvania against ABS, AME and ABS' insurer, claiming that the dispute is subject to the arbitration clause of the November 5, 1999 agreement between us and AME. ABS and ABS' insurer have refused to arbitrate and continue to challenge the lack of jurisdiction ruling.

Amkor Technology, Inc. v. Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd, and Carsem Inc.

In November 2003, we filed complaints against Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd, and Carsem Inc. (collectively "Carsem") with the International Trade Commission ("ITC") in Washington, D.C. and subsequently in the Northern District of California. The complaints allege infringement of our United States Patent Nos. 6,433,277, 6,455,356, and 6,630,728 (collectively the "Amkor Patents"). We allege that by making, using, selling, offering for sale, or importing into the U.S. the Carsem Dual and Quad Flat No-Lead Package, Carsem has infringed on one or more of our *Micro*LeadFrame® packaging technology claims in the Amkor Patents. The District Court action had been stayed pending resolution of the ITC case.

The ITC Administrative Law Judge ("ALJ") conducted an evidentiary hearing during July and August of 2004 in Washington D.C. and issued an initial determination that Carsem infringed some of our patent claims relating to our *Micro*LeadFrame® package technology, that some of our 21 asserted patent claims are valid, and that all of our asserted patent claims are enforceable. However, the ALJ did not find a statutory violation of the Tariff Act. We filed a petition in November 2004 to have the ALJ's ruling reviewed by the full International Trade Commission. The ITC ordered a new claims construction related to various disputed claim terms and remanded the case to the ALJ for further proceedings. The ITC subsequently authorized the ALJ to reopen the record on certain discovery issues related to third party conception documents. The ITC previously ordered the ALJ to issue the final Initial Determination by November 9, 2005 and set a date of February 9, 2006 for completion of the investigation. On February 9, 2006, the ITC ordered a delay in issuance of the Final Determination, pending resolution of the discovery issues related to third party conception documents. The discovery issues are the subject of a subpoena enforcement action which is pending in the District Court for the District of Columbia; a schedule has not yet been established for that action. The case we filed in 2003 in the Northern District of California remains stayed pending completion of the ITC investigation.

Tessera, Inc. v. Amkor Technology, Inc.

On March 2, 2006, Tessera, Inc. filed a Request for Arbitration with the International Court of Arbitration of the International Chamber of Commerce, captioned *Tessera, Inc. v. Amkor Technology, Inc.* The Request for Arbitration claims, among other things, that Amkor is in breach of its license agreement with Tessera as a result of Amkor's failure to pay Tessera royalties allegedly due on certain packages Amkor assembles for some of its customers.

Securities Class Action Litigation

On January 23, 2006, a purported securities class action suit entitled *Nathan Weiss et al. v. Amkor Technology, Inc. et al*., was filed in U.S. District Court for the Eastern District of Pennsylvania against Amkor and certain of its current and former officers. Subsequently, other law firms have filed related cases, which we expect to be consolidated with the initial complaint. The complaints allege, among other things, that Amkor engaged in "channel stuffing" and made certain materially false statements and omissions in its disclosures during the putative class period of October 2003 to July 2004. We believe the suit is without merit, and are preparing to vigorously defend the matter.

Shareholder Derivative Lawsuits

On February 23, 2006, a purported shareholder derivative lawsuit entitled *Scimeca v. Kim, et al.* was filed in the U.S. District Court for the District of Arizona against certain of Amkor's officers, former officers and directors. Amkor is named as a nominal defendant. The complaint includes claims for breach of fiduciary duty, abuse of control, waste of corporate assets and mismanagement, and is generally based on the same allegations as in the securities class action litigation described above.

On March 2, 2006 a purported shareholder derivative lawsuit entitled *Kahn v. Kim, et al.* was filed in the Superior Court of the State of Arizona against certain of Amkor's current and former officers and directors. Amkor is named as a nominal defendant. The complaint includes claims for breach of fiduciary duty and unjust enrichment, and is based on allegations similar to those made in the previously filed federal shareholder derivative action.

Other Legal Matters

Securities and Exchange Commission Investigation

In August 2005, the Securities and Exchange Commission ("SEC") issued a formal order of investigation regarding certain activities with respect to Amkor securities. As previously announced, the primary focus of the investigation appears to be activities during the period from June 2003 to July 2004. Amkor believes that the investigation continues to relate to transactions in the Company's securities by certain individuals, and that the investigation may in part relate to whether tipping with respect to trading in Amkor securities occurred. The matters at issue involve activities with respect to Amkor securities during the subject period by certain insiders or former insiders and persons or entities associated with them, including activities by or on behalf of certain members of the Board of Directors and Amkor's Chief Executive Officer. Amkor has cooperated fully with the SEC on the formal investigation and the informal inquiry that preceded it. The SEC has not informed Amkor of any conclusions of wrong doing by any person or entity. Amkor cannot predict the outcome of the investigation. In the event that the investigation leads to SEC action against an officer or director of the Company, our business or the trading price of our common stock may be adversely impacted.

14. Related Party Transactions

In November 2005, we sold $100.0 million of our 6.25% Convertible Subordinated Notes due 2013 in a private placement to James J. Kim, Chairman and Chief Executive Officer, and certain Kim family trusts. The 2013 Notes are convertible into Amkor's common stock and are subordinated to the prior payment in full of all of Amkor's senior and senior subordinated debt. See Note 9 for additional information.

Mr. JooHo Kim is an employee of Amkor and a brother of James J. Kim, our Chairman and CEO. Mr. JooHo Kim owns with his children 19.2% of Anam Information Technology, Inc., a company that provides computer hardware and software components to Amkor Technology Korea, Inc. (a subsidiary of Amkor). During 2005, 2004, and 2003, purchases from Anam Information Technology, Inc. were $1.8 million, $1.2 million, and $2.9 million, respectively. Amounts due to Anam Information Technology, Inc. at December 31, 2005 and 2004 were $0.3 million and $0.00 million, respectively.

Mr. JooHo Kim, together with his wife and children, own 96.1% of Jesung C&M, a company that provides cafeteria services to Amkor Technology Korea, Inc. During 2005, 2004, and 2003, purchases from Jesung C&M were $6.5 million, $6.4 million, and $5.6 million respectively. Amounts due to Jesung C&M at December 31, 2005 and 2004 were $0.5 million and $0.5 million, respectively.

Dongan Engineering Co., Ltd. is 100% owned by JooCheon Kim, a brother of James J. Kim. Mr. JooCheon Kim is not an employee of Amkor. Dongan Engineering Co., Ltd. provides construction and maintenance services to Amkor Technology Korea, Inc. and Amkor Technology Philippines, Inc., both subsidiaries of Amkor. During 2005, 2004, and 2003, purchases from Dongan Engineering Co., Ltd were $0.5 million, $3.0 million, and $1.3 million, respectively. Amounts due to Dongan Engineering Co., Ltd. at December 31, 2005 and 2004 were not significant.

We purchase leadframe inventory from Acqutek Semiconductor & Technology Co., Ltd. James J. Kim's ownership in Acqutek Semiconductor & Technology Co., Ltd. is approximately 17.7%. During 2005, 2004, and 2003, purchases from Acqutek Semiconductor & Technology Co., Ltd. were $11.8 million, $11.8 million, and $16.1 million, respectively. Amounts due to Acqutek Semiconductor & Technology Co., Ltd. at December 31, 2005 and 2004, were $1.4 million and $0.4 million, respectively.

We lease office space in West Chester, Pennsylvania from trusts related to James J. Kim. During 2005, 2004, and 2003, amounts paid for this lease were $0.6 million, $1.1 million, and $1.1 million, respectively. During 2005, 2004, and 2003 our sublease income was $0.3 million, $0.6 million, and $0.5 million, respectively, from related parties. We vacated a portion of this space in connection with the move of our

corporate headquarters to Arizona. In the second quarter of 2005 we paid a lease termination fee of approximately $0.7 million and assigned sublease income to the trusts. We currently lease approximately 2,700 square feet of office space from these trusts.

15. Discontinued Operations

On February 28, 2003, we sold our wafer fabrication services business to Anam Semiconductor, Inc. Additionally, we obtained a release from Texas Instruments regarding our contractual obligations with respect to wafer fabrication services to be performed subsequent to the transfer of the business to ASI. We have reflected our wafer fabrication services business as a discontinued operation in the consolidated statement of operations. In connection with the disposition of our wafer fabrication business, we recorded $1.0 million in severance and other exit costs. We also recognized a pre-tax gain on the disposition of our wafer fabrication services business of $58.6 million (or $51.5 million net of $7.1 million of associated tax expense).

A summary of the results from discontinued operations for the year ended December 31, 2003 is as follows:

	For the Year Ended December 31, 2003
	(In thousands)
Net sales	$ 34,636
Gross profit	3,451
Operating income	3,455
Gain on sale of wafer fabrication services business	58,600
Other (income) expense	(11)
Tax expense	7,500
Net income from discontinued operations	54,566

16. Acquisitions

Acquisitions in Japan

In January 2004, we acquired the remaining 40% ownership interest in Amkor Iwate Corporation ("AIC") from Toshiba for $12.9 million, bringing our total ownership percentage to 100%. Also in January 2004, we paid to Toshiba 220.0 million Japanese yen, or approximately $2.0 million, to terminate our commitment to purchase a tract of land adjacent to the Amkor Iwate facility. A $2.0 million charge was recorded in selling, general and administrative expenses during the fourth quarter of 2003 related to this termination fee. AIC provides packaging and test services principally to Toshiba's adjacent Iwate factory under a long-term supply agreement, which automatically renews annually by mutual consent. The difference between the purchase price of $12.9 million and the carrying value of the minority interest liability of

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

$11.9 million was recorded as an adjustment to the carrying values of the assets and liabilities of AIC. This step acquisition adjustment was recorded based on the proportion of the minority interest acquired as follows:

	(In millions)
Reduction of minority interest liability	$ 11.9
Property, plant and equipment	2.4
Intangible assets	3.3
Adjustment to previously existing goodwill	(4.1)
Deferred tax liability	(0.6)
Cash paid for minority interest acquisition	$ 12.9

In 2003, we recorded AIC minority interest expense of $4.4 million, associated with Toshiba's then existing ownership interest. The results of our acquisition have been included in the accompanying consolidated financial statements since the acquisition date.

Acquisition from International Business Machine Corp. and Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd.

In May 2004, we acquired certain packaging and test assets from International Business Machines Corp. ("IBM") and Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd. ("Xin Development Co., Ltd."). The acquired assets included a test operation located in Singapore (primarily test equipment and workforce), a 953,000 square foot building and associated 50-year land use rights located in Shanghai, China, and other intangible assets. The 953,000 square foot facility is classified as construction-in-progress and we began facilitizing the building in 2005. These assets were acquired for the purposes of increasing our packaging and test capacity. The results of our acquisition have been included in the accompanying consolidated financial statements since the acquisition date.

The purchase price was valued at approximately $138.1 million, consisting of $117.0 million of short-term notes payable (net of a $4.6 million discount), $20.0 million paid at closing and other acquisition costs of $1.1 million. The short-term notes payable, and interest thereon of $4.6 million, was paid during the fourth quarter of 2004 and is reflected as a financing use of cash in the 2004 Consolidated Statement of Cash Flows. The purchase price allocation of $138.1 million was as follows:

	(In millions)
Property, plant and equipment	$ 132.6
Intangible assets — supply agreement	5.5
	$ 138.1

Acquisitions of Unitive, Inc. and Unitive Semiconductor Taiwan Corporation

In August 2004, we acquired approximately 93% of the capital stock of Unitive, based in North Carolina, and approximately 60% of the capital stock of UST, a Taiwan-based venture owned by Unitive and various Taiwanese investors. Unitive and UST are providers of wafer level technologies and services for flip chip and wafer level packaging applications. The acquisition of Unitive and UST provide us with leading-edge technology, a strong applications development team and high volume production capacity for 300mm wafers, which contributed to the purchase price resulting in the recognition of acquired intangible assets and goodwill.

The total purchase price was comprised of $48.0 million, which included cash consideration due at closing of $31.6 million, $1.0 million of direct acquisition costs and $16.2 million (or $15.4 million based on the discounted value) due one year after closing, which was paid in 2005. In addition, we assumed

$24.9 million of debt. In December 2004, we acquired the remaining 7% of Unitive. In January 2006, we exercised an option to acquire an additional 39.6% of UST for $18.4 million in cash consideration, which brings our combined ownership to 99.6% of UST. Both original transactions provided provisions for contingent, performance-based earn-outs which could increase the value of the transactions. With respect to Unitive, the earn-out lapsed with no additional consideration being paid to the former owners. With respect to UST, the earn-out is based on the performance of that subsidiary for the twelve month period ended January 31, 2007. We currently estimate the value of the earn-out will range from $1.0 million to $3.1 million. The results of Unitive and UST operations are included in our Consolidated Statement of Operations beginning on their dates of acquisition, August 19, 2004 and August 20, 2004, respectively. As of December 31, 2005, we reflect as a minority interest the 40% of UST which we do not own. As of January 2006, the minority interest was reduced to 0.4%.

The purchase price allocation of $48.0 million was as follows:

	(In millions)
Current assets	$ 9.9
Property, plant and equipment	45.0
Intangible assets — patents and technology rights	5.2
Goodwill	28.8
Other assets	2.5
Total assets acquired	91.4
Current liabilities	21.4
Long term debt	14.8
Other liabilities	2.8
Minority interest	4.4
Total liabilities and minority interest assumed	43.4
	$ 48.0

17. Restructuring and Reduction in Force

During the third quarter of 2004, we commenced efforts related to the relocation of certain corporate functions from our West Chester, Pennsylvania location to our Chandler, Arizona location. In connection with these efforts, we recorded $1.2 million in severance and related costs. Of this $1.2 million, we recorded a charge of $0.9 million to selling, general and administrative expenses during 2004, and the remaining $0.3 million was charged to selling, general and administrative expenses during 2005. All of these charges have been paid as of December 31, 2005.

During 2005, we terminated the operations of Semisys, a Korean-based subsidiary which produced molds and other equipment used in semiconductor packaging. We recorded a charge of $3.0 million related to this shut-down, of which $2.4 million impacted gross profit and $0.6 million was recorded in selling, general and administrative expenses. The charges were related to the write-down of assets and the accrual of severance and other exit costs. All severance benefits were paid as of December 31, 2005.

During the third quarter of 2005, we temporarily assigned excess manufacturing labor force at one of our Japanese subsidiaries to one of our customers. This agreement resulted in a charge of $3.8 million, including $3.4 million charged to cost of sales and $0.4 million charged to selling, general and administrative expenses. The charge represents wage and benefit costs in excess of the reimbursement from the customer. At December 31, 2005, $2.8 million remains in accrued expenses and will be paid in 2006.

During the third and fourth quarter of 2005, we charged $4.0 million to selling, general and administrative expenses associated with a reduction in force at our Chandler, Arizona corporate headquarters. Of the total charge, $2.2 million is included in accrued expenses at December 31, 2005 and will be paid in the first quarter of 2006.

18. Sale of Specialty Test Operations

In October 2005, we sold Amkor Test Services, a specialty test operation based in Wichita, Kansas, which did not meet the definition of a discontinued operation. The selling price was $8.2 million, which included a $6.9 million cash payment at closing and a 5.0% note in the amount of $1.3 million due October 2011. A 15% discount of $0.4 million was recorded on the note at the time of sale which equates to an effective interest rate of 14.5%. We recognized a pre-tax gain of approximately $4.4 million in connection with this sale. At December 31, 2005, the $1.3 million note receivable, reduced by the unamortized discount of $0.3 million, is included in other assets.

19. Business Segments, Customer Concentrations and Geographic Information

We have identified our operating segments as packaging and test which qualify for aggregation under SFAS 131 “Disclosures About Segments of an Enterprise and Related Information” due to similarities in economic characteristics, nature of services, customer base and process to provide services. For the majority of our customers, packaging and test services constitute one linear set of processes in converting silicon wafers into semiconductor devices. Accordingly, the operating segments have been aggregated into one reportable segment. One of our customers accounted for 11.6% of our consolidated net sales in 2003. No customer exceeded 10% of consolidated net sales in either 2005 or 2004.

The following table presents net sales by country based on the location of the customer:

	Net Sales		
	2005	2004	2003
		(In thousands)	
China (including Hong Kong)	$ 96,516	$ 68,998	$ 96,965
Japan	275,492	284,926	348,861
Korea	160,061	127,723	59,377
Singapore	308,457	259,193	177,981
Taiwan	173,999	170,435	142,163
Other foreign countries	367,345	307,384	283,996
Total foreign countries	1,381,870	1,218,659	1,109,343
United States	718,079	682,620	494,425
Consolidated	$ 2,099,949	$ 1,901,279	$ 1,603,768

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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

	Property, Plant and Equipment, net		
	2005	2004	2003
		(In thousands)	
China	$ 174,055	$ 153,265	$ 16,537
Japan	27,586	35,540	31,892
Korea	576,383	564,687	527,159
Philippines	299,406	340,415	295,963
Singapore	59,246	30,989	—
Taiwan	222,528	189,900	75,473
Other foreign countries	242	289	316
Total foreign countries	1,359,446	1,315,085	947,340
United States	60,026	65,311	60,308
Consolidated	$ 1,419,472	$ 1,380,396	$ 1,007,648

The following supplementary information presents net sales allocated by service type:

	Net Sales		
	2005	2004	2003
		(In thousands)	
Packaging			
Leadframe	$ 833,680	$ 844,168	$ 793,865
Laminate	986,976	838,464	639,904
Other	81,898	43,729	33,679
Test	197,395	174,918	136,320
Consolidated	$ 2,099,949	$ 1,901,279	$ 1,603,768

20. Subsidiary Guarantors

Our payment obligations under the senior notes and senior subordinated notes (see Note 9) of $1,344.2 million are fully and unconditionally guaranteed by certain of our wholly-owned subsidiaries. The subsidiaries that guarantee our senior and senior subordinated notes consist of: Unitive, Inc.; Unitive Electronics, Inc.; Amkor International Holdings, LLC; Amkor Technology Ltd.; P-Four, LLC and Amkor Technology Philippines, Inc.

Presented below is condensed consolidating financial information for the parent, the guarantor subsidiaries and the non-guarantor subsidiaries. Investments in subsidiaries are accounted for by the parent and subsidiaries on the equity method of accounting. Earnings of subsidiaries are, therefore, reflected in the parent's and guarantor subsidiaries' investments in subsidiaries' accounts. The elimination columns eliminate investments in subsidiaries and intercompany balances and transactions. Separate financial statements and other disclosures concerning the guarantor subsidiaries are not presented because the guarantor subsidiaries are wholly-owned and have unconditionally guaranteed the senior notes and senior subordinated notes on a joint and several basis. There are no significant restrictions on the ability of any guarantor subsidiary to directly or indirectly make distributions to us.

The decrease in guarantor subsidiaries' net assets from December 31, 2004 to December 31, 2005, is attributable to net losses for the year ended December 31, 2005 and the repurchase by a guarantor subsidiary of its preferred stock, in exchange for settlement of an intercompany note, from the parent, for approximately $105.5 million.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Balance Sheet
December 31, 2005

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Current assets:					
Cash and cash equivalents	$ 106,833	$ 10,432	$ 89,310	$ —	$ 206,575
Accounts receivable:					
Trade, net of allowance	263,022	3,346	115,127	—	381,495
Other	4,489	1,492	(892)	—	5,089
Inventories, net	94,813	8,463	34,833	—	138,109
Other current assets	4,049	1,035	30,138	—	35,222
Total current assets	473,206	24,768	268,516	—	766,490
Intercompany	1,211,929	(106,643)	(1,105,286)	—	—
Property, plant and equipment, net	41,574	299,915	1,077,983	—	1,419,472
Goodwill	37,188	24,288	592,241	—	653,717
Intangibles, net	16,763	4,059	17,569	—	38,391
Investments	629,943	338,801	845,900	(1,804,976)	9,668
Other assets	45,624	(190)	21,919	—	67,353
Total assets	2,456,227	584,998	1,718,842	(1,804,976)	2,955,091
Current liabilities:					
Short term borrowings and current portion of long-term debt	133,823	5,302	45,264	—	184,389
Other current liabilities	206,527	46,470	197,346	—	450,343
Total current liabilities	340,350	51,772	242,610	—	634,732
Long-term debt, related party	100,000	—	—	—	100,000
Long-term debt	1,790,579	—	65,668	—	1,856,247
Other noncurrent liabilities	997	11,771	123,093	—	135,861
Total liabilities	2,231,926	63,543	431,371	—	2,726,840
Commitments and contingencies					
Minority interests	—	—	3,950	—	3,950
Total stockholders equity	224,301	521,455	1,283,521	(1,804,976)	224,301
Total liabilities and stockholders' equity	$ 2,456,227	$ 584,998	$ 1,718,842	$ (1,804,976)	$ 2,955,091

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Balance Sheet
December 31, 2004

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Current assets:					
Cash and cash equivalents	$ 267,692	$ 26,217	$ 78,375	$ —	$ 372,284
Accounts receivable:					
Trade, net of allowance	124,514	29,115	111,918	—	265,547
Other	1,413	1,720	815	—	3,948
Inventories, net	76,162	7,614	27,840	—	111,616
Other current assets	3,445	2,601	26,545	—	32,591
Total current assets	473,226	67,267	245,493	—	785,986
Intercompany	1,163,793	(88,206)	(1,075,587)	—	—
Property, plant and equipment, net	51,912	336,438	992,046	—	1,380,396
Goodwill	37,188	24,280	594,584	—	656,052
Intangibles, net	20,377	4,530	22,396	—	47,303
Investments	776,393	357,360	860,960	(1,980,951)	13,762
Other assets	64,059	2,358	15,452	—	81,869
Total assets	2,586,948	704,027	1,655,344	(1,980,951)	2,965,368
Current liabilities:					
Short term borrowings and current portion of long-term debt	14,965	965	36,217	—	52,147
Other current liabilities	177,339	32,680	176,864	—	386,883
Total current liabilities	192,304	33,645	213,081	—	439,030
Long-term debt, related party	—	—	—	—	—
Long-term debt	2,024,244	—	16,569	—	2,040,813
Other non-current liabilities	871	10,307	98,139	—	109,317
Total liabilities	2,217,419	43,952	327,789	—	2,589,160
Commitments and contingencies Minority interests	—	—	6,679	—	6,679
Total stockholders equity	369,529	660,075	1,320,876	(1,980,951)	369,529
Total liabilities and stockholders, equity	$ 2,586,948	$ 704,027	$ 1,655,344	$ (1,980,951)	$ 2,965,368

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Operations
Year Ended December 31, 2005

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net sales	$ 1,467,509	$ 529,392	$ 1,121,720	$ (1,018,672)	$ 2,099,949
Cost of sales	1,306,723	472,276	971,241	(1,006,244)	1,743,996
Gross profit	160,786	57,116	150,479	(12,428)	355,953
Operating expenses:					
Selling, general and administrative	115,543	52,499	87,541	(12,428)	243,155
Research and development	(2,341)	8,241	31,447	—	37,347
Provision for legal settlements and contingencies	50,000	—	—	—	50,000
Gain on sale of specialty test operations	(4,408)	—	—	—	(4,408)
Total operating expenses	158,794	60,740	118,988	(12,428)	326,094
Operating income	1,992	(3,624)	31,491	—	29,859
Other (income) expense:					
Interest expense, related party	521	—	—	—	521
Interest expense, net	98,130	6,492	60,729	—	165,351
Foreign currency (gain) loss	5,407	1,747	2,164	—	9,318
Other (income) expense, net	5,204	(571)	(5,077)	—	(444)
Total other expense	109,262	7,668	57,816	—	174,746
Loss before income taxes, equity investment earnings (losses), minority interests and discontinued operations	(107,270)	(11,292)	(26,325)	—	(144,887)
Equity investment earnings (losses)	(39,686)	(12,337)	(5,364)	57,332	(55)
Minority interests	—	—	2,502	—	2,502
Loss from continuing operations before income taxes	(146,956)	(23,629)	(29,187)	57,332	(142,440)
Income tax provision (benefit)	(10,067)	2,774	1,742	—	(5,551)
Loss from continuing operations	$ (136,889)	$ (26,403)	$ (30,929)	$ 57,332	$ (136,889)
Income from discontinued operations, net of tax	—	—	—	—	—
Net income (loss)	$ (136,889)	$ (26,403)	$ (30,929)	$ 57,332	$ (136,889)

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Operations
Year Ended December 31, 2004

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net sales	$ 1,255,720	$ 488,133	$ 954,326	$ (796,900)	$ 1,901,279
Cost of sales	1,110,029	382,476	829,042	(788,100)	1,533,447
Gross profit	145,691	105,657	125,284	(8,800)	367,832
Operating expenses:					
Selling, general and administrative	117,368	44,229	69,118	(8,800)	221,915
Research and development	5,626	6,912	24,169	—	36,707
Provision for legal settlements and contingencies	—	—	—	—	—
Gain on sale of specialty test operations	—	—	—	—	—
Total operating expenses	122,994	51,141	93,287	(8,800)	258,622
Operating income	22,697	54,516	31,997	—	109,210
Other (income) expense:					
Interest expense, related party	—	—	—	—	—
Interest expense, net	90,352	2,974	55,576	—	148,902
Foreign currency (gain) loss	(3,285)	(70)	9,545	—	6,190
Other (income) expense, net	(21,687)	1,315	(4,072)	—	(24,444)
Total other expense	65,380	4,219	61,049	—	130,648
Loss before income taxes, equity investment earnings (losses), minority interests and discontinued operations	(42,683)	50,297	(29,052)	—	(21,438)
Equity earnings (losses)	10,684	(38,124)	45,151	(17,713)	(2)
Minority interests	—	—	(904)	—	(904)
Loss from continuing operations before income taxes	(31,999)	12,173	15,195	(17,713)	(22,344)
Income tax provision (benefit)	5,537	8,271	1,384	—	15,192
Loss from continuing operations	$ (37,536)	$ 3,902	$ 13,811	$ (17,713)	$ (37,536)
Income from discontinued operations, net of tax	—	—	—	—	—
Net income (loss)	$ (37,536)	$ 3,902	$ 13,811	$ (17,713)	$ (37,536)

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Operations
Year Ended December 31, 2003

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net sales	$ 1,061,269	$ 462,100	$ 893,759	$ (813,360)	$ 1,603,768
Cost of sales	933,242	395,072	739,365	(800,377)	1,267,302
Gross profit	128,027	67,028	154,394	(12,983)	336,466
Operating expenses:					
Selling, general and administrative	104,584	27,851	63,839	(12,983)	183,291
Research and development	8,763	4,846	16,558	—	30,167
Provision for legal settlements and contingencies	—	—	—	—	—
Gain on sale of specialty test operations	—	—	—	—	—
Total operating expenses	113,347	32,697	80,397	(12,983)	213,458
Operating income (loss)	14,680	34,331	73,997	—	123,008
Other (income) expense:					
Interest expense, related party	—	—	—	—	—
Interest expense, net	86,474	2,474	51,333	—	140,281
Foreign currency (gain) loss	(3,380)	(521)	880	—	(3,022)
Other (income) expense, net	30,440	1,124	(512)	—	31,052
Total other expense	113,534	3,076	51,701	—	168,311
Loss before income taxes, equity investment earnings (losses), minority interests and discontinued operations	(98,853)	31,254	22,296	—	(45,303)
Equity earnings (losses)	26,043	3,149	24,301	(56,783)	(3,290)
Minority interests	—	—	(4,008)	—	(4,008)
Loss from continuing operations before income taxes	(72,810)	34,403	42,589	(56,783)	(52,601)
Income tax provision (benefit)	(20,442)	10,728	9,481	—	(233)
Loss from continuing operations	(52,368)	23,675	33,108	(56,783)	(52,368)
Income from discontinued operations, net of tax	54,566	—	—	—	54,566
Net income (loss)	$ 2,198	$ 23,675	$ 33,108	$ (56,783)	$ 2,198

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2005

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net cash flows provided by (used in) operating activities	$ 6,147	$ (46,021)	$ 136,986	$ —	$ 97,112
Cash flows from continuing investing activities:					
Purchases of plant, property and equipment	(8,419)	(36,229)	(251,295)	—	(295,943)
Acquisitions, net of cash acquired	—	—	—	—	—
Proceeds from sale of specialty test operations	6,587	—	—	—	6,587
Advances for acquisition of minority interest	(19,250)				(19,250)
Other investing activities	(186,434)	(22,248)	(31,854)	242,132	1,596
Net cash used in investing activities	(207,516)	(58,477)	(283,149)	242,132	(307,010)
Cash flows from continuing financing activities:					
Net change in bank overdraft	(102)	—	—	—	(102)
Borrowings under revolving credit facilities	—	5,300	115,105	—	120,405
Payments under revolving credit facilities	—	—	(120,727)	—	(120,727)
Proceeds from issuance of long-term debt and capital leases	—	—	116,317	—	116,317
Payment for debt issuance costs	(1,715)	—	(472)		(2,187)
Proceeds from issuance of related party debt	100,000	—	—	—	100,000
Payments of long-term debt, including redemption premiums	(114,642)	(962)	(53,268)	—	(168,872)
Other financing activities	57,005	84,375	103,601	(242,132)	2,849
Net cash provided by (used in) financing activities	40,546	88,713	160,556	(242,132)	47,683
Effects of exchange rate fluctuations on cash and cash equivalents related to continuing operations	(36)	—	(3,458)	—	(3,494)
Net increase (decrease) in cash and cash equivalents	(160,859)	(15,785)	10,935	—	(165,709)
Cash and cash equivalents, beginning of period	267,692	26,217	78,375	—	372,284
Cash and cash equivalents, end of period	$ 106,833	$ 10,432	$ 89,310	$ —	206,575

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2004

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net cash flows provided by (used in) operating activities	$ (98,415)	$ 125,661	$ 191,382	$ —	$ 218,628
Cash flows from continuing investing activities:					
Purchases of plant, property and equipment	(12,336)	(130,303)	(265,101)	—	(407,740)
Acquisitions, net of cash acquired	(45,283)	—	(18,330)	—	(63,613)
Proceeds from the sales of investments	49,409	—		—	49,409
Proceeds from note receivable	—	—	18,627	—	18,627
Other investing activities	(188,190)	2,190	515	193,094	7,609
Net cash used in investing activities	(196,400)	(128,113)	(264,289)	193,094	(395,708)
Cash flows from continuing financing activities:					
Net change in bank overdraft	(2,588)	—	—	—	(2,588)
Borrowings under revolving credit facilities	—	—	260,423	—	260,423
Payments under revolving credit facilities			(256,720)	—	(256,720)
Proceeds from issuance of long-term debt and capital leases	548,315	—	1,449	—	549,764
Payment for debt issuance costs	(23,280)		8,002	—	(15,278)
Payments of long-term debt, including redemption premiums	(170,464)	(4,712)	(10,066)	—	(185,242)
Payments on notes payable	—	—	(121,600)	—	(121,600)
Other financing activities	6,416	7,191	185,903	(193,094)	6,416
Net cash provided by (used in) financing activities	358,399	2,479	67,391	(193,094)	235,175
Effects of exchange rate fluctuations on cash and cash equivalents related to continuing operations	157	—	662	—	819
Cash flows provided by discontinued operations	111	—	—	—	111
Net increase (decrease) in cash and cash equivalents	63,852	27	(4,854)	—	59,025
Cash and cash equivalents, beginning of period	203,840	26,190	83,229	—	313,259
Cash and cash equivalents, end of period	$ 267,692	$ 26,217	$ 78,375	$ —	$ 372,284

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2003

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net cash flows provided by (used in) operating activities	$ (106,830)	$ 101,265	$ 142,298	$ —	$ 136,733
Cash flows from continuing investing activities:				—	
Purchases of plant, property and equipment	(4,934)	(41,198)	(144,759)	—	(190,891)
Acquisitions, net of cash acquired	—	—	(2,505)	—	(2,505)
Proceeds from the sales of investments	55,879	—	716	—	56,595
Purchase of investments	(13,765)	—	—	—	(13,765)
Proceeds from note receivable	—	—	18,253	—	18,253
Other investing activities	40,635	(583)	5,199	(40,421)	4,830
Net cash used in investing activities	77,815	(41,781)	(123,096)	(40,421)	(127,483)
Cash flows from continuing financing activities:					
Net change in bank overdraft	(1,943)	—	—	—	(1,943)
Borrowings under revolving credit facilities	—	—	402,692	—	402,692
Payments under revolving credit facilities	—	—	(420,120)	—	(420,120)
Proceeds from issuance of long-term debt and capital leases	595,000	—	—	—	595,000
Payment for debt issuance costs	(10,577)	—	—	—	(10,577)
Payments of long-term debt, including redemption premiums	(706,431)	—	(30,466)	—	(736,897)
Net proceeds from issuance of common stock	133,466	—	—	—	133,466
Other financing activities	16,367	(78,879)	38,458	40,421	16,367
Net cash provided by (used in) financing activities	25,882	(78,879)	(9,436)	40,421	(22,012)
Effects of exchange rate fluctuations on cash and cash equivalents related to continuing operations	—	—	1,488	—	1,488
Cash flows provided by discontinued operations	13,284	—	—	—	13,284
Net increase (decrease) in cash and cash equivalents	10,151	(19,395)	11,254	—	2,010
Cash and cash equivalents, beginning of period	193,689	45,585	71,975	—	311,249
Cash and cash equivalents, end of period	$ 203,840	$ 26,190	$ 83,229	$ —	$ 313,259

21. Subsequent Events

On January 2, 2006, we exercised an option to acquire an additional 39.6% of UST for $18.4 million in cash consideration, which brings our combined ownership to 99.6% of UST.

On January 17, 2006 we entered into a Sale & Purchasing Agreement with a Singapore company for the purchase of a 165,000 square foot building, building related equipment and the leasehold interest on the property on which the building is situated. We intend to use the building to establish a wafer bumping operation in Singapore using the same processes currently employed by our Unitive subsidiary in Taiwan. The Singapore bumping facility is expected to commence operations in the second half of 2006. The purchase price was $6.5 million and was paid in January 2006.

On January 17, 2006 our subsidiary in China entered into a short-term (12 month) loan agreement with a local bank in the amount of $15.0 million. The loan is secured with a portion of the land and buildings in China and carries an interest rate of LIBOR plus 1.25% per annum.

On January 23, 2006 we purchased on the open market $30.0 million face value of our outstanding 9.25% senior notes due February 2008. We realized a $0.5 million pre-tax gain on this purchase, which is net of the write-off of $0.2 million of unamortized debt costs.

During the first quarter of 2006, Tessera, Inc. filed a request for Arbitration and there were various securities class action and shareholder derivative lawsuits filed against us. See Note 13 “Commitments and Contingencies” for further disclosure.

AMKOR TECHNOLOGY, INC. AND SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Period	Amounts Charged to Expense (Income)	Write-offs	(a) Other	Balance at End of Period
Allowance for doubtful accounts:					
Year ended December 31, 2003	$ 7,122	—	(608)	—	$ 6,514
Year ended December 31, 2004	$ 6,514	(161)	(1,279)	—	$ 5,074
Year ended December 31, 2005	$ 5,074	96	(223)	—	$ 4,947
Deferred tax asset valuation reserve:					
Year ended December 31, 2003	$ 277,545	20,726	—	(3,982)	$ 294,289
Year ended December 31, 2004	$ 294,289	(34,252)	—	9,713	$ 269,750
Year ended December 31, 2005	$ 269,750	76,026	—	—	$ 345,776

(a) Column represents adjustments to the deferred tax asset valuation reserve as a result of business acquisitions and the sale of available for sale securities in which the valuation reserve is adjusted directly through stockholders' equity.

Item 9. ***Changes In and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2005 and, based on this evaluation, has concluded that our disclosure controls and procedures were effective as of December 31, 2005.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management conducted an assessment of the effectiveness of Amkor's internal control over financial reporting as of December 31, 2005, based on the framework established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and concluded that Amkor maintained effective internal control over financial reporting as of December 31, 2005.

Management's assessment of the effectiveness of Amkor's internal control over financial reporting as of December 31, 2005 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing on page 55.

Changes in Internal Control Over Financial Reporting

A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As reported in our Annual Report on Form 10-K/ A for 2004, management identified a material weakness in our internal control over financial reporting as of December 31, 2004, which is described below.

As of December 31, 2004, management determined that Amkor did not maintain effective controls over the preparation and review of our consolidated statement of cash flows. Specifically, Amkor did not maintain effective controls to appropriately exclude from capital expenditures reported in the consolidated statement of cash flows, capital expenditures that were unpaid and included in accounts payable or accrued expenses at the end of the reporting period. Thus, capital expenditures were reported in the consolidated statement of cash flows on an accrual basis rather than on a cash basis. This error resulted in a misstatement of cash flows from investing and operating activities. This control deficiency resulted in the restatement of the Company's consolidated financial statements for the years ended December 31, 2002, 2003 and 2004 and for all interim

periods in 2003 and 2004 and the first quarter of 2005. Further, if not remediated, this control deficiency could have resulted in a misstatement of the consolidated statement of cash flows that would result in a material misstatement to annual or interim financial statements that would not be prevented or detected.

As of the end of the period covered by this report, we have remediated the material weakness in our internal control over the preparation and review of our consolidated statement of cash flows. Our remediation during 2005 focused on implementation of a process to identify the amount of unpaid capital expenditures at the end of the reporting period to ensure payments for capital expenditures are properly reflected in the consolidated statement of cash flows in accordance with generally accepted accounting principles. The design and operating effectiveness of the controls implemented were tested and determined to be effective and management has concluded that the material weakness was remediated as of December 31, 2005.

We implemented a new Enterprise Resource Planning system at one of our subsidiaries in the fourth quarter of 2005 that materially changed our internal control over financial reporting for that location.

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Control Persons; Compliance With Section 16(a) of The Exchange Act***

Directors and Executive Officers

The following table sets forth the names and the ages as of February 28, 2006 of our executive officers and our incumbent directors.

Name	Age	Position
James J. Kim	70	Chief Executive Officer and Chairman
Kenneth T. Joyce	58	Executive Vice President and Chief Financial Officer
Oleg Khaykin	41	Executive Vice President and Chief Operating Officer
Roger A. Carolin(2)(4)	50	Director
Winston J. Churchill(1)(3)(4)	66	Director
Gregory K. Hinckley(2)(4)	59	Director
John T. Kim	36	Director
Constantine N. Papadakis(1)(4)	60	Director
James W. Zug(2)(3)(4)	65	Director

(1) Member of Compensation Committee.

(2) Member of Audit Committee.

(3) Member of Nominating and Governance Committee.

(4) Independent directors, as determined by the Board of Directors.

James J. Kim. James J. Kim, 70, has served as our Chief Executive Officer and Chairman since September 1997. Mr. Kim founded our predecessor, Amkor Electronics, Inc., in 1968 and served as its Chairman from 1970 to April 1998. Mr. Kim is a director of Gamestop Corp., a leading global video game and entertainment software retailer. Mr. James J. Kim is the father of John T. Kim, a Director.

Kenneth T. Joyce. Kenneth T. Joyce, 58, has served as Amkor's Executive Vice President and Chief Financial Officer since July 1999. Prior to his election as our Chief Financial Officer, Mr. Joyce served as our Vice President and Operations Controller since 1997. Prior to joining Amkor, he was Chief Financial Officer of Selas Fluid Processing Corporation, a subsidiary of Linde AG. Mr. Joyce began his accounting career in

1971 at KPMG Peat Marwick. Mr. Joyce is a certified public accountant. Mr. Joyce earned a B.S. in Accounting from Saint Joseph's University and an M.B.A. in Finance from Drexel University.

Oleg Khaykin. Oleg Khaykin, 41, has served as our Executive Vice President and Chief Operating Officer since January 2006. Mr. Khaykin served as our Executive Vice President of Corporate Development and Flip Chip Operations since his appointment as an executive officer in January 2004. Mr. Khaykin joined Amkor in May 2003 and was responsible for managing Amkor's corporate development, M&A, and intellectual property initiatives. Prior to joining Amkor, Mr. Khaykin was the Vice President of Strategy and Business Development for Conexant Systems Inc./ Mindspeed Technologies, a company that designs, develops, and sells communication integrated circuits for networking applications. Mr. Khaykin also spent eight years working for The Boston Consulting Group (BCG), a strategic consulting firm. Mr. Khaykin earned a B.S. in Electrical and Computer Engineering with High University Honors from Carnegie Mellon University and an M.B.A. from Northwestern University's J.L. Kellogg Graduate School of Management.

Roger A. Carolin. Roger A. Carolin, 50, was elected to the Board of Directors of Amkor in February 2006. Mr. Carolin is currently a Venture Partner at SCP Partners, a multi-stage venture capital firm with over $800 million under management that invests in technology oriented companies. At SCP, Mr. Carolin works to identify attractive investment opportunities and assists portfolio companies in the areas of strategy development, operating management and intellectual property. Mr. Carolin co-founded CFM Technologies, Inc., a global manufacturer of semiconductor process equipment, and was CEO for 10 years until the company was acquired. Mr. Carolin formerly worked for Honeywell, Inc. and General Electric Co., where he developed test equipment and advanced computer systems for on-board missile applications. Mr. Carolin holds a B.S. in Electrical Engineering from Duke University and an M.B.A. from Harvard Business School.

Winston J. Churchill. Winston J. Churchill, 66, has been a director of Amkor since July 1998. Mr. Churchill is the managing general partner of SCP Partners, a multi-stage venture capital firm with over $800 million under management that invests in technology oriented companies. Mr. Churchill is also Chairman of CIP Capital Management, Inc., an SBA licensed private equity fund. Previously, Mr. Churchill was a managing partner of Bradford Associates, which managed private equity funds on behalf of Bessemer Securities Corporation and Bessemer Trust Company. From 1967 to 1983 he practiced law at the Philadelphia firm of Saul Ewing, LLP where he served as Chairman of the Banking and Financial Institutions Department, Chairman of the Finance Committee and was a member of the Executive Committee. Mr. Churchill is a director of Auxilium Pharmaceuticals, Inc., Griffin Land and Nurseries, Inc., Innovative Solutions and Support, Inc. and of various SCP portfolio companies. In addition, he serves as a director of a number of charities and as trustee of educational institutions including Fordham University, Georgetown University, Immaculata University, the Gesu School and the Young Scholars Charter School. From 1989 to 1993, Mr. Churchill served as Chairman of the Finance Committee of the Pennsylvania Public School Employees' Retirement System.

Gregory K. Hinckley. Gregory K. Hinckley, 59, has been a director of our company since November 1997. Mr. Hinckley has served as Director, President and Chief Operating Officer of Mentor Graphics Corporation, an electronics design automation software company, since November 2000. From January 1997 until November 2000, he held the position of Executive Vice President, Chief Operating Officer and Chief Financial Officer of Mentor Graphics Corporation. From November 1995 until January 1997, he held the position of Senior Vice President with VLSI Technology, Inc., a manufacturer of complex integrated circuits. From August 1992 until December 1996, Mr. Hinckley held the position of Vice President, Finance and Chief Financial Officer with VLSI Technology, Inc. He is a member of the board of directors of Unova, Inc. and Arcsoft, Inc.

John T. Kim. John T. Kim, 36, has been a director of Amkor since August 2005. Mr. Kim served in various capacities at Amkor between 1992 and 2005, as an Amkor employee and as an employee of our predecessor, Amkor Electronics, Inc., including as Director of Investor Relations, Director of Corporate Development and as Director of Procurement. Mr. Kim resigned as an Amkor employee when he was elected to the board. Mr. John T. Kim is the son of James J. Kim, our Chief Executive Officer and Chairman.

Constantine N. Papadakis. Constantine N. Papadakis, 60, has been a director of Amkor since August 2005. Dr. Papadakis is President of Drexel University, a position he has held since 1995. From 1986 to 1995, Dr. Papadakis was Dean of the College of Engineering at the University of Cincinnati, and from 1984 to 1986 he was Professor and Head of the Civil Engineering Department of Colorado State University. Prior to returning to academia, Dr. Papadakis served as Vice President of Tetra Tech Inc., a Honeywell subsidiary; as Vice President of STS Consultants, Ltd.; and at several engineering positions with Bechtel Power Corporation. He presently serves on the boards of directors of Aqua America, CDI Corp, Mace Security International, Inc., Met-Pro Corporation, and the Philadelphia Stock Exchange as well as Sovereign Bank, Inc., and various charitable and civic organizations.

James W. Zug. James W. Zug, 65, has been a director of Amkor since January 2003. Mr. Zug retired from PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") in 2000 following a 36-year career at PricewaterhouseCoopers and Coopers & Lybrand, both public accounting firms. From 1998 until his retirement, Mr. Zug was Global Leader — Global Deployment for PricewaterhouseCoopers. From 1993 to 1998 Mr. Zug was Managing Director International for Coopers & Lybrand. He also served as audit partner for a number of public companies over his career. PricewaterhouseCoopers is Amkor's independent registered public accounting firm; however, Mr. Zug was not involved with servicing Amkor during his tenure at PricewaterhouseCoopers. Mr. Zug serves on the boards of directors of Allianz Funds, Brandywine Group of mutual funds and Teleflex, Inc. Mr. Zug served on the boards of directors of SPS Technologies, Inc. and Stackpole Ltd. prior to the sale of both of these companies in 2003.

CODE OF ETHICS

We have adopted a code of ethics, the Amkor Code of Business Conduct and Ethical Guidelines, which applies to our chief executive officer, chief financial officer, controller and all other Amkor employees. In addition, we have adopted a Code of Ethics applicable to members of our Board of Directors. These guidelines are available free of charge on our website, http://www.amkor.com.

BOARD MEETINGS AND COMMITTEES

Our Board of Directors meets approximately four times a year in regularly scheduled meetings, but will meet more often if necessary. The Board of Directors held thirteen meetings and acted by unanimous written consent on four occasions during 2005.

The full Board of Directors considers all major decisions of Amkor. However, the Board of Directors has established a Compensation Committee, an Audit Committee and a Nominating and Governance Committee. Each of these committees are chaired by an outside director.

COMPENSATION COMMITTEE

The Compensation Committee is comprised of Messrs. Churchill and Papadakis. The Compensation Committee: (1) reviews and approves annual salaries, bonuses, and grants of stock options pursuant to our 1998 Stock Plan and our 2003 Nonstatutory Inducement Grant Stock Plan and (2) reviews and approves the terms and conditions of all employee benefit plans or changes to these plans. During 2005, the Compensation Committee did not meet apart from regular meetings with the entire Board of Directors.

THE AUDIT COMMITTEE

The Audit Committee is comprised of Messrs. Carolin, Hinckley and Zug all of whom meet the independence and experience requirements set forth in the Nasdaq and SEC rules. The Board of Directors has determined that two of our three Audit Committee members, Messrs. Hinckley and Zug, qualify as audit committee financial experts, as defined by the SEC. The Audit Committee: (1) recommends to the Board of Directors the annual appointment of our independent registered public accounting firm, (2) discusses and reviews in advance the scope and the fees of the annual audit, (3) reviews the results of the audit with the independent registered public accounting firm and discusses the foregoing with the company's management, (4) reviews and approves non-audit services of the independent registered public accounting firm, (5) reviews

the company's accounting policies and financial statements, (6) reviews the activities, organizational structure and qualifications of the company's internal audit function, (7) reviews management's policies and procedures relating to the adequacy of our internal control over financial reporting and compliance with additional laws and regulations and (8) reviews and discusses with our independent registered public accounting firm their independence. The Audit Committee met fourteen times apart from regular meetings with the entire board and acted by unanimous written consent on one occasion. In connection with the execution of the responsibilities of the Audit Committee, including the review of the company's quarterly earnings prior to the public release of the information, the Audit Committee members communicated throughout 2005 with the company's management and independent registered public accounting firm.

COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934 requires our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership on Form 3 and changes in ownership on Forms 4 or 5 with the SEC and the National Association of Securities Dealers, Inc. Such officers, directors and ten-percent stockholders are also required by SEC rules to furnish Amkor with copies of all forms that they file pursuant to Section 16(a).

Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons that no other reports were required for such persons, Amkor believes that all Section 16(a) filing requirements applicable to our officers, directors and ten-percent stockholders were complied with in a timely fashion during 2005.

Item 11. *Executive Compensation*

Summary Compensation. The following table sets forth compensation earned for services rendered to Amkor during each of the three years in the period ended December 31, 2005 by our Chief Executive Officer and our two other executive officers as well as two additional individuals that were executive officers during the last fiscal year, however were not as of December 31, 2005 ("Named Executive Officers").

Summary Compensation Table

Name	Year	Salary	Bonus(1)	Securities Underlying Options(2) (#)	All Other Compensation(3)(4)(5)
James J. Kim	2005	$ 830,000	$ —	—	$ 35,791
Chief Executive Officer	2004	826,667	—	60,000	11,985
and Chairman	2003	790,000	2,150,000	1,000,000	9,970
Kenneth T. Joyce	2005	295,000	—	—	11,264
Executive Vice President and	2004	293,333	—	45,000	9,992
Chief Financial Officer	2003	273,923	200,000	250,000	9,834
Oleg Khaykin	2005	270,000	—	—	23,798
Executive Vice President	2004	269,231	—	50,000	5,606
and Chief Operating Officer	2003	165,000	75,000	—	234
John N. Boruch	2005	610,000	—	—	1,894,553
Former President,	2004	607,500	—	60,000	13,076
Chief Operating Officer	2003	580,000	580,000	1,125,000	10,677
and Director					
Jooho Kim	2005	270,000	—	—	6,468
Former Executive	2004	264,616	—	150,000	12,830
Vice President of Corporate	2003	200,000	75,000	—	6,468
Strategy					

(1) Bonus amounts include incentive compensation earned in the year indicated but that were approved by our Board of Directors and paid in the following year. Payments under the Employee Profit Sharing Plan

are for the year indicated and related to the prior year's results. No incentive compensation was earned in 2005 or 2004. 2003 bonus amounts were paid in 2004.

(2) Long-term compensation represents stock options issued under the 1998 Stock Plan during the year.

(3) All other compensation for all of the named executives includes $6,000 paid to each executive's 401(k) plan in each year; except Oleg Khaykin who was paid $2,798 in 2004. Mr. Khaykin began his employment with Amkor in May 2003 and was not eligible for the 401(k) matching company contribution in that year.

(4) All other compensation includes a reimbursement for vehicle expenses and a $468 premium for $300,000 of term life insurance for which Amkor is not the beneficiary.

(5) All other compensation for Mr. Boruch includes $1,880,867, which amount was paid or is payable pursuant to the terms of the December 22, 2005 Retirement Separation Agreement and Release described below.

On December 22, 2005, we entered into a Retirement Separation Agreement and Release with Mr. John N. Boruch, our former President and Chief Operating Officer. For a more detailed description of the terms and conditions of the agreement, please see Item 1.01 of our Form 8-K filed on December 23, 2005, which is hereby incorporated by reference.

OPTION GRANTS IN FISCAL 2005

There were no options granted to the Chief Executive Officer or other Named Executive Officers in 2005.

YEAR-END OPTION VALUES

The following table shows the number of shares covered by both exercisable and non-exercisable stock options held by our Chief Executive Officer and our other Named Executive Officers as of December 31, 2005. Also reported are the values for "in-the-money" options which represent the positive spread between the exercise price of any such existing stock options and the year-end price of our common stock. None of the individuals listed below exercised options in the last fiscal year.

			Number of Securities Underlying Unexercised Options at December 31, 2005		Dollar Value of Unexercised In-The-Money Options at December 31, 2005	
Name	Shares Acquired on Exercise	Value Realized	Exercisable	Unexercisable	Exercisable	Unexercisable
James J. Kim Chief Executive Officer and Chairman	—	—	1,016,250	43,750	$ 4,712	$ 12,687
Kenneth T. Joyce Executive Vice President and Chief Financial Officer	—	—	285,187	32,813	$ 3,534	$ 9,515
Oleg Khaykin Executive Vice President and Chief Operating Officer	—	—	173,541	36,459	$ 3,926	$ 10,573
John N. Boruch Former President, Chief Operating Officer and Director	—	—	1,332,735	—	$ 17,400	$ —
Jooho Kim Former Executive Vice President of Corporate Strategy	—	—	166,166	14,584	$ 1,570	$ 4,229

Director Compensation

We do not compensate directors who are also employees or officers of our company for their services as directors. Non-employee directors, however, are eligible to receive: (1) an annual retainer of $25,000, (2) $2,000 per meeting of the Board of Directors that they attend, (3) $2,000 per meeting of a committee of the Board of Directors that they attend or $3,000 for committee chairs and (4) $500 per non-regularly scheduled telephonic meeting of the Board of Directors in which they participate. We also reimburse non-employee directors for travel and related expenses incurred by them in attending board and committee meetings.

1998 Director Option Plan. Our Board of Directors adopted the 1998 Director Option Plan (the "Director Plan") in January 1998. A total of 300,000 shares of common stock have been reserved for issuance under the Director Plan. The option grants under the Director Plan are automatic and non-discretionary. As of January 1, 2003, the Director Plan provides for an initial grant of options to purchase 20,000 shares of common stock to each new non-employee director of the company when such individual first becomes an outside director. In addition, each non-employee director will automatically be granted subsequent options to purchase 10,000 shares of common stock on each date on which such director is re-elected by the stockholders of the company, provided that as of such date such director has served on the Board of Directors for at least six months. The exercise price of the options is 100% of the fair market value of the common stock on the grant date. The term of each option is ten years and each option granted to a non-employee director vests over a three year period. The Director Plan will terminate in January 2008 unless sooner terminated by the Board of Directors. As of December 31, 2005, there were 105,000 shares available for future grants under the Director Plan. During 2005, grants to the non-employee directors were made under the 1998 Stock Plan on terms consistent with those described above. Future grants to non-employee directors may be granted under the Director Plan or the 1998 Stock Plan which is described in Note 12 to the Notes to the Consolidated Financial Statements included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report.

If all or substantially all of our assets are sold to another entity or we merge with or into another corporation or entity, the acquiring entity or corporation may either assume all outstanding options under the Director Plan or 1998 Stock Plan, as applicable, or may substitute equivalent options. Following an assumption or substitution, if the director is terminated other than upon a voluntary resignation, any assumed or substituted options will vest and become exercisable in full. If the acquiring entity does not either assume all of the outstanding options or substitute an equivalent option, each option issued under the Director Plan or 1998 Stock Plan, as applicable, will immediately vest and become exercisable in full. The Director Plan and 1998 Stock Plan will terminate in January 2008 unless sooner terminated by the Board of Directors.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee currently consists of Messrs. Churchill and Papadakis. No member of the Compensation Committee was an officer or employee of Amkor or any of Amkor's subsidiaries during fiscal 2005. None of Amkor's Compensation Committee members or executive officers has served on the Board of Directors or on the Compensation Committee of any other entity one of whose executive officers served on our Board of Directors or on our Compensation Committee.

Item 12. ***Security Ownership Of Certain Beneficial Owners And Management***

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding the beneficial ownership of our outstanding common stock as of January 31, 2006 by:

- each person or entity who is known by us to beneficially own 5% or more of our outstanding common stock;
- each of our directors; and
- each Named Executive Officer as of fiscal year end.

Beneficial Ownership(a)

Name and Address	Number of Shares	Percentage Ownership
James J. Kim Family Control Group(b)	87,949,293	46.0%
1345 Enterprise Drive West Chester, PA 19380		
FMR Corp(c)	22,995,242	13.0%
Roger A. Carolin(d)	10,000	*
Winston J. Churchill(e)	69,533	*
Gregory K. Hinckley(f)	60,333	*
James J. Kim(g)	27,239,567	14.9%
John T. Kim(h)	30,718,022	16.6%
Constantine N. Papadakis	0	*
James W. Zug(i)	58,434	*
John N. Boruch(j)	1,487,298	*
Kenneth T. Joyce(k)	309,279	*
Oleg Khaykin(l)	176,666	*
JooHo Kim(m)	174,466	*
All directors and Named Executive Officers(n)	60,303,600	31.3%

* Represents less than 1%.

(a) The number and percentage of shares beneficially owned is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. The information is not necessarily indicative of beneficial ownership for any other purpose. Under this rule, beneficial ownership includes any share over which the individual or entity has voting power or investment power. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of our common stock subject to options held by that person that will be exercisable on or before April 1, 2006 are deemed outstanding. Unless otherwise indicated, each person or entity has sole voting and investment power with respect to shares shown as beneficially owned.

(b) Represents 27,239,567 shares held by James J. Kim; 8,319,939 shares held by Agnes C. Kim; 15,792,457 shares held by David D. Kim, of which 1,335,113 shares are subject to shared voting and investment power; 21,682,909 shares held by Susan Y. Kim, of which 15,425,565 shares are subject to shared voting and investment power; 30,718,022 shares held by John T. Kim, of which 16,760,678 shares are subject to shared voting and investment power; 14,457,344 shares held by the David D. Kim Trust of 12/31/87; 13,957,344 shares held by the John T. Kim Trust of 12/31/87; 6,257,344 shares held by the Susan Y. Kim Trust of 12/31/87; 2,733,334 shares held by the Trust U/ D of Susan Y. Kim dated 4/16/98 f/b/o Alexandra Panichello, all of which are subject to shared voting and investment power;

2,733,333 shares all of which are subject to shared voting and investment power held by each of the Trust U/ D of Susan Y. Kim dated 4/16/98 f/b/o Jacqueline Panichello and the Trust U/ D of Susan Y. Kim dated 4/16/98 f/b/o Dylan Panichello; 957,077 shares held by The James and Agnes Kim Foundation, Inc.; 1,345,113 shares, of which 1,335,113 shares are issuable upon the conversion of convertible debt that is convertible on or before April 1, 2006 and all of which are subject to shared voting and investment power, held by each of the following: Trust U/ D of James J. Kim dated 10/3/94 f/b/o Jacqueline Mary Panichello, Trust U/ D of James J. Kim dated 12/24/92 f/b/o Alexandra Kim Panichello, Trust U/ D of James J. Kim dated 10/15/01 f/b/o Dylan James Panichello, Trust U/ D of James J. Kim dated 10/15/01 f/b/o Allyson Lee Kim, and Trust U/ D of James J. Kim dated 11/17/03 f/b/o Jason Lee Kim; 1,335,113 shares held by the Trust U/ D of James J. Kim dated 11/11/05 f/b/o Children of David D. Kim, all of which are issuable upon the conversion of convertible debt that is convertible on or before April 1, 2006 and are subject to shared voting and investment power; and 500,000 shares held by the Trust U/ D of John T. Kim dated 10/27/04 f/b/o his children, all of which are subject to shared voting and investment power.

Each of the individuals, trusts, and the James and Agnes Kim Foundation, Inc., listed above, may be deemed members of the James J. Kim Family Control Group (the "James J. Kim Family") under Section 13(d) of the Exchange Act on the basis that the trust agreement for certain of these trusts encourages the trustees of the trusts to vote the shares of our common stock held by them, in their discretion, in concert with the James Kim Family and it is likely that the trustees of the other trusts will do the same. James J. and Agnes C. Kim are husband and wife. David D. Kim, John T. Kim and Susan Y. Kim are the children of James J. and Agnes C. Kim. Each of the David D. Kim Trust of December 31, 1987, the John T. Kim Trust of December 31, 1987 and the Susan Y. Kim Trust of December 31, 1987 has as their sole trustee David D. Kim, John T. Kim and Susan Y. Kim respectively. Susan Y. Kim is theparent of Alexandra Panichello, Jacqueline Panichello and Dylan Panichello and is the co-trustee of each of her children's trust along with John T. Kim. These trusts are as follows: Trust U/ D of Susan Y. Kim dated 4/16/98 f/b/o Alexandra Panichello, Trust U/ D of Susan Y. Kim dated 4/16/98 f/b/o Jacqueline Panichello, and Trust U/ D of Susan Y. Kim dated 4/16/98 f/b/o Dylan Panichello. John T. Kim established the "Trust U/ D of John T. Kim dated 10/27/04 f/b/o his children" with himself and Susan Y. Kim as co-trustees. James J. Kim has established trusts for each of the children of Susan Y. Kim, John T. Kim, and David D. Kim as follows: Trust U/ D of James J. Kim dated 10/3/94 f/b/o Jacqueline Mary Panichello (John T. Kim and Susan Y. Kim as co-trustees), Trust U/ D of James J. Kim dated 12/24/92 f/b/o Alexandra Kim Panichello (John T. Kim and Susan Y. Kim as co-trustees), Trust U/ D of James J. Kim dated 10/15/01 f/b/o Dylan James Panichello (John T. Kim and Susan Y. Kim as co-trustees), Trust U/ D of James J. Kim dated 10/15/01 f/b/o Allyson Lee Kim (John T. Kim and Susan Y. Kim as co-trustees), Trust U/ D of James J. Kim dated 11/17/03 f/b/o Jason Lee Kim (John T. Kim and Susan Y. Kim as co-trustees), the Trust U/ D of James J. Kim dated 11/11/05 f/b/o Children of David D. Kim (John T. Kim and David D. Kim as co-trustees). The trustees of each trust may be deemed to be the beneficial owners of the shares held by such trust.

The James J. Kim Family may be deemed to have beneficial ownership of 87,949,293 shares or approximately 46.0% of the outstanding shares of our common stock. Each of the foregoing persons stated that the filing of their beneficial ownership reporting statements shall not be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Exchange Act, the beneficial owner of the shares of our common stock reported as beneficially owned by the other such persons.

(c) As reported by FMR Corp. and Edward C. Johnson 3d, chairman of FMR Corp., on a Schedule 13G/ A filed with the Commission on February 14, 2006. FMR Corp. reported that it has sole voting power with respect to 2,330,882 shares and sole investment power for all 22,995,242 shares. Mr. Johnson reported he has sole voting and investment power for all 22,995,242 shares.

(d) Roger Carolin was elected to the board as of February 7, 2006, and acquired these shares on February 14, 2006.

(e) Includes 48,333 shares issuable upon the exercise of stock options that are exercisable by Mr. Churchill on or before April 1, 2006.

(f) Includes 48,333 shares issuable upon the exercise of stock options that are exercisable by Mr. Hinckley on or before April 1, 2006.

(g) Includes 1,020,000 shares issuable upon the exercise of options that are exercisable on or before April 1, 2006 and 4,672,897 shares that are issuable upon the conversion of convertible debt that is convertible on or before April 1, 2006. This does not include 8,319,939 shares owned by Agnes C. Kim, Mr. Kim's spouse, of which Mrs. Kim has sole voting and investment power. Mr. James J. Kim disclaims beneficial ownership of these 8,319,939 shares.

(h) Includes 13,957,344 shares held by the John T. Kim Trust of 12/31/87, of which John T. Kim, has sole voting and investment power, and 16,760,678 shares held by various trusts established for the children of Susan Y. Kim, John T. Kim and David D. Kim, of which Mr. John T. Kim as co-trustee has shared voting and investment power; 8,010,678 of these shares are issuable upon conversion of convertible debt which is convertible on or before April 1, 2006. Mr. John T. Kim disclaims beneficial ownership of these 16,760,678 shares.

(i) Includes 26,667 shares issuable upon the exercise of stock options that are exercisable by Mr. Zug on or before April 1, 2006.

(j) Includes 1,425,892 shares issuable upon the exercise of stock options that are exercisable by Mr. Boruch on or before April 1, 2006.

(k) Includes 288,000 shares issuable upon the exercise of stock options that are exercisable by Mr. Joyce on or before April 1, 2006.

(l) Includes 176,666 shares issuable upon the exercise of stock options that are exercisable by Mr. Khaykin on or before April 1, 2006.

(m) Includes 167,416 shares issuable upon the exercise of stock options that are exercisable by Mr. JooHo Kim on or before April 1, 2006.

(n) Includes 3,201,309 shares issuable upon the exercise of stock options that are exercisable on or before April 1, 2006, and 12,683,575 shares issuable upon the conversion of convertible debt convertible on or before April 1, 2006.

EQUITY COMPENSATION PLANS

The following table summarizes our equity compensation plans as of December 31, 2005:

	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options	(b) Weighted-Average Exercise Price of Outstanding Options	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders	16,236,494	$ 10.47	6,269,809(1)(2)(3)
Equity compensation plans not approved by stockholders	133,500	$ 17.14	338,000(4)
Total equity compensation plans	16,369,994		6,607,809

(1) As of December 31, 2005, 105,000 shares of common stock were reserved for issuance under the 1998 Director Option Plan. The 1998 Director Option Plan allows a total of 300,000 shares of common stock reserved for issuance under the plan. This plan does not have a replenishment provision and as of December 31, 2005, 105,000 shares were available for future grants. The Director Option Plan will terminate in January 2008 unless sooner terminated by the Board of Directors.

(2) As of December 31, 2005, 7,048 shares of common stock were available for sale under the 1998 Employee Stock Purchase Plan; and there is a provision for an annual replenishment to bring the number of shares of common stock available for sale under such plan up to 1,000,000 as of each January 1. On

January 1, 2006, 992,952 additional shares were made available pursuant to the annual replenishment provision. The Board of Directors resolved to terminate the ESPP as of April 2006.

(3) As of December 31, 2005, a total of 6,157,761 shares were reserved for issuance under the 1998 Stock Plan, and there is a provision for an annual replenishment to bring the number of shares of common stock reserved for issuance under the plan up to 5,000,000 as of each January 1. On January 1, 2006, no additional shares were made available pursuant to the annual replenishment provision.

(4) As of December 31, 2005, a total of 338,000 shares were reserved for issuance under the 2003 Nonstatutory Inducement Grant Stock Plan, and there is a provision for an annual replenishment to bring the number of shares of common stock reserved for issuance under the plan up to 300,000 as of each January 1. On January 1, 2006, no additional shares were made available pursuant to the annual replenishment provision.

Item 13. ***Certain Relationships And Related Transactions***

Employee Family Members of our Executive Officers

JooHo Kim is a brother of James J. Kim, our Chief Executive Officer and Chairman of the Board, and is employed as our Corporate Vice President of Information Communication Systems. Mr. JooHo Kim's compensation is disclosed in Item 11 "Executive Compensation." Mr. JooHo Kim, together with his children, own 19.2% of Anam Information Technology, Inc., a company that provides computer hardware and software components to Amkor Technology Korea, Inc. (a subsidiary of Amkor). During 2005, purchases from Anam Information Technology, Inc. totaled $1.8 million. Mr. JooHo Kim, together with his wife and children, own 96.1% of Jesung C&M, a company that provides cafeteria services to Amkor Technology Korea, Inc. During 2005, Jesung C&M's revenues derived from Amkor totaled $6.5 million.

John T. Kim is the son of James J. Kim and was employed as our Director, Corporate Development. Mr. John T. Kim's base salary was $120,000 in 2005. Mr. John T. Kim earned no bonus and was granted no stock options in 2005, 2004 or 2003. Upon appointment to the Board of Directors, he has resigned as an employee from Amkor. Mr. John T. Kim was granted 20,000 shares as a board member.

Catherine Loucks Boruch is the wife of John Boruch, our former President, Chief Operating Officer and Director, and was employed until December 30, 2005, as our Senior Vice President, Human Resources. Ms. Loucks' base salary, severance, fringe benefits and bonus earned were $215,250, $255,000, $11,765 and $0, respectively, in 2005. During 2005, Ms. Loucks was not granted any stock options.

Other Related Party Transactions

As of January 31, 2005, Mr. James J. Kim and members of his immediate family and related trusts beneficially owned approximately 46.0% of our outstanding common stock.

In November 2005, we sold $100.0 million of our 6.25% Convertible Subordinated Notes due 2013 in a private placement to James J. Kim, Chairman and Chief Executive Officer, and certain Kim family trusts. The 2013 Notes are convertible into Amkor's common stock and are subordinated to the prior payment in full of all of Amkor's senior and senior subordinated debt.

Dongan Engineering Co., Ltd. is 100% owned by JooCheon Kim, a brother of James J. Kim. Mr. JooCheon Kim is not an employee of Amkor. Dongan Engineering Co., Ltd. provides construction and maintenance services to Amkor Technology Korea, Inc. and Amkor Technology Philippines, Inc., both subsidiaries of Amkor. During 2005, purchases from Dongan Engineering Co., Ltd were $0.5 million.

We purchase leadframe inventory from Acqutek Semiconductor & Technology Co., Ltd. James J. Kim's ownership in Acqutek Semiconductor & Technology Co., Ltd. is approximately 17.7%. During 2005, purchases from Acqutek Semiconductor & Technology Co., Ltd. were $11.8 million.

We lease office space in West Chester, Pennsylvania from trusts related to James J. Kim. During 2005, amounts paid for this lease were $0.6 million. Our sublease income includes $0.3 million during 2005 from a company in which certain of our board members have ownership interests. We vacated a portion of this space

in connection with the move of our corporate headquarters to Arizona. In the second quarter of 2005 we paid a lease termination fee of approximately $0.7 million and assigned sublease income to the trusts. We currently lease approximately 2,700 square feet of office space from these trusts.

We entered into indemnification agreements with our officers and directors. These agreements contain provisions which may require us, among other things, to indemnify the officers and directors against certain liabilities that may arise by reason of their status or service as directors or officers (other than liabilities arising from willful misconduct of a culpable nature). We also agreed to advance them any expenses for proceedings against them that we agreed to indemnify them from.

Item 14. *Principal Accountant Fees and Services*

PricewaterhouseCoopers LLP has served as our independent registered public accounting firm since 2000. The following table shows the fees accrued by us for the fiscal years 2005 and 2004.

	For the Year Ended December 31,	
	2005	2004
	(In thousands)	
Audit fees	$ 3,017	$ 2,800
Audit-related fees(a)	77	382
Tax fees(b)	749	73
All other fees	52	4
Total	$ 3,895	$ 3,259

(a) Audit-related fees consist primarily of fees associated with employee benefit plan audits and accounting consultations, as well as due diligence related activity performed.

(b) Tax fees consist of fees associated with tax compliance services and consultations.

Our Audit Committee is required to pre-approve the audit and non-audit services performed by our independent registered public accounting firm, PricewaterhouseCoopers LLP, in accordance with the Amkor Audit and Non-Audit Services Pre-Approval Policy. This policy provides for pre-approval of audit, audit-related, tax services and other services specifically described by the Audit Committee. The policy also provides for the general approval of additional individual engagements, which, if they exceed certain pre-established thresholds, must be separately approved by the Audit Committee.

This policy authorizes the Audit Committee to delegate to one or more of its members pre-approval authority with respect to permitted services, provided that any such pre-approval decisions must be reported to the Audit Committee. 100% of the above principal accountant services were approved by the Audit Committee during 2005, which concluded that the provision of such services by PricewaterhouseCoopers LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

PART IV

Item 15. ***Exhibit and Financial Statement Schedules***

(a) *Financial Statements and Financial Statement Schedules*

The financial statements and schedule filed as part of this Annual Report on Form 10-K are listed in the index under Item 8.

(b) *Exhibits*

2.1	Stock Purchase Agreement, dated as of July 19, 2004, by and among Amkor Technology, Inc., Unitive, Inc., Certain of the Stockholders of Unitive, Inc., Certain Option Holders of Unitive, Inc., Onex American Holdings II LLC as the Onex Stockholder Representative, David Rizzo as the MCNC Stockholder Representative, Thomas Egolf as the TAT Stockholder Representative, Kenneth Donahue as the Additional Indemnifying Stockholder Representative, and, with respect to Article VIII and Article X thereof only, U.S. Bank National Association.(17)
2.2	Stock Purchase Agreement, dated as of June 3, 2004, by and among Amkor Technology, Inc., Unitive Semiconductor Taiwan Corporation and Certain Shareholders of Unitive Semiconductor Taiwan Corporation, along with Letter Agreement dated July 9, 2004 regarding Amendment to Stock Purchase Agreement and Loan Agreement by and among Amkor Technology, Inc., Unitive Semiconductor Taiwan Corporation and Sellers' Representative on Behalf of each Seller.(17)
2.3	Asset Purchase Agreement dated as of May 17, 2004 by and among Amkor Technology Singapore Pte. Ltd. and IBM Singapore Pte Ltd.(21)
2.4	Asset Purchase Agreement dated as of May 17, 2004 by and among Amkor Assembly & Test (Shanghai) Co., Ltd. and IBM Interconnect Packaging Solutions (Shanghai) Co., Ltd.(21)
2.5	Sales Contract of Commodity Premises between Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd. and Amkor Assembly & Test (Shanghai) Co., Ltd. dated May 7, 2004.(21)
3.1	Certificate of Incorporation.(1)
3.2	Certificate of Correction to Certificate of Incorporation.(4)
3.3	Restated Bylaws.(4)
4.1	Specimen Common Stock Certificate.(3)
4.2	Senior Notes Indenture dated as of May 13, 1999 between the Registrant and State Street Bank and Trust Company, including form of 9.25% Senior Note Due 2006.(5)
4.3	Senior Subordinated Notes Indenture dated as of May 6, 1999 between the Registrant and State Street Bank and Trust Company, including form of 10.5% Senior Subordinated Note Due 2009.(5)
4.4	Convertible Subordinated Notes Indenture dated as of March 22, 2000 between the Registrant and State Street Bank and Trust Company, including form of 5% Convertible Subordinated Notes due 2007.(6)
4.5	Registration Agreement between the Registrant and the Initial Purchasers named therein dated as of March 22, 2000.(6)
4.6	Indenture dated as of February 20, 2001 for 9.25% Senior Notes due February 15, 2008.(7)
4.7	Registration Rights Agreement dated as of February 20, 2001 by and among Amkor Technology, Inc., Salomon Smith Barney Inc. and Deutsche Banc Alex. Brown Inc.(7)
4.8	Convertible Subordinated Notes Indenture dated as of May 25, 2001 between the Registrant and State Street Bank and Trust Company, as Trustee, including the form of the 5.75% Convertible Subordinated Notes due 2006.(8)
4.9	Registration Rights Agreement between the Registrant and Initial Purchasers named therein dated as of May 25, 2001.(8)
4.10	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.(8)
4.11	Amendment No. 1 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.(8)

4.12	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.(9)
4.13	Amendment No. 3 to the Amended and restated credit agreement dated as of June 24, 2002 between the Registrant and the Issuing Banks and Salomon Smith Barney, Inc., Citicorp USA, Inc. and Deutsche Banc Alex. Brown, Inc.(10)
4.14	Amendment No. 4 to the Amended and restated credit agreement dated as of September 26, 2002 between the Registrant and the Issuing Banks and Salomon Smith Barney, Inc., Citicorp USA, Inc. and Deutsche Banc Alex. Brown, Inc.(11)
4.15	Indenture, Amkor Technology, Inc. 7.75% Senior Notes due May 15, 2013, dated May 9, 2003.(13)
4.16	Registration Rights Agreement dated as of May 8, 2003, between Amkor Technology, Inc. and Citigroup Global Markets Inc., Deutsche Bank Securities, Inc. and J.P. Morgan Securities, Inc.(15)
4.17	Amkor Technology, Inc. 7.125% Senior Notes due March 15, 2011 Indenture.(20)
4.18	Registration Rights Agreement — 7.125% Senior Notes due March 15, 2011.(20)
4.19	Indenture, dated November 18, 2005, by and between Amkor Technology, Inc. and U.S. National Bank Association as Trustee, 6.25% Convertible Subordinated Notes due 2013.
4.20	Investor Rights Agreement, dated November 18, 2005, between Amkor Technology, Inc. and the Investors named therein.
10.1	Form of Indemnification Agreement for directors and officers.(3)
10.2	1998 Stock Plan as amended and restated and form of agreement thereunder.
10.3	Form of Tax Indemnification Agreement between Amkor Technology,Inc., Amkor Electronics, Inc. and certain stockholders of Amkor Technology, Inc.(3)
10.4	Commercial Office Lease between the 12/31/87 Trusts of Susan Y., David D. and John T. Kim and Amkor Electronics, Inc., dated October 1, 1996.(1)
10.5	Commercial Office Lease between the 12/31/87 Trusts of Susan Y., David D., and John T. Kim and Amkor Electronics, Inc., dated June 14, 1996.(1)
10.6	Contract of Lease between Corinthian Commercial Corporation and Amkor/ Anam Pilipinas Inc., dated October 1, 1990.(1)
10.7	Contract of Lease between Salcedo Sunvar Realty Corporation and Automated Microelectronics, Inc., dated May 6, 1994.(1)
10.8	Lease Contract between AAPI Realty Corporation and Amkor/ Anam Advanced Packaging, Inc., dated November 6, 1996.(1)
10.9	1998 Director Option Plan and form of agreement thereunder.(3)
10.10	1998 Employee Stock Purchase Plan.(3)
10.11	Share Sale and Purchase Agreement between the Registrant and Dongbu Corporation dated as of July 10, 2002.(10)
10.12	Shareholders Agreement between the Registrant, Dongbu Corporation, Dongbu Fire Insurance Co., Ltd., and Dongbu Life Insurance Co., Ltd. dated as of July 29, 2002.(10)
10.13	Amendment to Share Sale and Purchase Agreement and Shareholders Agreement the Registrant and Dongbu Corporation dated as of September 27, 2002.(11)
10.14	Purchase Agreement, Amkor Technology, Inc. $425 million 7.75% Senior Notes Due May 15, 2013.(13)
10.15	2003 Nonstatutory Inducement Grant Stock Plan dated September 9, 2003.(14)
10.16	Amendment No. 1 to Second Amended and Restated Credit Agreement dated October 17, 2003.(14)
10.17	$30,000,000 Credit Agreement, dated as of June 29, 2004, among Amkor Technology, Inc., as borrower, the Lenders and Issuers parties thereto and Citicorp North America, Inc., as agent for the Lenders and the Issuers.(16)
10.18	Guaranty, dated as of June 29, 2004, by Guardian Assets, Inc.(16)
10.19	Pledge and Security Agreement, dated as of June 29, 2004, among Amkor Technology, Inc. and Guardian Assets, Inc., in favor of Citicorp North America, Inc., as agent.(16)

10.20	Second Lien Credit Agreement, dated as of October 27, 2004, among Amkor Technology, Inc., as Borrower, the Lenders party thereto, Citicorp North America, Inc., as Administrative Agent and as Collateral Agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Syndication Agent, JP Morgan Chase Bank, as Documentation Agent, Citigroup Global Markets Inc., as Sole Lead Arranger and Citigroup Global Markets Inc., Merrill Lynch Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities Inc., as Joint Bookrunners.(18)
10.21	Second Lien Pledge and Security Agreement, dated as of October 27, 2004, among Amkor Technology, Inc., Guardian Assets, Inc., Unitive, Inc. and Unitive Electronics, Inc., in favor of Citicorp North America, Inc., as Collateral Agent.(18)
10.22	Subsidiary Guaranty, dated as of October 27, 2004, by Guardian Assets, Inc., Unitive, Inc. and Unitive Electronics, Inc., in favor of Citicorp North America, Inc., as Administrative Agent.(18)
10.23	Amendment No. 1 to Credit Agreement, dated as of October 27, 2004, among Amkor Technology, Inc., the Lenders party thereto and Citicorp North America, Inc., as Administrative Agent.(18)
10.24	Amendment No. 1 to Pledge and Security Agreement, dated as of October 27, 2004, among Amkor Technology, Inc., Guardian Assets, Inc., Unitive, Inc. and Unitive Electronics, Inc., in favor of Citicorp North America, Inc., as Administrative Agent.(18)
10.25	Guaranty Supplement, dated as of October 27, 2004, by Unitive, Inc. and Unitive Electronics, Inc., in favor of Citicorp North America, Inc., as Administrative Agent.(18)
10.26	Intercreditor Agreement, dated as of October 27, 2004, among Citicorp North America, Inc., as Administrative Agent and Collateral Agent for the Senior Parties, Citicorp North America, Inc., as Administrative Agent for the Junior Parties, Citicorp North America, Inc., as Collateral Agent for the Junior Parties, Amkor Technology, Inc., Guardian Assets, Inc., Unitive, Inc. and Unitive Electronics, Inc.(18)
10.27	Supplemental Indenture, dated as of October 29, 2004, among Amkor Technology, Inc. (“Amkor”), Unitive, Inc. (“Unitive”) and U.S. Bank National Association (“U.S. Bank”), as Trustee, to Indenture, dated as of May 13, 1999, among Amkor and U.S. Bank (as successor to State Street Bank and Trust Company), regarding Amkor’s 10.5% Senior Subordinated Notes due 2009.(19)
10.28	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive Electronics, Inc. (“Unitive Electronics”) and U.S. Bank as Trustee, to Indenture, dated as of May 13, 1999, among Amkor and U.S. Bank(as successor to State Street Bank and Trust Company), regarding Amkor’s 10.5% Senior Subordinated Notes due 2009.(19)
10.29	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive and U.S. Bank, as Trustee, to Indenture, dated as of February 20, 2001, among Amkor and U.S. Bank(as successor to State Street Bank and Trust Company), regarding Amkor’s 9.25% Senior Notes due 2008.(19)
10.30	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive Electronics and U.S. Bank, as Trustee, to Indenture, dated as of February 20, 2001, among Amkor and U.S. Bank (as successor to State Street Bank and Trust Company), regarding Amkor’s 9.25% Senior Notes due 2008.(19)
10.31	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive and U.S. Bank, as Trustee, to Indenture, dated as of May 8, 2003, among Amkor and U.S. Bank, regarding Amkor’s 7.75% Senior Notes due 2013.(19)
10.32	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive Electronics and U.S. Bank, as Trustee, to Indenture, dated as of May 8, 2003, among Amkor and U.S. Bank, regarding Amkor’s 7.75% Senior Notes due 2013.(19)
10.33	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive and Wells Fargo Bank, N.A., as Trustee, to Indenture, dated as of March 12, 2004, among Amkor and Wells Fargo Bank, N.A., regarding Amkor’s 7.125% Senior Notes due 2011.(19)
10.34	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive Electronics and Wells Fargo Bank, N.A., as Trustee, to Indenture, dated as of March 12, 2004, among Amkor and Wells Fargo Bank, N.A., regarding Amkor’s 7.125% Senior Notes due 2011.(19)
10.35	Mutual Release and Settlement Agreement, dated as of June 10, 2005 Amkor, Fujitsu Limited, Cirrus Logic, Inc., Sumitomo Bakelite Co. Ltd., Sumitomo Plastics America, Inc., The St. Paul Fire & Marine Insurance Co. and Federal Insurance Co.(23)
10.36	Settlement Agreement, dated as of April 14, 2005 among Amkor, Seagate Technology LLC, Sumitomo Bakelite Co. Ltd., ChipPAC and Atmel Corporation.(23)

10.37	Settlement Agreement, dated as of August 5, 2005 between Fairchild Semiconductor Corporation and Amkor.(24)
10.38	Retirement Separation Agreement and Release, dated December 22, 2005, between Amkor and John N. Boruch
10.39	Supplemental Indenture, dated as of January 5, 2005, among Amkor, Amkor International Holdings, LLC ("AIH"), P-Four, LLC ("P-Four"), Amkor Technology Limited ("ATL"), Amkor/ Anam Pilipinas, L.L.C. ("AAP") and U.S. Bank National Association ("U.S. Bank"), as Trustee, to Indenture, dated as of May 13, 1999, among Amkor and U.S. Bank (as successor to State Street Bank and Trust Company), regarding Amkor's 10.5% Senior Subordinated Notes due 2009.(25)
10.40	Supplemental Indenture, dated as of January 5, 2005, among Amkor, AIH, P-Four, ATL, AAP and U.S. Bank, as Trustee, to Indenture, dated as of February 20, 2001, among Amkor and U.S. Bank (as successor to State Street Bank and Trust Company, regarding Amkor's 9.25% Senior Notes due 2008.(25)
10.41	Supplemental Indenture, dated as of January 5, 2005, among Amkor, AIH, P-Four,ATL, AAP and U.S. Bank, as Trustee, to Indenture, dated as of May 8, 2003, among Amkor and U.S. Bank, regarding Amkor's 7.75% Senior Notes due 2013.(25)
10.42	Supplemental Indenture, dated as of January 5, 2005, among Amkor, AIH, P-Four, ATL, AAP and Wells Fargo Bank, N.A., as Trustee, to Indenture, dated as of March 12, 2004, among Amkor and Wells Fargo Bank, N.A., regarding Amkor's 7.125% Senior Notes due 2011.(25)
10.43	Guaranty Supplement, dated as of May 12, 2005, by Amkor International Holdings, LLC, P-Four, LLC, Amkor Technology Limited and Amkor/ Anam Pilipinas, L.L.C.(26)
10.44	Joinder Agreement, dated as of May 12, 2005, by Amkor International Holdings, LLC, P-Four, LLC, Amkor Technology Limited and Amkor/ Anam Pilipinas, L.L.C.(26)
10.45	Guaranty Supplement, dated as of May 12, 2005, by Amkor International Holdings, LLC, P-Four, LLC, Amkor Technology Limited and Amkor/ Anam Pilipinas, L.L.C.(26)
10.46	Joinder Agreement, dated as of May 12, 2005, by Amkor International Holdings, LLC, P-Four, LLC, Amkor Technology Limited and Amkor/ Anam Pilipinas, L.L.C.(26)
10.47	Amendment No. 2 to Credit Agreement, dated as of May 24, 2005, among Amkor, the Lenders party thereto and Citicorp North America Inc., as Administrative Agent.(27)
10.48	Loan and Security Agreement, dated as of November 28, 2005, among Amkor Technology, Inc., Unitive, Inc. and Unitive Electronics, Inc., as Borrowers, Wachovia Capital Finance Corporation (Western) as Documentation Agent and Bank of America, N.A., as Administrative Agent.(28)
10.49	Guaranty Agreement, dated as of November 28, 2005 delivered by Amkor Technology, Inc., Unitive, Inc. and Unitive Electronics, Inc. to Bank of America as Administrative Agent.(28)
10.50	Intercreditor Agreement, dated as of November 28, 2005, among Amkor Technology, Inc., Unitive, Inc. and Unitive Electronics, Inc., Bank of America, N.A., as Administrative Agent for the Senior Parties, and Citicorp North America, Inc., as Administrative Agent for the Junior Parties and as Collateral Agent for the Junior Parties.(28)
10.51	Syndicated Loan Agreement, dated as of November 30, 2005, among Amkor Technology Taiwan, Ltd., as Borrower, the banks and banking institutions party thereto, Chinatrust Commercial Bank Co., Ltd. and Ta Chong Commercial Bank Co., Ltd., as Coordinating Arrangers, and Chinatrust Commercial Bank Co., Ltd., as Facility Agent and Security Agent.(28)
10.52	Letter of Guaranty, dated as of November 30, 2005, delivered by Amkor Technology, Inc. to Chinatrust Commercial Bank, Ltd., as Facility Agent.(28)
10.53	Note Purchase Agreement between Amkor Technology, Inc. and the Investors named therein, dated November 14, 2005.
10.54	Voting Agreement by and among Amkor Technology, Inc. and the Investors named therein, dated November 18, 2005.
12.1	Computation of Ratio of Earnings to Fixed Charges.
14.1	Amkor Technology, Inc. Code of Business Conduct and Ethical Guidelines.(22)
14.2	Amkor Technology, Inc. Director Code of Ethics.(22)
16.1	Letter from SyCip Gorres Velayo & Co. to the SEC, dated September 30, 2003.(22)
21.1	List of subsidiaries of the Registrant.
23.1	Consent of PricewaterhouseCoopers LLP.

31.1	Certification of James J. Kim, Chief Executive Officer of Amkor Technology, Inc., Pursuant to Rule 13a — 14(a) under the Securities Exchange Act of 1934.
31.2	Certification of Kenneth T. Joyce, Chief Financial Officer of Amkor Technology, Inc., Pursuant to Rule 13a — 14(a) under the Securities Exchange Act of 1934.
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference to the Company's Registration Statement on Form S-1 filed October 6, 1997 (File No. 333-37235).

(2) Incorporated by reference to the Company's Registration Statement on Form S-1 filed on October 6, 1997, as amended on October 27, 1997 (File No. 333-37235).

(3) Incorporated by reference to the Company's Registration Statement on Form S-1 filed on October 6, 1997, as amended on March 31, 1998 (File No. 333-37235).

(4) Incorporated by reference to the Company's Registration Statement on Form S-1 filed on April 8, 1998, as amended on August 26, 1998 (File No. 333-49645).

(5) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed May 17, 1999.

(6) Incorporated by reference to the Company's Annual Report on Form 10-K filed March 30, 2000.

(7) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed May 15, 2001.

(8) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed August 14, 2001.

(9) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed November 14, 2001.

(10) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed August 14, 2002.

(11) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed November 14, 2002.

(12) Incorporated by reference to the Company's Annual Report on Form 10-K filed March 27, 2003.

(13) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed May 9, 2003.

(14) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed November 3, 2003.

(15) Incorporated by reference to the Company's Registration Statement on Form S-4 filed on July 10, 2003.

(16) Incorporated by reference to the Company's Current Report on Form 8-K filed on July 9, 2004.

(17) Incorporated by reference to the Company's Current Report on Form 8-K filed on September 3, 2004.

(18) Incorporated by reference to the Company's Current Report on Form 8-K filed on November 2, 2004.

(19) Incorporated by reference to the Company's Current Report on Form 8-K filed on November 4, 2004.

(20) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed May 5, 2004.

(21) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed August 6, 2004.

(22) Incorporated by reference to the Company's Annual Report on Form 10-K filed March 4, 2004.

(23) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed August 8, 2005.

(24) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed November 8, 2005.

(25) Incorporated by reference to the Company's Current Report on Form 8-K filed on January 10, 2005.

(26) Incorporated by reference to the Company's Current Report on Form 8-K filed on May 18, 2005.

(27) Incorporated by reference to the Company's Current Report on Form 8-K filed on May 27, 2005.

(28) Incorporated by reference to the Company's Current Report on Form 8-K filed on December 2, 2005.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed, on its behalf by the undersigned, thereunto duly authorized.

AMKOR TECHNOLOGY, INC.

By: /s/ James J. Kim

James J. Kim
Chairman and Chief Executive Officer

Date: March 16, 2006

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints James J. Kim and Kenneth T. Joyce, and each of them, his attorneys-in-fact, and agents, each with the power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Report on Form 10-K, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and conforming all that said attorneys-in-fact and agents of any of them, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ James J. Kim	Chief Executive Officer and Chairman	March 16, 2006
James J. Kim		
/s/ Kenneth T. Joyce	Executive Vice President and Chief Financial Officer	March 16, 2006
Kenneth T. Joyce		
/s/ Oleg Khaykin	Executive Vice President and Chief Operating Officer	March 16, 2006
Oleg Khaykin		
/s/ Roger A. Carolin	Director	March 16, 2006
Roger A. Carolin		
/s/ Winston J. Churchill	Director	March 16, 2006
Winston J. Churchill		
/s/ Gregory K. Hinckley	Director	March 16, 2006
Gregory K. Hinckley		

Name	Title	Date
/s/ John T. Kim	Director	March 16, 2006
John T. Kim		
/s/ Constantine N. Papadakis	Director	March 16, 2006
Constantine N. Papadakis		
/s/ James W. Zug	Director	March 16, 2006
James W. Zug		

EXHIBIT INDEX

2.1	Stock Purchase Agreement, dated as of July 19, 2004, by and among Amkor Technology, Inc., Unitive, Inc., Certain of the Stockholders of Unitive, Inc., Certain Option Holders of Unitive, Inc., Onex American Holdings II LLC as the Onex Stockholder Representative, David Rizzo as the MCNC Stockholder Representative, Thomas Egolf as the TAT Stockholder Representative, Kenneth Donahue as the Additional Indemnifying Stockholder Representative, and, with respect to Article VIII and Article X thereof only, U.S. Bank National Association.(17)
2.2	Stock Purchase Agreement, dated as of June 3, 2004, by and among Amkor Technology, Inc., Unitive Semiconductor Taiwan Corporation and Certain Shareholders of Unitive Semiconductor Taiwan Corporation, along with Letter Agreement dated July 9, 2004 regarding Amendment to Stock Purchase Agreement and Loan Agreement by and among Amkor Technology, Inc., Unitive Semiconductor Taiwan Corporation and Sellers' Representative on Behalf of each Seller.(17)
2.3	Asset Purchase Agreement dated as of May 17, 2004 by and among Amkor Technology Singapore Pte. Ltd. and IBM Singapore Pte Ltd.(21)
2.4	Asset Purchase Agreement dated as of May 17, 2004 by and among Amkor Assembly & Test (Shanghai) Co., Ltd. and IBM Interconnect Packaging Solutions (Shanghai) Co., Ltd.(21)
2.5	Sales Contract of Commodity Premises between Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd. and Amkor Assembly & Test (Shanghai) Co., Ltd. dated May 7, 2004.(21)
3.1	Certificate of Incorporation.(1)
3.2	Certificate of Correction to Certificate of Incorporation.(4)
3.3	Restated Bylaws.(4)
4.1	Specimen Common Stock Certificate.(3)
4.2	Senior Notes Indenture dated as of May 13, 1999 between the Registrant and State Street Bank and Trust Company, including form of 9.25% Senior Note Due 2006.(5)
4.3	Senior Subordinated Notes Indenture dated as of May 6, 1999 between the Registrant and State Street Bank and Trust Company, including form of 10.5% Senior Subordinated Note Due 2009.(5)
4.4	Convertible Subordinated Notes Indenture dated as of March 22, 2000 between the Registrant and State Street Bank and Trust Company, including form of 5% Convertible Subordinated Notes due 2007.(6)
4.5	Registration Agreement between the Registrant and the Initial Purchasers named therein dated as of March 22, 2000.(6)
4.6	Indenture dated as of February 20, 2001 for 9.25% Senior Notes due February 15, 2008.(7)
4.7	Registration Rights Agreement dated as of February 20, 2001 by and among Amkor Technology, Inc., Salomon Smith Barney Inc. and Deutsche Banc Alex. Brown Inc.(7)
4.8	Convertible Subordinated Notes Indenture dated as of May 25, 2001 between the Registrant and State Street Bank and Trust Company, as Trustee, including the form of the 5.75% Convertible Subordinated Notes due 2006.(8)
4.9	Registration Rights Agreement between the Registrant and Initial Purchasers named therein dated as of May 25, 2001.(8)
4.10	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.(8)
4.11	Amendment No. 1 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.(8)
4.12	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.(9)

4.13	Amendment No. 3 to the Amended and restated credit agreement dated as of June 24, 2002 between the Registrant and the Issuing Banks and Salomon Smith Barney, Inc., Citicorp USA, Inc. and Deutsche Banc Alex. Brown, Inc.(10)
4.14	Amendment No. 4 to the Amended and restated credit agreement dated as of September 26, 2002 between the Registrant and the Issuing Banks and Salomon Smith Barney, Inc., Citicorp USA, Inc. and Deutsche Banc Alex. Brown, Inc.(11)
4.15	Indenture, Amkor Technology, Inc. 7.75% Senior Notes due May 15, 2013, dated May 9, 2003.(13)
4.16	Registration Rights Agreement dated as of May 8, 2003, between Amkor Technology, Inc. and Citigroup Global Markets Inc., Deutsche Bank Securities, Inc. and J.P. Morgan Securities, Inc.(15)
4.17	Amkor Technology, Inc. 7.125% Senior Notes due March 15, 2011 Indenture.(20)
4.18	Registration Rights Agreement — 7.125% Senior Notes due March 15, 2011.(20)
4.19	Indenture, dated November 18, 2005, by and between Amkor Technology, Inc. and U.S. National Bank Association as Trustee, 6.25% Convertible Subordinated Notes due 2013.
4.20	Investor Rights Agreement, dated November 18, 2005, between Amkor Technology, Inc. and the Investors named therein.
10.1	Form of Indemnification Agreement for directors and officers.(3)
10.2	1998 Stock Plan as amended and restated and form of agreement thereunder.
10.3	Form of Tax Indemnification Agreement between Amkor Technology,Inc., Amkor Electronics, Inc. and certain stockholders of Amkor Technology, Inc.(3)
10.4	Commercial Office Lease between the 12/31/87 Trusts of Susan Y., David D. and John T. Kim and Amkor Electronics, Inc., dated October 1, 1996.(1)
10.5	Commercial Office Lease between the 12/31/87 Trusts of Susan Y., David D., and John T. Kim and Amkor Electronics, Inc., dated June 14, 1996.(1)
10.6	Contract of Lease between Corinthian Commercial Corporation and Amkor/ Anam Pilipinas Inc., dated October 1, 1990.(1)
10.7	Contract of Lease between Salcedo Sunvar Realty Corporation and Automated Microelectronics, Inc., dated May 6, 1994.(1)
10.8	Lease Contract between AAPI Realty Corporation and Amkor/ Anam Advanced Packaging, Inc., dated November 6, 1996.(1)
10.9	1998 Director Option Plan and form of agreement thereunder.(3)
10.10	1998 Employee Stock Purchase Plan.(3)
10.11	Share Sale and Purchase Agreement between the Registrant and Dongbu Corporation dated as of July 10, 2002.(10)
10.12	Shareholders Agreement between the Registrant, Dongbu Corporation, Dongbu Fire Insurance Co., Ltd., and Dongbu Life Insurance Co., Ltd. dated as of July 29, 2002.(10)
10.13	Amendment to Share Sale and Purchase Agreement and Shareholders Agreement the Registrant and Dongbu Corporation dated as of September 27, 2002.(11)
10.14	Purchase Agreement, Amkor Technology, Inc. $425 million 7.75% Senior Notes Due May 15, 2013.(13)
10.15	2003 Nonstatutory Inducement Grant Stock Plan dated September 9, 2003.(14)
10.16	Amendment No. 1 to Second Amended and Restated Credit Agreement dated October 17, 2003.(14)
10.17	$30,000,000 Credit Agreement, dated as of June 29, 2004, among Amkor Technology, Inc., as borrower, the Lenders and Issuers parties thereto and Citicorp North America, Inc., as agent for the Lenders and the Issuers.(16)
10.18	Guaranty, dated as of June 29, 2004, by Guardian Assets, Inc.(16)
10.19	Pledge and Security Agreement, dated as of June 29, 2004, among Amkor Technology, Inc. and Guardian Assets, Inc., in favor of Citicorp North America, Inc., as agent.(16)

10.20	Second Lien Credit Agreement, dated as of October 27, 2004, among Amkor Technology, Inc., as Borrower, the Lenders party thereto, Citicorp North America, Inc., as Administrative Agent and as Collateral Agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Syndication Agent, J.P. Morgan Chase Bank, as Documentation Agent, Citigroup Global Markets Inc., as Sole Lead Arranger and Citigroup Global Markets Inc., Merrill Lynch Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities Inc., as Joint Bookrunners.(18)
10.21	Second Lien Pledge and Security Agreement, dated as of October 27, 2004, among Amkor Technology, Inc., Guardian Assets, Inc., Unitive, Inc. and Unitive Electronics, Inc., in favor of Citicorp North America, Inc., as Collateral Agent.(18)
10.22	Subsidiary Guaranty, dated as of October 27, 2004, by Guardian Assets, Inc., Unitive, Inc. and Unitive Electronics, Inc., in favor of Citicorp North America, Inc., as Administrative Agent.(18)
10.23	Amendment No. 1 to Credit Agreement, dated as of October 27, 2004, among Amkor Technology, Inc., the Lenders party thereto and Citicorp North America, Inc., as Administrative Agent.(18)
10.24	Amendment No. 1 to Pledge and Security Agreement, dated as of October 27, 2004, among Amkor Technology, Inc., Guardian Assets, Inc., Unitive, Inc. and Unitive Electronics, Inc., in favor of Citicorp North America, Inc., as Administrative Agent.(18)
10.25	Guaranty Supplement, dated as of October 27, 2004, by Unitive, Inc. and Unitive Electronics, Inc., in favor of Citicorp North America, Inc., as Administrative Agent.(18)
10.26	Intercreditor Agreement, dated as of October 27, 2004, among Citicorp North America, Inc., as Administrative Agent and Collateral Agent for the Senior Parties, Citicorp North America, Inc., as Administrative Agent for the Junior Parties, Citicorp North America, Inc., as Collateral Agent for the Junior Parties, Amkor Technology, Inc., Guardian Assets, Inc., Unitive, Inc. and Unitive Electronics, Inc.(18)
10.27	Supplemental Indenture, dated as of October 29, 2004, among Amkor Technology, Inc. (“Amkor”), Unitive, Inc. (“Unitive”) and U.S. Bank National Association (“U.S. Bank”), as Trustee, to Indenture, dated as of May 13, 1999, among Amkor and U.S. Bank (as successor to State Street Bank and Trust Company), regarding Amkor’s 10.5% Senior Subordinated Notes due 2009.(19)
10.28	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive Electronics, Inc. (“Unitive Electronics”) and U.S. Bank as Trustee, to Indenture, dated as of May 13, 1999, among Amkor and U.S. Bank(as successor to State Street Bank and Trust Company), regarding Amkor’s 10.5% Senior Subordinated Notes due 2009.(19)
10.29	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive and U.S. Bank, as Trustee, to Indenture, dated as of February 20, 2001, among Amkor and U.S. Bank(as successor to State Street Bank and Trust Company), regarding Amkor’s 9.25% Senior Notes due 2008.(19)
10.30	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive Electronics and U.S. Bank, as Trustee, to Indenture, dated as of February 20, 2001, among Amkor and U.S. Bank (as successor to State Street Bank and Trust Company), regarding Amkor’s 9.25% Senior Notes due 2008.(19)
10.31	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive and U.S. Bank, as Trustee, to Indenture, dated as of May 8, 2003, among Amkor and U.S. Bank, regarding Amkor’s 7.75% Senior Notes due 2013.(19)
10.32	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive Electronics and U.S. Bank, as Trustee, to Indenture, dated as of May 8, 2003, among Amkor and U.S. Bank, regarding Amkor’s 7.75% Senior Notes due 2013.(19)
10.33	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive and Wells Fargo Bank, N.A., as Trustee, to Indenture, dated as of March 12, 2004, among Amkor and Wells Fargo Bank, N.A., regarding Amkor’s 7.125% Senior Notes due 2011.(19)
10.34	Supplemental Indenture, dated as of October 29, 2004, among Amkor, Unitive Electronics and Wells Fargo Bank, N.A., as Trustee, to Indenture, dated as of March 12, 2004, among Amkor and Wells Fargo Bank, N.A., regarding Amkor’s 7.125% Senior Notes due 2011.(19)

10.35	Mutual Release and Settlement Agreement, dated as of June 10, 2005 Amkor, Fujitsu Limited, Cirrus Logic, Inc., Sumitomo Bakelite Co. Ltd., Sumitomo Plastics America, Inc., The St. Paul Fire & Marine Insurance Co. and Federal Insurance Co.(23)
10.36	Settlement Agreement, dated as of April 14, 2005 among Amkor, Seagate Technology LLC, Sumitomo Bakelite Co. Ltd., ChipPAC and Atmel Corporation.(23)
10.37	Settlement Agreement, dated as of August 5, 2005 between Fairchild Semiconductor Corporation and Amkor.(24)
10.38	Retirement Separation Agreement and Release, dated December 22, 2005, between Amkor and John N. Boruch
10.39	Supplemental Indenture, dated as of January 5, 2005, among Amkor, Amkor International Holdings, LLC ("AIH"), P-Four, LLC ("P-Four"), Amkor Technology Limited ("ATL"), Amkor/ Anam Pilipinas, L.L.C. ("AAP") and U.S. Bank National Association ("U.S. Bank"), as Trustee, to Indenture, dated as of May 13, 1999, among Amkor and U.S. Bank (as successor to State Street Bank and Trust Company), regarding Amkor's 10.5% Senior Subordinated Notes due 2009.(25)
10.40	Supplemental Indenture, dated as of January 5, 2005, among Amkor, AIH, P-Four, ATL, AAP and U.S. Bank, as Trustee, to Indenture, dated as of February 20, 2001, among Amkor and U.S. Bank (as successor to State Street Bank and Trust Company, regarding Amkor's 9.25% Senior Notes due 2008. (25)
10.41	Supplemental Indenture, dated as of January 5, 2005, among Amkor, AIH, P-Four,ATL, AAP and U.S. Bank, as Trustee, to Indenture, dated as of May 8, 2003, among Amkor and U.S. Bank, regarding Amkor's 7.75% Senior Notes due 2013.(25)
10.42	Supplemental Indenture, dated as of January 5, 2005, among Amkor, AIH, P-Four, ATL, AAP and Wells Fargo Bank, N.A., as Trustee, to Indenture, dated as of March 12, 2004, among Amkor and Wells Fargo Bank, N.A., regarding Amkor's 7.125% Senior Notes due 2011.(25)
10.43	Guaranty Supplement, dated as of May 12, 2005, by Amkor International Holdings, LLC, P-Four, LLC, Amkor Technology Limited and Amkor/ Anam Pilipinas, L.L.C.(26)
10.44	Joinder Agreement, dated as of May 12, 2005, by Amkor International Holdings, LLC, P-Four, LLC, Amkor Technology Limited and Amkor/ Anam Pilipinas, L.L.C.(26)
10.45	Guaranty Supplement, dated as of May 12, 2005, by Amkor International Holdings, LLC, P-Four, LLC, Amkor Technology Limited and Amkor/ Anam Pilipinas, L.L.C.(26)
10.46	Joinder Agreement, dated as of May 12, 2005, by Amkor International Holdings, LLC, P-Four, LLC, Amkor Technology Limited and Amkor/ Anam Pilipinas, L.L.C.(26)
10.47	Amendment No. 2 to Credit Agreement, dated as of May 24, 2005, among Amkor, the Lenders party thereto and Citicorp North America Inc., as Administrative Agent.(27)
10.48	Loan and Security Agreement, dated as of November 28, 2005, among Amkor Technology, Inc., Unitive, Inc. and Unitive Electronics, Inc., as Borrowers, Wachovia Capital Finance Corporation (Western) as Documentation Agent and Bank of America, N.A., as Administrative Agent.(28)
10.49	Guaranty Agreement, dated as of November 28, 2005 delivered by Amkor Technology, Inc., Unitive, Inc. and Unitive Electronics, Inc. to Bank of America as Administrative Agent.(28)
10.50	Intercreditor Agreement, dated as of November 28, 2005, among Amkor Technology, Inc., Unitive, Inc. and Unitive Electronics, Inc., Bank of America, N.A., as Administrative Agent for the Senior Parties, and Citicorp North America, Inc., as Administrative Agent for the Junior Parties and as Collateral Agent for the Junior Parties.(28)
10.51	Syndicated Loan Agreement, dated as of November 30, 2005, among Amkor Technology Taiwan, Ltd., as Borrower, the banks and banking institutions party thereto, Chinatrust Commercial Bank Co., Ltd. And Ta Chong Commercial Bank Co., Ltd., as Coordinating Arrangers, and Chinatrust Commercial Bank Co., Ltd., as Facility Agent and Security Agent.(28)
10.52	Letter of Guaranty, dated as of November 30, 2005, delivered by Amkor Technology, Inc. to Chinatrust Commercial Bank, Ltd., as Facility Agent.(28)
10.53	Note Purchase Agreement between Amkor Technology, Inc. and the Investors named therein, dated November 14, 2005.

10.54	Voting Agreement by and among Amkor Technology, Inc. and the Investors named therein, dated November 18, 2005.
12.1	Computation of Ratio of Earnings to Fixed Charges.
14.1	Amkor Technology, Inc. Code of Business Conduct and Ethical Guidelines.(22)
14.2	Amkor Technology, Inc. Director Code of Ethics.(22)
16.1	Letter from SyCip Gorres Velayo & Co. to the SEC, dated September 30, 2003.(22)
21.1	List of subsidiaries of the Registrant.
23.1	Consent of PricewaterhouseCoopers LLP.
31.1	Certification of James J. Kim, Chief Executive Officer of Amkor Technology, Inc., Pursuant to Rule 13a — 14(a) under the Securities Exchange Act of 1934.
31.2	Certification of Kenneth T. Joyce, Chief Financial Officer of Amkor Technology, Inc., Pursuant to Rule 13a — 14(a) under the Securities Exchange Act of 1934.
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference to the Company's Registration Statement on Form S-1 filed October 6, 1997 (File No. 333-37235).

(2) Incorporated by reference to the Company's Registration Statement on Form S-1 filed on October 6, 1997, as amended on October 27, 1997 (File No. 333-37235).

(3) Incorporated by reference to the Company's Registration Statement on Form S-1 filed on October 6, 1997, as amended on March 31, 1998 (File No. 333-37235).

(4) Incorporated by reference to the Company's Registration Statement on Form S-1 filed on April 8, 1998, as amended on August 26, 1998 (File No. 333-49645).

(5) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed May 17, 1999.

(6) Incorporated by reference to the Company's Annual Report on Form 10-K filed March 30, 2000.

(7) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed May 15, 2001.

(8) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed August 14, 2001.

(9) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed November 14, 2001.

(10) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed August 14, 2002.

(11) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed November 14, 2002.

(12) Incorporated by reference to the Company's Annual Report on Form 10-K filed March 27, 2003.

(13) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed May 9, 2003.

(14) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed November 3, 2003.

(15) Incorporated by reference to the Company's Registration Statement on Form S-4 filed on July 10, 2003.

(16) Incorporated by reference to the Company's Current Report on Form 8-K filed on July 9, 2004.

(17) Incorporated by reference to the Company's Current Report on Form 8-K filed on September 3, 2004.

(18) Incorporated by reference to the Company's Current Report on Form 8-K filed on November 2, 2004.

(19) Incorporated by reference to the Company's Current Report on Form 8-K filed on November 4, 2004.

(20) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed May 5, 2004.
(21) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed August 6, 2004.
(22) Incorporated by reference to the Company's Annual Report on Form 10-K filed March 4, 2004.
(23) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed August 8, 2005.
(24) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed November 8, 2005.
(25) Incorporated by reference to the Company's Current Report on Form 8-K filed on January 10, 2005.
(26) Incorporated by reference to the Company's Current Report on Form 8-K filed on May 18, 2005.
(27) Incorporated by reference to the Company's Current Report on Form 8-K filed on May 27, 2005.
(28) Incorporated by reference to the Company's Current Report on Form 8-K filed on December 2, 2005.

Exhibit 4.19

AMKOR TECHNOLOGY, INC.

AND

U.S. BANK NATIONAL ASSOCIATION

AS TRUSTEE

$100,000,000

6 1/4% Convertible Subordinated Notes due 2013

INDENTURE

Dated as of November 18, 2005

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THIS INDENTURE, dated as of November 18, 2005, is between Amkor Technology, Inc., a Delaware corporation (the "Company"), and U.S. Bank National Association, a national banking association organized and existing under laws of the United States, as trustee (the "Trustee"). The Company has duly authorized the creation of its 6 1/4% Convertible Subordinated Notes due 2013 (the "Convertible Subordinated Notes") and to provide therefore the Company and the Trustee have duly authorized the execution and delivery of this Indenture. Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the holders from time to time of the Convertible Subordinated Notes:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

"Acquiring Person" means any "person" (as defined in Section 13(d)(3) of the Exchange Act) who or which, together with all affiliates and associates (each as defined in Rule 12b-2 under the Exchange Act), becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act and as further defined below) of shares of Common Stock or other voting securities of the Company having more than 50% of the total voting power of the Voting Stock of the Company; provided, however, that an Acquiring Person shall not include (i) the Company, (ii) any Subsidiary of the Company, (iii) any Permitted Holder, (iv) an underwriter engaged in a firm commitment underwriting in connection with a public offering of the Voting Stock of the Company or (v) any current or future employee or director benefit plan of the Company or any Subsidiary of the Company or any entity holding Common Stock of the Company for or pursuant to the terms of any such plan. For purposes hereof, a person shall not be deemed to be the beneficial owner of (A) any securities tendered pursuant to a tender or exchange offer made by or on behalf of such person or any of such person's affiliates until such tendered securities are accepted for purchase or exchange thereunder, or (B) any securities if such beneficial ownership (1) arises solely as a result of a revocable proxy delivered in response to a proxy or consent solicitation made pursuant to the applicable rules and regulations under the Exchange Act, and (2) is not also then reportable on Schedule 13D (or any

successor schedule) under the Exchange Act.

"Affiliate" means, when used with reference to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control of, the referent Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct or cause the direction of management or policies of the referent Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. The terms "controlling" and "controlled" have meanings correlative of the foregoing.

"Affiliate Securities Legend" means the legend label as such that is set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture.

"Affiliated Entities" means James J. Kim and his estates, spouses, ancestors and lineal descendants (and spouses thereof), the legal representatives of any of the foregoing, and the trustee of any bona fide trust of which one or more of the foregoing are sole beneficiaries or the grantors, or any Person of which any of the forgoing, individually or collectively, beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) voting securities representing at least a majority of the total voting power of all classes of Capital Stock of such Person (exclusive of any matters as to which class voting rights exist).

"Agent" means any Registrar, Paying Agent, Conversion Agent or co-registrar.

"Agent Member" means any member of, or participant in, the Depositary.

"Applicable Procedures" means, with respect to any transfer or transaction involving a Global Security or beneficial interest therein, the rules and procedures of the Depositary for such Global Security to the extent applicable to such transaction and as in effect from time to time.

"Board of Directors" means (i) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of the board of directors, (ii) with respect to a partnership, the general partner or the board of directors of the general partner, as applicable, of the partnership and (iii) with respect to any other entity, the board or committee of that entity serving a similar function.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, but excluding any debt securities convertible into such equity.

"Change of Control" means the occurrence of one or more of the following events: (a) any Person has become an Acquiring Person, (b) the Company consolidates with or merges into any other corporation, or conveys, transfers or leases all or substantially all of its assets to any Person, or any other corporation merges into the Company, and, in the case of any such transaction, the outstanding Common Stock of the Company is changed or exchanged as a result, unless the stockholders of the Company immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the corporation resulting from such transaction in substantially the same proportion as their ownership of the Voting Stock of the Company immediately before such transaction, or (c) any time the Continuing Directors do not constitute a majority of the Board of Directors of the Company (or, if applicable, a successor

corporation to the Company); provided, that a Change of Control shall not be deemed to have occurred if at least 90% of the consideration (excluding cash payments for fractional shares) in the transaction or transactions constituting the Change of Control consists of shares of common stock that are, or upon issuance will be, traded on a United States national securities exchange or approved for trading on an established automated over-the-counter trading market in the United States.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means any stock of any class of the Company which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and which is not subject to redemption by the Company. Subject to the provisions of Section 12.06, however, shares issuable on conversion of Convertible Subordinated Notes shall include only shares of the class designated as Common Stock of the Company at the Issue Date or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and which are not subject to redemption by the Company; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

"Company" means the party named as such above until a successor replaces it in accordance with Article V and thereafter means the successor.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors who (i) was a member of such Board of Directors on the Issue Date or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"Convertible Subordinated Notes" means the 6 1/4% Convertible Subordinated Notes due 2013 issued, authenticated and delivered under this Indenture.

"Conversion Price" means the initial conversion price specified in the form of Convertible Subordinated Note in Paragraph 16 of such form, as adjusted in accordance with the provisions of Article XII.

"Conversion Rate" means the conversion rate per $1,000 principal amount of Notes determined by dividing $1,000 by the Conversion Price.

"Corporate Trust Office" means the corporate trust office of the Trustee at which at any particular time the trust created by this Indenture shall principally be

administered; as of the Issue Date, the Corporate Trust Office is located at One Federal Street, 3rd Floor, Boston, MA 02110, Attention: Corporate Trust Services (Amkor Technology, Inc. 6 1/4% Convertible Subordinated Notes due 2013).

"Credit Agreements" means (i) the Credit Agreement, dated as of June 29, 2004 (as amended, supplemented or otherwise modified from time to time), among the Company, each financial institution or other entity that (a) is listed on the signature pages thereof as a lender or (b) from time to time becomes a party thereto by execution of an assignment and acceptance, each lender or affiliates of a lender that (a) is listed on the signature pages thereof as an

issuer or (b) becomes an issuer with the approval of the administrative agent and the Company, Citicorp North America, Inc., as administrative agent for the lenders and the issuers, Citigroup Global Markets Inc., as sole lead arranger and sole bookrunner, JPMorgan Chase Bank, as syndication agent for the lenders and the issuers and Merrill Lynch Capital Corporation, as documentation agent, as such agreement may be amended, restated, modified, renewed, refunded, replaced or refinanced, in whole or in part, from time to time, and (ii) the Credit Agreement, dated as of October 27, 2004 (as amended, supplemented or otherwise modified from time to time), among the Company, each financial institution or other entity that (a) is listed on the signature pages thereof as a lender or (b) from time to time becomes a party thereto by execution of an assignment and acceptance, Citicorp North America, Inc., as administrative agent for the lenders and as collateral agent for the secured parties, Merrill Lynch, Pierce, Fenner & Smith Inc., as syndication agent for the lenders, JPMorgan Chase Bank, as documentation agent, Citigroup Global Markets Inc., as sole lead arranger, and Citigroup Global Markets Inc, Merrill Lynch, Pierce, Fenner & Smith Inc., and J.P. Morgan Securities Inc., as joint bookrunners, as such agreement may be amended, restated, modified, renewed, refunded, replaced or refinanced, in whole or in part, from time to time.

"Default" means any event that is, or after notice or passage of time, or both, would be, an Event of Default.

"Depositary" means, with respect to any Global Securities, a clearing agency that is registered as such under the Exchange Act and is designated by the Company to act as Depositary for such Global Securities (or any successor securities clearing agency so registered), which shall initially be DTC.

"Designated Event" means the occurrence of a Change of Control or a Termination of Trading.

"Designated Senior Debt" means (i) any Senior Debt outstanding under the Credit Agreements, (ii) Senior Debt outstanding under the Company's 9 1/4% Senior Notes due February 15, 2008, 10 1/2% Senior Subordinated Notes due 2009, 7 1/8% Senior Notes due March 15, 2011 and its 7.75% Senior Notes due May 15, 2013, as such notes or the related indentures may be amended, restated, supplemented, modified, renewed, refunded, replaced or refinanced, in whole or in part, from time to time, and (iii) any particular Senior Debt if the instrument creating or evidencing the same or the

assumption or guarantee thereof (or related agreements or documents to which the Company is a party) expressly provides that such Indebtedness shall be "Designated Senior Debt" for purposes of the Indenture (provided that such instrument, agreement or document may place limitations and conditions on the right of such Senior Debt to exercise the rights of Designated Senior Debt).

"DTC" means The Depository Trust Company, a New York corporation.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Existing Convertible Subordinated Notes" means all of the Company's outstanding indebtedness under its 5.75% Convertible Subordinated Notes due 2006 and its 5% Convertible Subordinated Notes due 2007.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect from time to time.

"Global Security" means a Security in global form that is deposited

with the Depositary or its custodian and registered in the name of the Depositary or its nominee

"Global Securities Legend" means the legend labeled as such and that is set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture.

"Indebtedness" means, with respect to any Person, all obligations, whether or not contingent, of such Person (i) (a) for borrowed money (including, but not limited to, any indebtedness secured by a security interest, mortgage or other lien on the assets of that Person that is (1) given to secure all or part of the purchase price of property subject thereto, whether given to the vendor of such property or to another, or (2) existing on property at the time of acquisition thereof), (b) evidenced by a note, debenture, bond or other written instrument, (c) under a lease required to be capitalized on the balance sheet of the lessee under GAAP or under any lease or related document (including a purchase agreement) that provides that such Person is contractually obligated to purchase or cause a third party to purchase and thereby guarantee a minimum residual value of the lease property to the lessor and the obligations of the Company under such lease or related document to purchase or to cause a third party to purchase such leased property, (d) in respect of letters of credit, bank guarantees or bankers' acceptances (including reimbursement obligations with respect to any of the foregoing), (e) with respect to Indebtedness secured by a mortgage, pledge, lien, encumbrance, charge or adverse claim affecting title or resulting in an encumbrance to which the property or assets of such

Person are subject, whether or not the obligation secured thereby shall have been assumed by or shall otherwise be such Person's legal liability, (f) in respect of the balance of deferred and unpaid purchase price of any property or assets, (g) under interest rate or currency swap agreements, cap, floor and collar agreements, spot and forward contracts and similar agreements and arrangements; (ii) with respect to any obligation of others of the type described in the preceding clause (i) or under clause (iii) below assumed by or guaranteed in any manner by such Person through an agreement to purchase (including, without limitation, "take or pay" and similar arrangements), contingent or otherwise (and the obligations of such Person under any such assumptions, guarantees or other such arrangements); and (iii) any and all deferrals, renewals, extensions, refinancings and refundings of, or amendments, modifications or supplements to, any of the foregoing.

"Indenture" means this Indenture as amended or supplemented from time to time.

"Interest Payment Date" means June 1 and December 1 of each year, commencing June 1, 2006.

"Investors Rights Agreement" means the Investors Rights Agreement relating to the Convertible Subordinated Notes and Common Stock issuable upon conversion of such Convertible Subordinated Notes dated as of November 18, 2005, between the Company and the investors named therein, as such agreement may be amended, modified or supplemented from time to time.

"Issue Date" means November 18, 2005.

"Liquidated Damages" shall have the meaning set forth in the Investors Rights Agreement.

"Material Subsidiary" means any Subsidiary of the Company which at the date of determination is a "significant Subsidiary" as defined in Rule 1-02(w) of Regulation S-X under the Securities Act and the Exchange Act.

"Maturity Date" means December 1, 2013.

"Note Custodian" means U.S. Bank National Association, as custodian with respect to any Global Security, or any successor entity thereto.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, the Chief Accounting Officer, any Executive Vice President, Senior Vice President or Vice President (whether or not designated by a

number or numbers or word or words before or after the title "Vice President"), the Treasurer, any other executive officer, the Secretary and any Assistant Treasurer or any Assistant Secretary of the Company.

"Officers' Certificate" means a certificate signed by the principal executive officer, principal financial officer or principal accounting officer of the Company.

"Opinion of Counsel" means a written opinion from legal counsel who may be an employee of or counsel to the Company or the Trustee except to the extent otherwise indicated in this Indenture.

"Permitted Holders" means James J. Kim and his estates, spouses, ancestors and lineal descendants (and spouses thereof), the legal representatives of any of the foregoing, and the trustee of any bona fide trust of which one or more of the foregoing are sole beneficiaries or the grantors, or any Person of which any of the forgoing, individually or collectively, beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) voting securities representing at least a majority of the total voting power of all classes of Capital Stock of such Person (exclusive of any matters as to which class voting rights exist).

"Person" means any individual, corporation, partnership, joint venture, trust, estate, unincorporated organization, limited liability company or government or any agency or political subdivision thereof.

"Redemption Date" when used with respect to any of the Convertible Subordinated Notes to be redeemed, means the date fixed by the Company for such redemption pursuant to Article III of this Indenture and the Convertible Subordinated Notes.

"Redemption Price" when used with respect to any of the Convertible Subordinated Notes to be redeemed, means the price fixed for such redemption pursuant to Article III of this Indenture and the Convertible Subordinated Notes.

"Regular Record Date" means the May 15 or November 15 immediately preceding each Interest Payment Date.

"Representative" means (a) the indenture trustee or other trustee, agent or representative for any Senior Debt or (b) with respect to any Senior Debt that does not have any such trustee, agent or other representative, (i) in the case of such Senior Debt issued pursuant to an agreement providing for voting arrangements as among the holders or owners of such Senior Debt, any holder or owner of such Senior Debt acting with the consent of the required Persons necessary to bind such holders or owners of such Senior Debt and (ii) in the case of all other such Senior Debt, the holder or owner of such Senior Debt.

"Restricted Common Stock Legend" means the legend labeled as such and that is set forth in Exhibit B hereto, which is incorporated in and expressly made a part of this Indenture.

"Restricted Securities Legend" means the legend labeled as such and that is set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Senior Debt" means the principal of, premium, if any, and interest on, rent under, and any other amounts payable on or in respect of any Indebtedness of the Company (including, without limitation, any Obligations in respect of such Indebtedness and, in the case of Designated Senior Debt, any interest accruing after the filing of a petition by or against the Company under any bankruptcy law, whether or not allowed as a claim after such filing in any proceeding under such bankruptcy law), whether outstanding on the Issue Date or thereafter created, incurred, assumed, guaranteed or in effect guaranteed by the Company (including all deferrals, renewals, extensions or refundings of, or amendments, modifications or supplements to the foregoing); provided, however, that Senior Debt does not include (v) Indebtedness evidenced by the Convertible Subordinated Notes, (w) any liability for federal, state, local or other taxes owed or owing by the Company, (x) Indebtedness of the Company to any Subsidiary of the Company except to the extent such Indebtedness is of a type described in clause (ii) of the definition of Indebtedness, (y) trade payables of the Company for goods, services or materials purchased in the ordinary course of business (other than, to the extent they may otherwise constitute trade payables, any obligations of the type described in clause (ii) of the definition of Indebtedness), and (z) any particular Indebtedness in which the instrument creating or evidencing the same expressly provides that such Indebtedness shall not be senior in right of payment to, or is pari passu with, or is subordinated or junior to, the Convertible Subordinated Notes.

"Shelf Registration Statement" shall have the meaning set forth in the Investors Rights Agreement.

"Subsidiary" means, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of that Person (or a combination thereof) and (ii) any partnership (a) the sole general partner or managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or any combination thereof).

"Termination of Trading" will be deemed to have occurred if the Common Stock (or other common stock into which the Convertible Subordinated Notes are then convertible) is neither listed for trading on a United States national securities exchange nor approved for trading on an established automated over-the-counter trading market in the United States.

"TIA" means the Trust Indenture Act of 1939 (15 U.S. Code Sections 77aaa-77bbbb) as in effect on the Issue Date, except as provided in Sections 9.03 and 12.06.

"Trustee" means the party named as such above until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor.

"Trust Officer" means an officer in the Corporate Trust Office of the Trustee.

"U.S. Government Obligations" means direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged. In order to have money available on a payment date to pay principal or interest on the Convertible Subordinated Notes, the U.S. Government Obligations shall be payable as to principal or interest on or before such payment date in such amounts as will provide the necessary money. U.S. Government Obligations shall not be callable at the issuer's option.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

SECTION 1.02. Other Definitions.

	DEFINED IN SECTION
"Bankruptcy Law"	Section 6.01
"Business Day"	Section 10.07
"Current Market Price"	Section 12.05
"Closing Price"	Section 12.05
"Conversion Agent"	Section 2.03
"Custodian"	Section 6.01
"Definitive Securities"	Section 2.01
"Designated Event Date"	Section 4.06
"Designated Event Offer"	Section 4.06
"Designated Event Offer Termination Date"	Section 4.06
"Designated Event Payment"	Section 4.06
"Designated Event Payment Date"	Section 4.06
"Event of Default"	Section 6.01
"Expiration Time"	Section 12.05

"fair market value"	Section 12.05
"Global Security"	Section 2.01
"Legal Holiday"	Section 10.07
"Make Whole Premium"	Section 12.12
"New Rights Plan	Section 12.05
"non-electing share"	Section 12.06
"Paying Agent"	Section 2.03
"Payment Blockage Notice"	Section 10.04
"Purchase Agreement"	Section 2.01
"Purchased Shares"	Section 12.05
"QIBs"	Section 2.01
"Record Date"	Section 12.05
"Register"	Section 2.03
"Registrar"	Section 2.03
"Regulation S"	Section 2.06
"Rule 144A"	Section 2.01
"Securities"	Section 12.05

"trading day"..... Section 12.05
"Trigger Event"..... Section 12.05

SECTION 1.03. Incorporation by Reference of Trust Indenture Act. Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

"Commission" means the Commission;

"indenture securities" means the Convertible Subordinated Notes;

"indenture security holder" means a holder of a Convertible Subordinated Note;

"indenture to be qualified" means this Indenture; "indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Convertible Subordinated Notes means the Company or any other obligor on the Convertible Subordinated Notes.

All other terms in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by Commission rule under the TIA have the meanings so assigned to them.

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular; and

(5) the male, female and neuter genders include one another.

The terms and provisions contained in the Convertible Subordinated Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Convertible Subordinated Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

ARTICLE II

THE CONVERTIBLE SUBORDINATED NOTES

SECTION 2.01. Form and Dating.

(a) Global Securities. The Convertible Subordinated Notes are being offered and sold by the Company pursuant to a Purchase Agreement relating to the Convertible Subordinated Notes, dated November 14, 2005, among the Company and the investors named therein (the "Purchase Agreement").

Convertible Subordinated Notes offered and sold to "accredited investors" as defined in Rule 501 of the Securities Act or to "qualified institutional buyers" as defined in Rule 144A ("QIBs") in reliance on Rule 144A under the Securities Act ("Rule 144A"), as provided in the Purchase Agreement,

shall be issued in the form of one or more definitive, fully registered form of securities without interest coupons with the Global Securities Legend, if applicable, or Restricted Securities Legend or Affiliate Securities Legend set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture. Any Global Security shall be deposited on behalf of the purchasers of the Convertible Subordinated Notes represented thereby with the Trustee, at its New York office, as custodian for the Depositary, and registered in the name of the Depositary or a nominee of the Depositary for the accounts of participants in the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of any Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee as hereinafter provided.

(b) Book-Entry Provisions. This Section 2.01(b) shall apply only to a Global Security deposited with or on behalf of the Depositary.

The Company shall execute and the Trustee shall, in accordance with this Section 2.01(b) and the written order of the Company, authenticate and deliver initially one or more Global Securities that (i) shall be registered in the name of Cede & Co. or other nominee of such Depositary and (ii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions or held by the Trustee as custodian for the Depositary pursuant to a FAST Balance Certificate Agreement between the Depositary and the Trustee.

Agent Members shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depositary or by the Trustee as the custodian of the Depositary or under such Global Security, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of such Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Security.

(c) Definitive Securities. Except as provided in Section 2.06 and 2.10, owners of beneficial interests in Global Securities will not be entitled to receive physical delivery of certificated Convertible Subordinated Notes in definitive form. Purchasers of Securities who are accredited investors (referred to herein as the "Non-Global Purchasers") will receive certificated Convertible Subordinated Notes in definitive form bearing the Restricted Securities Legend or Affiliate Securities Legend, as the case may be, set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture ("Definitive Securities"). Definitive Securities will bear the Restricted Securities Legend or Affiliate Securities Legend set forth on Exhibit A unless removed in accordance with Section 2.06(b).

(d) Affiliate Legend. Any certificate evidencing a Security that has been (i) issued to an Affiliate or (ii) transferred to an Affiliate of the Company within two years after the original issuance date of the Security, as evidenced by a notation on the Assignment Form for such transfer or in the representation letter delivered in respect thereof, for so long as such Security is held by such Affiliate, shall, unless transferred pursuant to a Shelf Registration Statement that was effective at the time of such transfer, until two years after the last date on which the Company or any Affiliate of the Company was an owner of such Security, in each case, bear the Affiliate Securities Legend set forth in Exhibit A hereto, unless otherwise agreed by the Company (with written notice thereof to the Trustee).

SECTION 2.02. Execution and Authentication. One Officer shall sign the Convertible Subordinated Notes for the Company by manual or facsimile signature. The Company's seal, if required, may be reproduced on the Convertible Subordinated Notes.

If an Officer whose signature is on a Convertible Subordinated Note no longer holds that office at the time the Convertible Subordinated Note is authenticated, the Convertible Subordinated Note shall nevertheless be valid.

A Convertible Subordinated Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Convertible Subordinated Note has been authenticated under this Indenture.

Upon a written order of the Company signed by an Officer of the Company, the Trustee shall authenticate Convertible Subordinated Notes for original issue up to an aggregate principal amount of $100,000,000. The aggregate principal amount of Convertible Subordinated Notes outstanding at any time may not exceed that amount except as provided in Section 2.07.

The Convertible Subordinated Notes shall be issuable only in registered form without coupons and only in denominations of $1,000 or any integral multiple thereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Convertible Subordinated Notes. An authenticating agent may authenticate Convertible Subordinated Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same right as an Agent to deal with the Company or an Affiliate of the Company.

SECTION 2.03. The Trustee Registrar, Paying Agent and Conversion Agent. The Company shall maintain or cause to be maintained in such locations as it shall determine, which may be the Corporate Trust Office, an office or agency: (i) where securities may be presented for registration of transfer or for exchange ("Registrar"); (ii) where Convertible Subordinated Notes may be presented for payment ("Paying Agent"); (iii) an office or agency where Convertible Subordinated Notes may be presented for conversion (the "Conversion Agent"); and (iv) where notices and demands to or upon the Company in respect of Convertible Subordinated Notes and this Indenture may be served by the holders of the Convertible Subordinated Notes. The Registrar shall keep a Register ("Register") of the Convertible Subordinated Notes and of their transfer and exchange. The Company may appoint one or more co-registrars, one or more additional paying agents and one or more additional conversion agents. The term "Paying Agent" includes any additional paying agent and the term "Conversion Agent" includes any additional Conversion Agent. The Company may change any Paying Agent, Registrar, Conversion Agent or co-registrar without prior notice. The Company shall notify the Trustee of the name and address of any Agent not a party to this Indenture and shall enter into an appropriate agency agreement with any Registrar, Paying Agent,

Conversion Agent or co-registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Company or any of its subsidiaries may act as Paying Agent, Registrar, Conversion Agent or co-registrar, except that for purposes of Articles III and VIII and Section 4.06, neither the Company nor any of its subsidiaries shall act as Paying Agent. If the Company fails to appoint or maintain another entity as Registrar, or Paying Agent or Conversion Agent, the Trustee shall act as such, and the Trustee shall initially act as such.

SECTION 2.04. Paying Agent To Hold Money in Trust. The Company shall require each Paying Agent (other than the Trustee, who hereby so agrees), to agree in writing that the Paying Agent will hold in trust for the benefit of holders of the Convertible Subordinated Notes or the Trustee all money held by the Paying Agent for the payment of principal or interest (including Liquidated Damages) on the Convertible Subordinated Notes, and will notify the Trustee of any default by the Company in respect of making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary of the Company) shall have no further liability for the money. If the Company or a Subsidiary of the Company acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the holders of the Convertible Subordinated Notes all money held by it as Paying Agent.

SECTION 2.05. Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of holders of Convertible Subordinated Notes and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least seven Business Days before each Interest Payment Date, and as the Trustee may request in writing within fifteen (15) days after receipt by the Company of any such request (or such lesser time as the Trustee may reasonably request in order to enable it to timely provide any notice to be provided by it hereunder), a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of holders of Convertible Subordinated Notes.

SECTION 2.06. Transfer and Exchange. NO CONVERTIBLE SUBORDINATED NOTES OR SHARES OF COMMON STOCK ISSUED UPON CONVERSION OF CONVERTIBLE SUBORDINATED NOTES MAY BE TRANSFERRED OR EXCHANGED DURING THE PERIOD FROM THE ISSUE DATE UNTIL NOVEMBER 18, 2006; PROVIDED, HOWEVER, THAT A HOLDER OF CONVERTIBLE SUBORDINATED NOTES OR SHARES OF COMMON STOCK ISSUED UPON CONVERSION OF CONVERTIBLE SUBORDINATED NOTES MAY TRANSFER SUCH SECURITIES TO AN AFFILIATED ENTITY, PROVIDED THAT SUCH AFFILIATED ENTITY AGREES TO BE BOUND BY THE TRANSFER PROVISIONS OF THIS INDENTURE AND THE INVESTORS RIGHTS AGREEMENT. When Convertible Subordinated Notes are presented to the Registrar or a co-registrar with a request to register a transfer or to exchange them for an equal principal amount of Convertible Subordinated Notes for other denominations, the Registrar shall register the transfer or make the exchange if its requirements for such transactions are met. To permit registrations of transfers and

exchanges, the Company shall issue and the Trustee shall authenticate Convertible Subordinated Notes at the Registrar's request, bearing registration numbers not contemporaneously outstanding. No service charge shall be made to a holder for any registration of transfer or exchange (except as otherwise expressly permitted herein), but the Company may require payment of a sum sufficient to cover any transfer tax or other governmental charge payable upon exchanges pursuant to Sections 2.10, 3.07, 9.05 or 12.02.

The Company or the Registrar shall not be required (i) to issue, register the transfer of or exchange Convertible Subordinated Notes during a period beginning at the opening of business fifteen (15) days before the day of any selection of Convertible Subordinated Notes for redemption under Section 3.03 and ending at the close of business on the day of selection, (ii) to register the transfer or exchange of any Convertible Subordinated Note so selected for redemption in whole or in part, except the unredeemed portion of any Convertible Subordinated Note being redeemed in part or (iii) to register the transfer of any Convertible Subordinated Notes surrendered for repurchase pursuant to Section 4.06.

All Convertible Subordinated Notes issued upon any transfer or exchange of Convertible Subordinated Notes in accordance with this Indenture

shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture as the Convertible Subordinated Notes surrendered upon such registration of transfer or exchange.

(a) Notwithstanding any provision to the contrary herein, so long as a Global Security remains outstanding and is held by or on behalf of the Depositary, transfers of a Global Security, in whole or in part, or of any beneficial interest therein, shall only be made in accordance with Sections 2.01(b) and 2.10 and this Section 2.06(a); provided, however, that beneficial interests in a Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the Global Security in accordance with the transfer restrictions set forth in the Restricted Securities Legend.

Except for transfers or exchanges made in accordance with paragraphs (i) through (iv) of this Section 2.06(a) and Section 2.10, transfers of a Global Security shall be limited to transfers of such Global Security in whole, but not in part, to nominees of the Depositary or to a successor of the Depositary or such successor's nominee.

(i) Global Security To Definitive Security. If an owner of a beneficial interest in a Global Security deposited with the Depositary or with the Trustee as custodian for the Depositary wishes at any time to transfer its interest in such Global Security to a Person who is required to take delivery thereof in the form of a Definitive Security, such owner may, subject to the rules and procedures of the Depositary, cause the exchange of such interest for one or more Definitive Securities of any authorized denomination or denominations and of the same aggregate principal amount. Upon receipt by the Registrar of

(1) instructions from the Depositary directing the Trustee to authenticate and deliver one or more Definitive Securities of the same aggregate principal amount as the beneficial interest in the Global Security to be exchanged, such instructions to contain the name or names of the designated transferee or transferees, the authorized denomination or denominations of the Definitive Securities to be so issued and appropriate delivery instructions, and (2) such certifications or other information and, in the case of transfers pursuant to Rule 144 under the Securities Act, legal opinions as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Registrar will instruct the Depositary to reduce or cause to be reduced such Global Security by the aggregate principal amount of the beneficial interest therein to be exchanged and to debit or cause to be debited from the account of the Person making such transfer the beneficial interest in the Global Security that is being transferred, and concurrently with such reduction and debit the Company shall execute, and the Trustee shall authenticate and deliver, one or more Definitive Securities of the same aggregate principal amount in accordance with the instructions referred to above.

(ii) Definitive Security to Definitive Security. If a holder of a Definitive Security wishes at any time to transfer such Definitive Security (or portion thereof) to a Person who is required to take delivery thereof in the form of a Definitive Security, such holder may, subject to the restrictions on transfer set forth herein and in such Definitive Security, cause the transfer of such Definitive Security (or any portion thereof in a principal amount equal to an authorized denomination) to such transferee. Upon receipt by the Registrar of (1) such Definitive Security, duly endorsed as provided herein, (2) instructions from such holder directing the Trustee to authenticate and deliver one or more Definitive Securities of the same aggregate principal amount as the Definitive Security (or portion thereof) to be transferred, such instructions to contain the name

or names of the designated transferee or transferees, the authorized denomination or denominations of the Definitive Securities to be so issued and appropriate delivery instructions, and (3) such certifications or other information and, in the case of transfers pursuant to Rule 144 under the Securities Act, legal opinions as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Registrar, shall cancel or cause to be canceled such Definitive Security and concurrently therewith, the Company shall execute, and the Trustee shall authenticate and deliver, one or more Definitive Securities in the appropriate aggregate principal amount, in accordance with the instructions referred to above and, if only a portion of a Definitive Security is transferred as aforesaid, concurrently therewith Company shall execute and the Trustee shall authenticate and deliver to the transferor a Definitive Security in a principal amount equal to the principal amount which has not been transferred. A holder of a Definitive Security may at any time exchange such Definitive Security

for one or more Definitive Securities of other authorized denominations and in the same aggregate principal amount and registered in the same name by delivering such Definitive Security, duly endorsed as provided herein, to the Trustee together with instructions directing the Trustee to authenticate and deliver one or more Definitive Securities in the same aggregate principal amount and registered in the same name as the Definitive Security to be exchanged, and the Registrar thereupon shall cancel or caused to be canceled such Definitive Security and concurrently therewith the Company shall execute and Trustee shall authenticate and deliver, one or more Definitive Securities in the same aggregate principal amount and registered in the same name as the Definitive Security being exchanged.

(iii) Definitive Security to Global Security. If a holder of a Definitive Security wishes at any time to transfer such Definitive Security (or portion thereof) to a Person who is not required to take delivery thereof in the form of a Definitive Security, such holder shall, subject to the restrictions on transfer set forth herein and in such Definitive Security and the rules of the Depositary cause the exchange of such Definitive Security for a beneficial interest in the Global Security. Upon receipt by the Registrar of (1) such Definitive Security, duly endorsed as provided herein, (2) instructions from such holder directing the Trustee to increase the aggregate principal amount of the Global Security deposited with the Depository or with the Trustee as custodian for the Depository by the same aggregate principal amount at maturity as the Definitive Security to be exchanged, such instructions to contain the name or names of a member of, or participant in, the Depository that is designated as the transferee, the account of such member or participant and other appropriate delivery instructions, (3) the assignment form on the back of the Definitive Security completed in full, and (4) such certifications or other information and, in the case of transfers pursuant to Rule 144 under the Securities Act, legal opinions as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Trustee shall cancel or cause to be canceled such Definitive Security and concurrently therewith shall increase the aggregate principal amount of the Global Security by the same aggregate principal amount as the Definitive Security canceled.

(iv) Other Exchanges. In the event that a Global Security is exchanged for Convertible Subordinated Notes in definitive registered form pursuant to Section 2.10 prior to the effectiveness of a Shelf Registration Statement with respect to such Convertible Subordinated Notes, such Convertible Subordinated Notes may be exchanged only in accordance with such procedures as are substantially consistent with the provisions of

clauses (ii) and (iii) above.

(b) Except with a transfer or sale of Securities made pursuant to the Shelf Registration Statement contemplated by and in accordance with the terms of the Investors Rights Agreement, if Convertible Subordinated Notes are issued upon the registration of

transfer, exchange or replacement of Convertible Subordinated Notes bearing an Affiliate Securities Legend or a Restricted Securities Legend, as the case may be, or if a request is made to remove such an Affiliate Securities Legend or a Restrictive Securities Legend, as the case may be, on Convertible Subordinated Notes, the Convertible Subordinated Notes so issued shall bear the Affiliate Securities Legend or the Restricted Securities Legend, as the case may be, unless there is delivered to the Company such satisfactory evidence, which, in the case of a transfer made pursuant to Rule 144 under the Securities Act, may include an opinion of counsel given in accordance with the laws in the State of New York, as may be reasonably required by the Company, that neither the legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of the U.S. federal securities laws. Upon provision to the Company of such satisfactory evidence, the Trustee, at the written direction of the Company, shall authenticate and deliver Convertible Subordinated Notes that do not bear the legend. The Company shall not otherwise be entitled to require the delivery of a legal opinion in connection with any transfer or exchange of Securities.

(c) Neither the Trustee nor any Agent shall have any responsibility for any actions taken or not taken by the Depositary.

(d) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Convertible Subordinated Notes (including any transfers between or among Depositary's participants or beneficial owners of interests in any Global Security) other than to require delivery of such certificates and other documentation as is expressly required by, and to do so if and when expressly required by, the terms of this Indenture and to examine the same to determine substantial compliance as to form with the express requirements hereof.

SECTION 2.07. Replacement Convertible Subordinated Notes. If the holder of a Convertible Subordinated Note claims that the Convertible Subordinated Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Convertible Subordinated Note if the Trustee's requirements are met. If required by the Trustee or the Company as a condition of receiving a replacement Convertible Subordinated Note, the holder of a Convertible Subordinated Note must provide a certificate of loss and an indemnity and/or an indemnity bond sufficient, in the judgment of both the Company and the Trustee, to fully protect the Company, the Trustee, any Agent and any authenticating agent from any loss, liability, cost or expense which any of them may suffer or incur if the Convertible Subordinated Note is replaced. The Company and the Trustee may charge the relevant holder for their expenses in replacing any Convertible Subordinated Note.

The Trustee or any authenticating agent may authenticate any such substituted Convertible Subordinated Note, and deliver the same upon the receipt of such security or indemnity as the Trustee, the Company and, if applicable, such authenticating agent may require. Upon the issuance of any substituted Convertible Subordinated Note, the Company may require the payment of a sum sufficient to cover any tax or other

governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Convertible Subordinated Note which has matured or is about to mature, or has been called for redemption pursuant to Article III, submitted for repurchase pursuant to Section 4.06 or is about to be converted into Common Stock pursuant to Article XII, shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Convertible Subordinated Note, pay or authorize the payment of or convert or authorize the conversion of the same (without surrender thereof except in the case of a mutilated Convertible Subordinated Note), as the case may be, if the applicant for such payment or conversion shall furnish to the Company, to the Trustee and, if applicable, to the authenticating agent such security or indemnity as may be required by them to save each of them harmless for any loss, liability, cost or expense caused by or connected with such substitution, and, in case of destruction, loss or theft, evidence satisfactory to the Company, the Trustee and, if applicable, any paying agent or conversion agent of the destruction, loss or theft of such Convertible Subordinated Note and of the ownership thereof.

Every replacement Convertible Subordinated Note is an additional obligation of the Company and shall be entitled to all the benefits provided under this Indenture equally and proportionately with all other Convertible Subordinated Notes duly issued, authenticated and delivered hereunder.

SECTION 2.08. Outstanding Convertible Subordinated Notes. The Convertible Subordinated Notes outstanding at any time are all the Convertible Subordinated Notes properly authenticated by the Trustee except for those canceled by the Trustee, those delivered to it for cancellation, and those described in this Section as not outstanding.

If a Convertible Subordinated Note is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Convertible Subordinated Note is held by a bona fide purchaser.

If Convertible Subordinated Notes are considered paid under Section 4.01 or converted under Article XII, they cease to be outstanding and interest (including Liquidated Damages, if any) on them ceases to accrue.

Subject to Section 2.09 hereof, a Convertible Subordinated Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Convertible Subordinated Note.

SECTION 2.09. When Treasury Convertible Subordinated Notes Disregarded. In determining whether the holders of the required principal amount of Convertible Subordinated Notes have concurred in any direction, waiver or consent, Convertible Subordinated Notes owned by the Company or an Affiliate of the Company shall be considered as though they are not outstanding except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Convertible Subordinated Notes which the Trustee knows are so owned shall be so disregarded; provided however, that this Section 2.09 shall not apply to any

applicable Convertible Subordinated Notes owned by a holder that is an Affiliate of the Company and is also an Affiliated Entity from the Issue Date until the applicable Convertible Subordinated Notes are first transferred to a holder that is not an Affiliated Entity.

SECTION 2.10. Temporary Convertible Subordinated Notes.

(a) Until definitive Convertible Subordinated Notes are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Convertible Subordinated Notes. Temporary Convertible Subordinated Notes shall

be substantially in the form of definitive Convertible Subordinated Notes but may have variations that the Company considers appropriate for temporary Convertible Subordinated Notes and shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Convertible Subordinated Notes in exchange for temporary Convertible Subordinated Notes.

(b) Except for transfers made in accordance with Section 2.06(a), a Global Security deposited with the Depositary or with the Trustee as custodian for the Depositary pursuant to Section 2.01 shall be transferred to the beneficial owners thereof in the form of certificated Convertible Subordinated Notes in definitive form only if such transfer complies with Section 2.06 and (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security or if at any time such Depositary ceases to be a "clearing agency" registered under the Exchange Act and a successor Depositary is not appointed by the Company within 90 days of such notice, or (ii) an Event of Default has occurred and is continuing.

(c) Any Global Security or interest thereon that is transferable to the beneficial owners thereof in the form of certificated Convertible Subordinated Notes in definitive form shall, if held by the Depository, be surrendered by the Depositary to the Trustee, without charge, and the Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Security, an equal aggregate principal amount of Convertible Subordinated Notes of authorized denominations in the form of certificated Convertible Subordinated Notes in definitive form. Any portion of a Global Security transferred pursuant to this Section shall be executed, authenticated and delivered only in denominations of $1,000 and any integral multiple thereof and registered in such names as the Depositary shall direct. Any Convertible Subordinated Notes in the form of certificated Convertible Subordinated Notes in definitive form delivered in exchange for an interest in the Global Security shall, except as otherwise provided by Section 2.06(b), bear the Restricted Securities Legend set forth in Exhibit A hereto.

(d) Prior to any transfer pursuant to Section 2.10(b), the registered holder of a Global Security may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a holder is entitled to take under this Indenture or the Convertible Subordinated Notes.

(e) The Company will make available to the Trustee a reasonable supply of certificated Convertible Subordinated Notes in definitive form without interest coupons.

SECTION 2.11. Cancellation. The Company at any time may deliver Convertible Subordinated Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Convertible Subordinated Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else may cancel Convertible Subordinated Notes surrendered for registration of transfer, exchange, payment, replacement, conversion, redemption, repurchase or cancellation. Upon written instructions of the Company, the Trustee shall destroy and dispose of canceled Convertible Subordinated Notes as the Company directs and, after such destruction, shall deliver a certificate of destruction to the Company. The Company may not issue new Convertible Subordinated Notes to replace Convertible Subordinated Notes that it has paid, redeemed or repurchased or that have been delivered to the Trustee for cancellation or that any holder has (i) converted pursuant to Article XII hereof, (ii) submitted for redemption pursuant to Article III hereof or (iii) submitted for repurchase pursuant to Section 4.06 hereof (unless revoked).

SECTION 2.12. Defaulted Interest. If the Company fails to make a payment of interest on the Convertible Subordinated Notes, it shall pay such defaulted

interest plus, to the extent lawful, any interest payable on the defaulted interest. It may pay such defaulted interest, plus any such interest payable on it, to the Persons who are holders of Convertible Subordinated Notes on a subsequent special record date. The Company shall fix any such special record date and payment date. At least 15 days before any such special record date, the Company shall mail to holders of the Convertible Subordinated Notes a notice that states the special record date, payment date and amount of such interest to be paid.

SECTION 2.13. CUSIP Number. The Company in issuing the Convertible Subordinated Notes may use a "CUSIP" number, and if so, such CUSIP number shall be included in notices of redemption, repurchase or exchange as a convenience to holders of Convertible Subordinated Notes; provided, however, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number printed in the notice or on the Convertible Subordinated Notes and that reliance may be placed only on the other identification numbers printed on the Convertible Subordinated Notes. The Company will promptly notify the Trustee of any change in the CUSIP number.

ARTICLE III

REDEMPTION

SECTION 3.01. Optional Redemption. The Company may redeem all or any portion of the Convertible Subordinated Notes upon the terms and at the Redemption Prices set forth in each of the Convertible Subordinated Notes. Any redemption shall be made pursuant to Paragraph 5 of the Convertible Subordinated Notes and this Article III.

SECTION 3.02. Notices to Trustee. If the Company elects to redeem Convertible Subordinated Notes pursuant to the optional redemption provisions of paragraph 5 of the Convertible Subordinated Notes, it shall furnish to the Trustee, at least 30 (35 if less than all of the then outstanding Convertible Subordinated Notes are to be redeemed or if the Company requests the Trustee to give notice of redemption pursuant to Section 3.04) days but not more than 60 days before a Redemption Date (unless a shorter period shall be satisfactory to the Trustee), an Officers' Certificate setting forth (i) the Section of this Indenture pursuant to which the redemption shall occur, (ii) the Redemption Date, (iii) the principal amount of Convertible Subordinated Notes (if less than all) to be redeemed, (iv) the Redemption Price and (v) the CUSIP number of the Convertible Subordinated Notes being redeemed.

SECTION 3.03. Selection of Convertible Subordinated Notes To Be Redeemed. If less than all the Convertible Subordinated Notes are to be redeemed, the Trustee shall select the Convertible Subordinated Notes to be redeemed by a method that complies with the requirements of the principal national securities exchange, if any, on which the Convertible Subordinated Notes are listed or quoted or, if the Convertible Subordinated Notes are not so listed, on a pro rata basis by lot or by any other method that the Trustee considers fair and appropriate. The Trustee shall make the selection not more than 60 days and not less than 30 days before the Redemption Date from Convertible Subordinated Notes outstanding and not previously called for redemption. The Trustee may select for redemption a portion of the principal of any Convertible Subordinated Notes that has a denomination larger than $1,000. Convertible Subordinated Notes and portions thereof will be redeemed in the amount of $1,000 or integral multiples of $1,000.

Provisions of this Indenture that apply to Convertible Subordinated Notes called for redemption also apply to portions of Convertible Subordinated Notes called for redemption. The Trustee shall notify the Company promptly of the Convertible Subordinated Notes or portions of Convertible Subordinated Notes to be called for redemption.

If any Convertible Subordinated Note selected for partial redemption is converted in part after such selection, the converted portion of such Convertible Subordinated Note shall be deemed (so far as may be) to be the portion to be selected for redemption. The Convertible Subordinated Notes (or portion thereof) so selected shall be deemed duly selected for redemption for all purposes hereof, notwithstanding that any such Convertible Subordinated Note is converted in whole or in part before the mailing of the notice of redemption. Upon any redemption of less than all the Convertible Subordinated Notes, the Company and the Trustee may treat as outstanding any Convertible Subordinated Notes surrendered for conversion during the period of 15 days next preceding the mailing of a notice of redemption and need not treat as outstanding any Convertible Subordinated Note authenticated and delivered during such period in exchange for the unconverted portion of any Convertible Subordinated Note converted in part during such period.

SECTION 3.04. Notice of Redemption. At least 30 days but not more than 60 days before a Redemption Date, the Company shall mail by first class mail a notice of redemption to each holder whose Convertible Subordinated Notes are to be redeemed.

The notice shall identify the Convertible Subordinated Notes to be redeemed and shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) if any Convertible Subordinated Note is being redeemed in part, the portion of the principal amount of such Convertible Subordinated Note to be redeemed and that, after the Redemption Date, upon surrender of such Convertible Subordinated Note, a new Convertible Subordinated Note or Convertible Subordinated Notes in principal amount equal to the unredeemed portion will be issued in the name of the holder thereof;

(4) that Convertible Subordinated Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(5) that interest and Liquidated Damages, if applicable, on Convertible Subordinated Notes called for redemption and for which funds have been set apart for payment, ceases to accrue on and after the Redemption Date (unless the Company defaults in the payment of the Redemption Price or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture);

(6) the paragraph of the Convertible Subordinated Notes pursuant to which the Convertible Subordinated Notes called for redemption are being redeemed;

(7) the aggregate principal amount of Convertible Subordinated Notes (if less than all) that are being redeemed;

(8) the CUSIP number of the Convertible Subordinated Notes (provided that the disclaimer permitted by Section 2.13 may be made);

(9) the name and address of the Paying Agent;

(10) that Convertible Subordinated Notes called for redemption may be converted at any time prior to the close of business on the last trading day immediately preceding the Redemption Date and if not converted prior to the close of business on such Redemption Date, the right of conversion with respect to the Convertible Subordinated Notes called for

redemption will be lost; and

(11) that in the case of Convertible Subordinated Notes or portions thereof called for redemption on a date that is also an Interest Payment Date, the interest payment and Liquidated Damages, if any, due on such date shall be paid to the Person in whose name the Convertible Subordinated Note is registered at the close of business on the relevant Regular Record Date.

The notice if mailed in the manner herein provided shall be conclusively presumed to have been given, whether or not the holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the holder of any Convertible Subordinated Note designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any Convertible Subordinated Note.

At the Company's request, the Trustee shall give notice of redemption in the Company's name and at its expense.

SECTION 3.05. Effect of Notice of Redemption. Once notice of redemption is mailed, Convertible Subordinated Notes called for redemption become due and payable on the Redemption Date at the Redemption Price set forth in the Convertible Subordinated Note.

SECTION 3.06. Deposit of Redemption Price. On or before 10:00 a.m., New York City time, the Redemption Date, the Company shall deposit with the Trustee or with the Paying Agent money in immediately available funds sufficient to pay the Redemption Price of and accrued interest (including Liquidated Damages) on all Convertible Subordinated Notes to be redeemed on that date. The Trustee or the Paying Agent shall return to the Company any money not required for that purpose.

On and after the Redemption Date, unless the Company shall default in the payment of the Redemption Price, interest and Liquidated Damages, if applicable, will cease to accrue on the principal amount of the Convertible Subordinated Notes or portions thereof called for redemption and for which funds have been set apart for payment and such Convertible Subordinated Notes, or portions thereof, shall cease after the close of business on the Business Day immediately preceding the Redemption Date to be convertible into Common Stock and, except as provided in this Section 3.06 and 8.04, to be entitled to any benefit or security under this Indenture, and the holders thereof shall have no right in respect of such Convertible Subordinated Notes, or portions thereof, except the right to receive the Redemption Price thereof and unpaid interest and Liquidated Damages, if any, to (but excluding) the Redemption Date. In the case of Convertible Subordinated Notes or portions thereof redeemed on a Redemption Date which is also an Interest Payment Date, the interest payment and Liquidated Damages, if any, due on such Interest Payment Date shall be paid to the Person in whose name the Convertible Subordinated Note is registered at the close of business on the relevant Regular Record Date.

SECTION 3.07. Convertible Subordinated Notes Redeemed in Part. Upon surrender of a Convertible Subordinated Note that is redeemed in part only, the Company shall issue and the Trustee shall authenticate and deliver to the holder of a Convertible Subordinated Note a new Convertible Subordinated Note equal in principal amount to the unredeemed portion of the Convertible Subordinated Note surrendered, at the expense of the Company, except as specified in Section 2.06.

SECTION 3.08. Conversion Arrangement on Call for Redemption. In connection

with any redemption of Convertible Subordinated Notes, the Company may arrange for the purchase and conversion of any Convertible Subordinated Notes by an arrangement with one or more investment bankers or other purchasers to purchase such Convertible Subordinated Notes by paying to the Trustee in trust for the holders, on or before 10:00 a.m., New York City time, on the Redemption Date, an amount not less than the applicable Redemption Price, together with interest and Liquidated Damages, if any, accrued to the Redemption Date, of such Convertible Subordinated Notes. Notwithstanding anything to the contrary contained in this Article III, the obligation of the Company to pay the Redemption Price of such Convertible Subordinated Notes, together with interest and Liquidated Damages, if any, accrued to the Redemption Date, shall be deemed to be satisfied and discharged to the extent such amount is so paid by the purchasers. If such an agreement is entered into, a copy of which will be filed with the Trustee prior to the Redemption Date, any Convertible Subordinated Notes not duly surrendered for conversion by the holders thereof may, at the option of the Company, be deemed, to the fullest extent permitted by law, acquired by such purchasers from such holders and (notwithstanding anything to the contrary contained in Article XII) surrendered by such purchasers for conversion, all as of immediately prior to the close of business on the Redemption Date (and the right to convert any such Convertible Subordinated Notes shall be deemed to have been extended through such time), subject to payment of the above amount as aforesaid. At the direction of the Company, the Trustee shall hold and dispose of any such amount paid to it in the same manner as it would monies deposited with it by the Company for the redemption of Convertible Subordinated Notes. Without the Trustee's prior written consent, no arrangement between the Company and such purchasers for the purchase and conversion of any Convertible Subordinated Notes shall increase or otherwise affect any of the powers, duties, responsibilities or obligations of the Trustee as set forth in this Indenture, and the Company agrees to indemnify the Trustee from, and hold it harmless against, any loss, liability or expense arising out of or in connection with any such arrangement for the purchase and conversion of any Convertible Subordinated Notes between the Company and such purchasers to which the Trustee has not consented in writing, including the costs and expenses incurred by the Trustee in the defense of any claim or liability arising out of or in connection with the exercise or performance of any of its powers, duties, responsibilities or obligations under this Indenture.

ARTICLE IV

COVENANTS

SECTION 4.01. Payment of Convertible Subordinated Notes. The Company shall pay the principal of and interest (including Liquidated Damages) on the Convertible Subordinated Notes on the dates and in the manner provided in the Convertible Subordinated Notes. Principal, interest, the Redemption Price or the Designated Event Payment shall be considered paid on the date due if the Trustee or Paying Agent (other than the Company or a Subsidiary of the Company) holds as of 10:00 a.m. New York City time on that date immediately available funds designated for and sufficient to pay all principal, interest (including Liquidated Damages), the Redemption Price and the Designated Event Payment then due; provided, however, that money held by the Agent for the benefit of holders of Senior Debt pursuant to the provisions of Article XI hereof or the payment of which to the holders of the Convertible Subordinated Notes is prohibited by Article XI shall not be considered to be designated for the payment of any principal of or interest on the Convertible Subordinated Notes within the meaning of this Section 4.01.

To the extent lawful, the Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on (i) overdue principal, at the rate borne by Convertible Subordinated Notes, compounded semiannually; and (ii) overdue installments of interest (without regard to any applicable grace period) at the same rate, compounded semiannually.

SECTION 4.02. Commission Reports. Whether or not required by the rules and regulations of the Commission, so long as any Convertible Subordinated Notes are outstanding, the Company will file with the Commission and furnish to the Trustee and the holders of Convertible Subordinated Notes all quarterly and annual financial information (without exhibits) required to be contained in a filing with the Commission on Forms 10-Q and 10-K, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual consolidated financial statements only, a report thereon by the Company's independent auditors. The Company shall not be required to file any report or other information with the Commission if the Commission does not permit such filing, although such reports or other information will be required to be furnished to the Trustee.

SECTION 4.03. Compliance Certificate. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company, an Officers' Certificate stating that a review of the activities of the Company and its subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has fully performed its obligations under this Indenture and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge, the Company is not in default in the performance or observance of any of the terms and conditions hereof (or, if any Default or Event of Default shall have occurred, describing all such Defaults or Events of Default

of which he or she may have knowledge) and, that to the best of his or her knowledge, no event has occurred and remains in existence by reason of which payments on account of the principal of or interest (including Liquidated Damages) on the Convertible Subordinated Notes are prohibited.

The Company shall, so long as any of the Convertible Subordinated Notes are outstanding, deliver to the Trustee, forthwith upon becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default.

SECTION 4.04. Maintenance of Office or Agency. The Company shall maintain or cause to be maintained the office or agency required under Section 2.03. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency not maintained by the Trustee. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, presentations, surrenders, notices and demands with respect to the Convertible Subordinated Notes may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Convertible Subordinated Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designation.

SECTION 4.05. Continued Existence. Subject to Article V, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

SECTION 4.06. Repurchase Upon Designated Event. Following a Designated Event (the date of each such occurrence being the "Designated Event Date"), the Company shall notify the holders of Convertible Subordinated Notes and the Trustee in writing of such occurrence and shall make an offer (the "Designated Event Offer") to repurchase all Convertible Subordinated Notes then outstanding at a repurchase price in cash (the "Designated Event Payment") equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Liquidated Damages, if any, to, but excluding, the Designated Event Payment Date (as

defined below). Unless and until the Trustee shall receive a notice of the occurrence of a Designated Event, the Trustee may assume without inquiry that none has occurred.

Notice of a Designated Event shall be mailed by or at the direction of the Company to the holders of Convertible Subordinated Notes as shown on the Register of such holders maintained by the Registrar not more than 20 days after the applicable Designated Event Date at the addresses as shown on the Register of holders maintained by the Registrar, with a copy to the Trustee and the Paying Agent. The Designated Event Offer shall remain open until a specified date (the "Designated Event Offer Termination Date") which is at least 20 Business Days from the date such notice is mailed. During the period specified in such notice, holders of Convertible Subordinated Notes may elect

to tender their Convertible Subordinated Notes in whole or in part in integral multiples of $1,000 in exchange for cash. Payment shall be made by the Company in respect of Convertible Subordinated Notes properly tendered pursuant to this Section on a specified Business Day (the "Designated Event Payment Date") which shall be no earlier than five Business Days after the applicable Designated Event Offer Termination Date and no later than 60 days after the applicable Designated Event.

The notice, which shall govern the terms of the Designated Event Offer, shall include such disclosures as are required by law and shall state:

(a) that a Designated Event Offer is being made pursuant to this Section 4.06 and that all Convertible Subordinated Notes will be accepted for payment;

(b) the transaction or transactions that constitute the Designated Event;

(c) the Designated Event Payment for each Convertible Subordinated Note, the Designated Event Offer Termination Date and the Designated Event Payment Date;

(d) that any Convertible Subordinated Note not accepted for payment will continue to accrue interest and Liquidated Damages, if applicable, in accordance with the terms thereof;

(e) that, unless the Company defaults on making the Designated Event Payment, any Convertible Subordinated Note accepted for payment pursuant to the Designated Event Offer shall cease to accrue interest and Liquidated Damages, if applicable, on the Designated Event Payment Date and no further interest or Liquidated Damages shall accrue on or after such date;

(f) that holders electing to have Convertible Subordinated Notes repurchased pursuant to a Designated Event Offer will be required to surrender their Convertible Subordinated Notes to the Paying Agent at the address specified in the notice prior to 5:00 p.m., New York City time, on the Designated Event Offer Termination Date and must complete any form letter of transmittal proposed by the Company and acceptable to the Trustee and the Paying Agent;

(g) that holders of Convertible Subordinated Notes will be entitled to withdraw their election if the Paying Agent receives, not later than 5:00 p.m., New York City time, on the Designated Event Offer Termination Date, a facsimile transmission or letter setting forth the name of the holder, the principal amount of Convertible Subordinated Notes the holder delivered for purchase, the Convertible Subordinated Note certificate number (if any) and a statement that such holder is withdrawing his election to have such Convertible Subordinated Notes purchased;

(h) that holders whose Convertible Subordinated Notes are repurchased only in part will be issued Convertible Subordinated Notes equal in principal amount to the unpurchased portion of the Convertible Subordinated Notes surrendered;

(i) the instructions that holders must follow in order to tender their Convertible Subordinated Notes; and

(j) that in the case of a Designated Event Offer Termination Date that is also an Interest Payment Date, the interest payment and Liquidated Damages, if any, due on such Interest Payment Date shall be paid to the Person in whose name the Convertible Subordinated Note is registered at the close of business on the relevant Designated Event Offer Termination Date.

On the Designated Event Offer Termination Date the Company shall (i) accept for payment all Convertible Subordinated Notes or portions thereof properly tendered pursuant to the Designated Event Offer, (ii) deposit with the Paying Agent money sufficient to pay the Designated Event Payment with respect to all Convertible Subordinated Notes or portions thereof so tendered and accepted and (iii) deliver or cause to be delivered to the Trustee the Convertible Subordinated Notes so accepted together with an Officers' Certificate setting forth the aggregate principal amount of Convertible Subordinated Notes or portions thereof tendered to and accepted for payment by the Company. On the Designated Event Payment Date, the Paying Agent shall mail or deliver to the holders of Convertible Subordinated Notes so accepted, the Designated Event Payment, and the Trustee shall promptly authenticate and mail or cause to be transferred by book entry to such holders a new Convertible Subordinated Note equal in principal amount to any unpurchased portion of the Convertible Subordinated Note surrendered, if any; provided that such new Convertible Subordinate Notes will be in a principal amount of $1,000 or an integral multiple thereof. Any Convertible Subordinated Notes not so accepted shall be promptly mailed or delivered by the Company to the holder thereof.

In the case of any reclassification, change, consolidation, merger, combination or sale or conveyance to which Section 12.06 applies, in which the Common Stock of the Company is changed or exchanged as a result into the right to receive stock, securities or other property or assets (including cash) which includes shares of common stock of the Company or another Person that are, or upon issuance will be, traded on a United States national securities exchange or approved for trading on an established automated over-the-counter trading market in the United States and such shares constitute at the time such change or exchange becomes effective in excess of 50% of the aggregate fair market value of such stock, securities other property and assets (including cash) (as determined by the Company, which determination shall be conclusive and binding), then the Person formed by such consolidation or resulting from such merger or which acquires such assets, as the case may be, shall execute and deliver to the Trustee a supplemental indenture (which shall comply with the TIA as in force at the date of execution of such supplemental indenture) modifying the provisions of this Indenture relating to the right of holders of Convertible Subordinated Notes to cause the Company to repurchase

Convertible Subordinated Notes following a Designated Event, including the applicable provisions of this Section 4.06 and the definitions of Designated Event, Change of Control and Termination of Trading, as appropriate, as determined in good faith by the Company (which determination shall be conclusive and binding), to make such provision apply to such common stock and the issuer thereof if different from the Company and Common Stock of the Company (in lieu of the Company and the Common Stock of the Company).

The Designated Event Offer shall be made by the Company in compliance with all applicable provisions of the Exchange Act, and all applicable tender offer rules promulgated thereunder, to the extent such laws and regulations are then applicable and shall include all instructions and materials that the Company shall reasonably deem necessary to enable such holders of Convertible Subordinated Notes to tender their Convertible Subordinated Notes.

SECTION 4.07. Appointments to Fill Vacancies in Trustee's Office. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.08, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.08. Stay, Extension and Usury Laws. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter enforced, that may affect the Company's obligation to pay the Convertible Subordinated Notes; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law insofar as such law applies to the Convertible Subordinated Notes, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.09. Taxes. The Company shall, and shall cause each of its subsidiaries to, pay prior to delinquency all taxes, assessments and government levies; provided, however, that the Company shall not be required to pay or cause to be paid any such tax, assessment or levy (A) if the failure to do so will not, in the aggregate, have a material adverse impact on the Company and its subsidiaries taken as a whole, or (B) if the amount, applicability or validity is being contested in good faith by appropriate proceedings.

SECTION 4.10. Liquidated Damages. If Liquidated Damages are payable by the Company pursuant to Section 5 of the Investors Rights Agreement, the Company shall deliver to the Trustee a certificate to the effect stating (i) the amount of such Liquidated Damages that are payable and (ii) the date on which such damages are payable. Unless and until a Trust Officer of the Trustee receives such a certificate, the Trustee may assume without inquiry that no Liquidated Damages are payable. If the Company has

paid Liquidated Damages directly to the persons entitled to them, the Company shall deliver to the Trustee a certificate setting forth the particulars of such payment.

ARTICLE V

SUCCESSORS

SECTION 5.01. When the Company May Merge, Etc. The Company may not, in a single transaction or series of related transactions, consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets to, any Person as an entirety or substantially as an entirety unless:

(a) either

(i) the Company shall be the surviving or continuing corporation or

(ii) the Person formed by or surviving any such consolidation or into which the Company is merged (if other than the Company) or the Person

which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Company substantially as an entirety

(1) shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia and

(2) shall expressly assume, by indenture in form reasonably satisfactory to the Trustee, executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest and Liquidated Damages, if any, on all of the Convertible Subordinated Notes and the performance of every covenant of the Convertible Subordinated Notes and this Indenture and the Investors Rights Agreement on the part of the Company to be performed or observed, including, without limitation, modifications to rights of holders to cause the repurchase of Convertible Subordinated Notes upon a Designated Event in accordance with the penultimate paragraph of Section 4.06 and conversion rights in accordance with Section 12.06 to the extent required by such Sections;

(b) immediately after giving effect to such transaction no Default and no Event of Default shall have occurred and be continuing; and

(c) the Company or such Person shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation,

merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this provision of this Indenture and that all conditions precedent in this Indenture relating to such transaction have been satisfied.

For purposes of this Section 5.01, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more subsidiaries of the Company, the capital stock of which constitutes all or substantially all of the properties and assets of the Company, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

SECTION 5.02. Successor Corporation Substituted. Upon any such consolidation, merger, sale, assignment, conveyance, lease, transfer or other disposition in accordance with Section 5.01, the successor Person formed by such consolidation or into which the Company is merged or to which such sale, assignment, conveyance, lease, transfer or other disposition is made will succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor had been named as the Company therein, and thereafter (except in the case of a sale, assignment, transfer, lease, conveyance or other disposition) the predecessor corporation will be relieved of all further obligations and covenants under this Indenture and the Convertible Subordinated Notes.

SECTION 5.03. Purchase Option on Change of Control. This Article V does not affect the obligations of the Company (including without limitation any successor to the Company) under Section 4.06.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default. An "Event of Default" with respect to any Convertible Subordinated Notes occurs if:

(a) the Company defaults in the payment (whether or not such payment is prohibited by the subordination provisions set forth in Article XI of this Indenture) of principal of, or premium, if any, on the Convertible Subordinated Notes when due at maturity, upon repurchase, upon acceleration or otherwise, including, without limitation, failure of the Company to make any optional redemption payment when required pursuant to Article III; or

(b) the Company defaults in the payment (whether or not such payment is prohibited by the subordination provisions set forth in Article XI of this Indenture) of any installment of interest or Liquidated Damages on the Convertible Subordinated Notes when due (including any interest or Liquidated Damages payable in connection with a repurchase pursuant to Section 4.06 or in

connection with any optional redemption payment pursuant to Article III) and continuance of such default for 30 days or more; or

(c) the Company defaults (other than a default set forth in clauses (a) and (b) above and clauses (d) and (e) below) in the performance of, or breaches, any other covenant or warranty of the Company set forth in this Indenture or the Convertible Subordinated Notes and fails to remedy such default or breach within a period of 60 days after the receipt of written notice from the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Convertible Subordinated Notes; or

(d) the Company defaults in the payment of the Designated Event Payment in respect of the Convertible Subordinated Notes on the Designated Event Payment Date, whether or not such payment is prohibited by the subordination provisions set forth in Article XI of this Indenture; or

(e) the Company fails to provide timely notice of any Designated Event in accordance with Section 4.06 hereof; or

(f) failure of the Company or any Material Subsidiary to make any payment at maturity, including any applicable grace period, in respect of indebtedness for borrowed money of, or guaranteed or assumed by, the Company or any Material Subsidiary, which payment is in an amount in excess of $20,000,000, and continuance of such failure for 30 days after notice thereof from the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Convertible Subordinated Notes; or

(g) default by the Company or any Material Subsidiary with respect to any indebtedness referred to in clause (f) above, which default results in the acceleration of any such indebtedness of an amount in excess of $20,000,000 without such indebtedness having been paid or discharged or such acceleration having been cured, waived, rescinded or annulled for 30 days after notice thereof from the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Convertible Subordinated Notes; or

(h) the Company or any Material Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a Custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors;

(v) makes the admission in writing that it generally is unable to pay its debts as the same become due; or

(i) a court of competent jurisdiction enters a judgment, order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any Material Subsidiary in an involuntary case,

(ii) appoints a Custodian of the Company or any Material Subsidiary, and the order or decree remains unstayed and in effect for 90 days.

(iii) orders the liquidation of the Company or any Material Subsidiary, and the order or decree remains unstayed and in effect for 90 days.

The term "Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

In the case of any Event of Default, pursuant to the provisions of this Section 6.01, occurring by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding payment of the premium which the Company would have had to pay if the Company then had elected to redeem the Convertible Subordinated Notes pursuant to Paragraph 5 of the Convertible Subordinated Notes, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law, upon the acceleration of the Convertible Subordinated Notes notwithstanding anything contained in this Indenture or in the Convertible Subordinated Notes to the contrary.

If an Event of Default occurs prior to any date on which the Company is prohibited from redeeming the Convertible Subordinated Notes, pursuant to Paragraph 5 of the Convertible Subordinated Notes, by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding the prohibition on redemption of the Convertible Subordinated Notes prior to such date, then the premium specified in this Indenture shall also become immediately due and payable to the extent permitted by law upon the acceleration of the Convertible Subordinated Notes.

SECTION 6.02. Acceleration. If an Event of Default (other than an Event of Default with respect to the Company specified in clauses (h) and (i) of Section 6.01) occurs and is continuing, then and in every such case the Trustee, by written notice to the Company, or the holders of at least 25% in aggregate principal amount of the then

outstanding Convertible Subordinated Notes, by written notice to the Company and the Trustee, may declare the unpaid principal of, premium, if any, and accrued and unpaid interest and Liquidated Damages, if any, on all the Convertible Subordinated Notes to be due and payable. Upon such declaration such principal amount, premium, if any, and accrued and unpaid interest and Liquidated Damages, if any, shall become immediately due and payable, notwithstanding anything contained in this Indenture or the Convertible Subordinated Notes to the contrary, but subject to the provisions of Article XI hereof. If any Event of Default with respect to the Company specified in clauses (h) or (i) of Section 6.01 occurs, all unpaid principal of and premium, if any, and accrued and unpaid

interest and Liquidated Damages, if any, on the Convertible Subordinated Notes then outstanding shall become automatically due and payable subject to the provisions of Article XI hereof, without any declaration or other act on the part of the Trustee or any holder of Convertible Subordinated Notes.

The holders of a majority in aggregate principal amount of the then outstanding Convertible Subordinated Notes by notice to the Trustee may rescind an acceleration of the Convertible Subordinated Notes and its consequences if all existing Events of Default (other than nonpayment of principal of or premium, if any, and interest and Liquidated Damages, if any, on the Convertible Subordinated Notes which has become due solely by virtue of such acceleration) have been cured or waived and if the rescission would not conflict with any judgment or decree of any court of competent jurisdiction. No such rescission shall affect any subsequent Default or Event of Default or impair any right consequent thereto.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of or interest or Liquidated Damages, if applicable, on the Convertible Subordinated Notes or to enforce the performance of any provision of the Convertible Subordinated Notes or this Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Convertible Subordinated Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any holder of a Convertible Subordinated Note in exercising any right or remedy occurring upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults. The holders of a majority in aggregate principal amount of the Convertible Subordinated Notes then outstanding may, on behalf of the holders of all the Convertible Subordinated Notes, waive an existing Default or Event of Default and its consequences, except a Default or Event of Default in the payment of the principal of, premium, if any, or interest or Liquidated Damages, if applicable, on the Convertible Subordinated Notes (other than the non-payment of principal of and premium, if any, and interest or Liquidated Damages, if any, on the Convertible Subordinated Notes which has become due solely by virtue of an acceleration which has been duly rescinded as provided above), or in respect of a covenant or provision of this Indenture which cannot be modified or amended without the

consent of all holders of Convertible Subordinated Notes. When a Default or Event of Default is waived, it is cured and stops continuing. No waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

SECTION 6.05. Control by Majority. The holders of a majority in aggregate principal amount of the then outstanding Convertible Subordinated Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other holders of Convertible Subordinated Notes or that may involve the Trustee in personal liability; provided that the Trustee shall have no duty or obligation (subject to Section 7.01) to ascertain whether or not such actions of forbearances are unduly prejudicial to such holders; provided, further, that the Trustee may take any other action the Trustee deems proper that is not inconsistent with such directions.

SECTION 6.06. Limitation on Suits. A holder of a Convertible Subordinated Note may not pursue any remedy with respect to this Indenture or the Convertible Subordinated Notes unless:

(1) the holder gives to the Trustee notice of a continuing Event of Default;

(2) the holders of at least 25% in principal amount of the then outstanding Convertible Subordinated Notes make a request to the Trustee to pursue the remedy;

(3) such holder or holders offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(5) during such 60-day period the holders of a majority in principal amount of the then outstanding Convertible Subordinated Notes do not give the Trustee a direction inconsistent with the request.

A holder of a Convertible Subordinated Note may not use this Indenture to prejudice the rights of another holder or to obtain a preference or priority over another holder.

SECTION 6.07. Rights of Holders To Receive Payment. Subject to the provisions of Article XI hereof, notwithstanding any other provision of this Indenture, the

right of any holder of a Convertible Subordinated Note to receive payment of principal, premium, if any, and interest and Liquidated Damages, if any, on the Convertible Subordinated Note, on or after the respective due dates expressed in the Convertible Subordinated Note, or to bring suit for the enforcement of any such payment on or after such respective dates, or to bring suit for the enforcement of the right to convert the Convertible Subordinated Note shall not be impaired or affected without the consent of the holder of a Convertible Subordinated Note.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default specified in Section 6.01(a), (b) or (d) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal and interest and Liquidated Damages, if any, remaining unpaid on the Convertible Subordinated Notes and interest and Liquidated Damages, if any, on overdue principal and interest and Liquidated Damages, if any, and such further amount as shall be sufficient to cover the costs and, to the extent lawful, expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the holders of Convertible Subordinated Notes allowed in any judicial proceedings relative to the Company, its creditors or its property. Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any holder of a Convertible Subordinated Note any plan of reorganization, arrangement, adjustment or composition affecting the Convertible Subordinated Notes or the rights of any holder thereof, or to authorize the Trustee to vote in respect of the claim of any holder in any such proceeding.

SECTION 6.10. Priorities. If the Trustee collects any money pursuant to this Article VI, it shall pay out the money in the following order:

First: to the Trustee for amounts due under Section 7.07, including payment of all compensation, expenses and liabilities

incurred, and all advances made, by the Trustee, and the costs and expenses of collection;

Second: to holders of Senior Debt to the extent required by Article XI;

Third: to holders of Convertible Subordinated Notes for amounts due and unpaid on the Convertible Subordinated Notes for principal, premium, if any, and interest and Liquidated Damages, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on the Convertible Subordinated Notes for principal, premium, if any, and interest and Liquidated Damages, if any, respectively; and

Fourth: to the Company.

The Trustee may fix a special record date and payment date for any payment to holders of Convertible Subordinated Notes made pursuant to this section. At least 15 days before any such special record date, the Trustee shall mail to holders of the Convertible Subordinated Notes a notice that states the special record date, payment date and amount of such interest to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit, other than the Trustee, of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a holder pursuant to Section 6.07 or a suit by holders of more than 10% in principal amount of the then outstanding Convertible Subordinated Notes.

ARTICLE VII

THE TRUSTEE

The Trustee hereby accepts the trust imposed upon it by this Indenture and covenants and agrees to perform the same, as herein expressed. Whether or not herein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VII.

SECTION 7.01. Duties of the Trustee.

(a) If an Event of Default known to the Trustee has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default known to the Trustee:

(1) The duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the form required by this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) This paragraph does not limit the effect of paragraph (b) of this Section;

(2) The Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that is in any way related to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.01.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk of liability is not reasonably assured to it.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.02. Rights of the Trustee.

(a) The Trustee may rely on and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate, or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, security or other document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter contained therein.

(b) Any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof is herein specifically prescribed). In addition, before the Trustee acts or

refrains from acting, it may require an Officers' Certificate, an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its attorneys and agents and other Persons not regularly in its employ and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith without negligence or willful misconduct which it believes to be authorized or within its discretion, rights or powers.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by Officers of the Company.

(f) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or discretion of any of the holders of Convertible Subordinated Notes pursuant to the provisions of this Indenture, unless such holders have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred therein or thereby.

(h) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, security or other document unless requested in writing to do so by the holders of not less than a majority in aggregate principal amount of the Convertible Subordinated Notes then outstanding, provided that if the Trustee determines in its discretion to make any such investigation, then it shall be entitled, upon reasonable prior notice and during normal business hours, to examine the books and records and the premises of the Company, personally or by agent or attorney, and the reasonable expenses of every such examination shall be paid by the Company or, if paid by the Trustee or any predecessor Trustee, shall be reimbursed by the Company upon demand.

(i) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct

(j) The Trustee shall not be responsible for the computation of any adjustment to the Conversion Price or for any determination as to whether an adjustment

is required and shall not be deemed to have knowledge of any adjustment unless and until it shall have received the notice from the Company contemplated by Section 12.05(j).

SECTION 7.03. Individual Rights of the Trustee. Subject to Sections 7.10 and 7.11, the Trustee in its individual or any other capacity may become the owner or pledgee of Convertible Subordinated Notes with the same rights it would have if it were not the Trustee and may otherwise deal with the Company or an Affiliate of the Company and receive, collect, hold and retain collections from the Company with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

SECTION 7.04. Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Convertible Subordinated Notes. It shall not be accountable for the Company's use of the proceeds from the Convertible Subordinated Notes or any money paid to the Company or upon the Company's direction under any provision of

this Indenture. It shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Convertible Subordinated Notes or any other document in connection with the sale of the Convertible Subordinated Notes or pursuant to this Indenture other than its certificate of authentication.

SECTION 7.05. Notice of Defaults. If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to each holder of a Convertible Subordinated Note a notice of the Default or Event of Default within 60 days after it occurs. A Default or an Event of Default shall not be considered known to the Trustee unless it is a Default or Event of Default in the payment of principal or interest when due under Section 6.01(a), (b) or (d) or the Trustee shall have received notice thereof, in accordance with this Indenture, from the Company or from the holders of a majority in principal amount of the outstanding Convertible Subordinated Notes. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest or Liquidated Damages, if any, on any Convertible Subordinated Note, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interest of the holders of the Convertible Subordinated Notes.

SECTION 7.06. Reports by the Trustee to Holders. Within 60 days after the reporting date stated in Section 10.10, the Trustee shall mail to holders of Convertible Subordinated Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA Section 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA Section 313(c).

A copy of each report at the time of its mailing to holders of Convertible Subordinated Notes shall be filed, at the expense of the Company, by the Trustee with the Commission and each stock exchange or securities market, if any, on which the

Convertible Subordinated Notes are listed. The Company shall timely notify the Trustee when the Convertible Subordinated Notes are listed or quoted on any stock exchange or securities market.

SECTION 7.07. Compensation and Indemnity. The Company shall pay to the Trustee from time to time and the Trustee shall be entitled to reasonable compensation for its acceptance of this Indenture and its services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by or on behalf of it in addition to the compensation for its services. Such expenses may include the reasonable compensation, disbursements and expenses of the Trustee's agents, counsel and other persons not regularly in its employ.

The Company shall indemnify the Trustee against any loss, liability or expense incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture and the trusts hereunder, including the costs and expenses of defending itself against or investigating any claim of liability in the premises, except as set forth in the next paragraph. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim with counsel designated by the Company, who may be outside counsel to the Company but shall in all events be reasonably satisfactory to the Trustee, and the Trustee shall cooperate in the defense. In addition, the Trustee may retain one separate counsel and, if deemed advisable by such counsel, local counsel,

and the Company shall pay the reasonable fees and expenses of such separate counsel and local counsel. The indemnification herein extends to any settlement, provided that the Company will not be liable for any settlement made without its consent, provided, further, that such consent will not be unreasonably withheld.

The Company need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through its own negligence or willful misconduct.

The Trustee shall have a lien prior to the Convertible Subordinated Notes on all money or property held or collected by the Trustee to secure the Company's payment obligations in this Section 7.07, except that held in trust to pay principal and interest and Liquidated Damages, if any, on Convertible Subordinated Notes. Such liens and the Company's obligations under this Section 7.07 shall survive the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(h) or (i) occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

SECTION 7.08. Replacement of the Trustee. A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

The Trustee may resign at any time and be discharged from the trust hereby created by so notifying the Company. The holders of a majority in principal amount of the then outstanding Convertible Subordinated Notes may remove the Trustee by so notifying the Trustee and the Company in writing and may appoint a successor Trustee. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a Custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the holders of a majority in principal amount of the then outstanding Convertible Subordinated Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the holders of at least 10% in principal amount of the then outstanding Convertible Subordinated Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee after written request by any holder of a Convertible Subordinated Note who has been a holder for at least six months fails to comply with Section 7.10, such holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its

appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to holders of Convertible Subordinated Notes. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided that all sums owing to the retiring Trustee hereunder have been paid and subject to the lien provided for in Section 7.07. Notwithstanding the replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 shall

continue for the benefit of the retiring Trustee with respect to expenses and liabilities incurred by it prior to such replacement.

Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in the preceding paragraph.

SECTION 7.09. Successor Trustee by Merger, etc. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business (including the trust created by this Indenture) to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act shall be the successor Trustee with the same effect as if the successor Trustee had been named as the Trustee herein.

SECTION 7.10. Eligibility, Disqualification. This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1). The Trustee shall always have a combined capital and surplus as stated in Section 10.10. The Trustee is subject to TIA Section 310(b) regarding the disqualification of a trustee upon acquiring a conflicting interest.

SECTION 7.11. Preferential Collection of Claims Against Company. The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship set forth in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

ARTICLE VIII

SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 8.01. Discharge of Indenture. When (a) the Company delivers to the Trustee for cancellation all Convertible Subordinated Notes theretofore authenticated (other than any other Convertible Subordinated Notes which have been destroyed, lost or stolen and in lieu of or in substitution for which other Convertible Subordinated Notes have been authenticated and delivered) and not theretofore canceled, or (b) all the Convertible Subordinated Notes not theretofore canceled or delivered to the Trustee for cancellation have become due and payable, or are by their terms will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Company deposits with the Trustee, in trust, amounts sufficient to pay at maturity or upon redemption of all of the Convertible Subordinated Notes (other than any Convertible Subordinated Notes which have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Convertible Subordinated Notes have been authenticated and delivered) not theretofore canceled or delivered to the Trustee for cancellation, including principal and premium, if any, and interest and Liquidated Damages, if any, due or to become due to such date of maturity or Redemption Date, as

the case may be, and if in either case the Company also pays, or causes to be paid, all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect (except as to (i) rights of registration of transfer, substitution, replacement and exchange and conversion of Convertible Subordinated Notes, (ii) rights hereunder of holders of Convertible Subordinated Notes to receive payments of principal of and premium, if any, and interest and Liquidated Damages, if any, on, the Convertible Subordinated Notes, (iii) the obligations under Sections 2.03 and 8.05 hereof and (iv) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel as required by Section 10.04 and at the Company's cost and expense, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture; the Company, however, hereby agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Convertible Subordinated Notes.

SECTION 8.02. Deposited Monies to be Held in Trust by Trustee. Subject to Section 8.04, all monies deposited with the Trustee pursuant to Section 8.01 shall be held in trust and applied by it to the payment, notwithstanding the provisions of Article XI, either directly or through the Paying Agent, to the holders of the particular Convertible Subordinated Notes for the payment or redemption of which such monies have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest, and Liquidated Damages, if any, and premium, if any.

SECTION 8.03. Paying Agent to Repay Monies Held. Upon the satisfaction and discharge of this Indenture, all monies then held by any Paying Agent (other than the Trustee) shall, upon the Company's demand, be repaid to it or paid to the Trustee, and thereupon such Paying Agent shall be released from all further liability with respect to such monies.

SECTION 8.04. Return of Unclaimed Monies. Subject to the requirements of applicable law, any monies deposited with or paid to the Trustee for payment of the principal of, premium, if any, or interest (including Liquidated Damages) if any on Convertible Subordinated Notes and not applied but remaining unclaimed by the holders thereof for two years after the date upon which the principal of, premium, if any, or interest (including Liquidated Damages) on such Convertible Subordinated Notes, as the case may be, have become due and payable, shall be repaid to the Company by the Trustee on demand; provided, however, that the Company, or the Trustee at the request of the Company, shall have first caused notice of such payment to the Company to be mailed to each holder of a Convertible Subordinated Note entitled thereto no less than 30 days prior to such payment and all liability of the Trustee shall thereupon cease with respect to such monies; and the holder of any of the Convertible Subordinated Notes shall thereafter look only to the Company for any payment which such holder may be entitled to collect unless an applicable abandoned property law designates another Person.

SECTION 8.05. Reinstatement. If the Trustee or the Paying Agent is unable to apply any money in accordance with Section 8.02 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Convertible Subordinated Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.01 until such time as the Trustee or the Paying Agent is permitted to apply all such money in accordance with Section 8.02; provided, however, that if the Company makes any payment of interest (including Liquidated Damages) on or principal of any Convertible Subordinated Note following the reinstatement of its obligations,

the Company shall be subrogated to the rights of the holders thereof to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE IX

AMENDMENTS

SECTION 9.01. Without the Consent of Holders. The Company and the Trustee may amend this Indenture or the Convertible Subordinated Notes without notice to or the consent of any holder of a Convertible Subordinated Note for the purposes of:

(a) curing any ambiguity or correcting or supplementing any defective or inconsistent provision contained in this Indenture or making any other changes in the provisions of this Indenture which the Company and the Trustee may deem necessary or desirable provided such amendment does not materially and adversely affect the legal rights under the Indenture of the holders of Convertible Subordinated Notes.

(b) providing for uncertificated Convertible Subordinated Notes in addition to or in place of certificated Convertible Subordinated Notes;

(c) evidencing the succession of another Person to the Company and providing for the assumption by such successor of the covenants and obligations of the Company thereunder and in the Convertible Subordinated Notes as permitted by Section 5.01;

(d) providing for conversion rights and/or repurchase rights of holders of Convertible Subordinated Notes in the event of consolidation, merger or sale of all or substantially all of the assets of the Company as required to comply with Sections 5.01 and/or 12.06;

(e) reducing the Conversion Price;

(f) making any changes that would provide the holders of the Convertible Subordinated Notes with any additional rights or benefits or that does not adversely affect the legal rights under this Indenture of any such holder; or

(g) complying with the requirements of the Commission in order to effect or maintain the qualification of the Indenture under the TIA.

SECTION 9.02. With the Consent of Holders. Subject to Section 6.07, the Company and the Trustee may amend this Indenture or the Convertible Subordinated Notes with the written consent of the holders of at least a majority in principal amount of the then outstanding Convertible Subordinated Notes (including consents obtained in connection with a tender offer or exchange offer for Convertible Subordinated Notes).

Subject to Sections 6.04 and 6.07, the holders of a majority in principal amount of the Convertible Subordinated Notes then outstanding may also waive compliance in a particular instance by the Company with any provision of this Indenture or the Convertible Subordinated Notes.

However, without the consent of each holder of a Convertible Subordinated Note affected, an amendment or waiver under this Section may not (with respect to any Convertible Subordinated Notes held by a non-consenting holder):

(a) reduce the principal amount of Convertible Subordinated Notes whose holders must consent to an amendment, supplement or waiver;

(b) reduce the principal of, Redemption Price, Designated Event

Payment (including any Make Whole Premium payable) (as applicable), or premium on or change the fixed maturity of any Convertible Subordinated Note or, except as permitted pursuant to Section 9.01(a), alter the redemption provisions with respect thereto;

(c) reduce the rate of, or change the time for payment of, interest, including defaulted interest or Liquidated Damages on any Convertible Subordinated Note;

(d) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest or Liquidated Damages on the Convertible Subordinated Notes (except a rescission of acceleration of the Convertible Subordinated Notes by the holders of at least a majority in aggregate principal amount of the Convertible Subordinated Notes then outstanding and a waiver of the payment default that resulted from such acceleration);

(e) make the principal of, or premium, if any, or interest or Liquidated Damages on any Convertible Subordinated Note payable in money other than as provided for herein and in the Convertible Subordinated Notes;

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults or Events of Default or the rights of holders of Convertible Subordinated Notes to receive payments of principal of, premium, if any, or interest or Liquidated Damages on the Convertible Subordinated Notes;

(g) waive a redemption payment with respect to any Convertible Subordinated Notes;

(h) except as permitted herein (including Section 9.01(a)), increase the Conversion Price or modify the provisions contained herein relating to conversion of the Convertible Subordinated Notes in a manner adverse to the holders thereof; or

(i) make any change to the abilities of holders of Convertible Subordinated Notes to enforce their rights hereunder or the provisions of clauses (a) through (i) of this Section 9.02.

To secure a consent of the holders of Convertible Subordinated Notes under this Section, it shall not be necessary for such holders to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or waiver under this Article IX becomes effective, the Company shall mail to holders of Convertible Subordinated Notes a notice briefly describing the amendment or waiver.

In order to amend any provisions of Article XI, holders of at least 75% in aggregate principal amount of Convertible Subordinated Notes then outstanding must consent to such amendment if such amendment would adversely affect the rights of holders of Convertible Subordinated Notes.

SECTION 9.03. Compliance with the Trust Indenture Act. Every amendment to this Indenture or the Convertible Subordinated Notes shall be set forth in a supplemental indenture that complies with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents. Until an amendment or waiver becomes effective, a consent to it by a holder of a Convertible Subordinated Note is a continuing consent by the holder and every subsequent holder of a Convertible Subordinated Note or portion of a Convertible Subordinated Note that evidences the same debt as the consenting holder's Convertible Subordinated Note, even if notation of the consent is not made on

any Convertible Subordinated Note. However, any such holder or subsequent holder may revoke the consent as to his or her Convertible Subordinated Note or portion of a Convertible Subordinated Note if the Trustee receives the notice of revocation before the date on which the Trustee receives an Officers' Certificate certifying that the holders of the requisite principal amount of Convertible Subordinated Notes have consented to the amendment or waiver.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the holders of Convertible Subordinated Notes entitled to consent to any amendment or waiver. If a record date is fixed, then notwithstanding the provisions of the immediately preceding paragraph, those Persons who were holders of

Convertible Subordinated Notes at such record date (or their duly designated proxies), and only those Persons, shall be entitled to consent to such amendment or waiver or to revoke any consent previously given, whether or not such Persons continue to be holders after such record date. No consent shall be valid or effective for more than 90 days after such record date unless consents from holders of the principal amount of Convertible Subordinated Notes required hereunder for such amendment or waiver to be effective shall have also been given and not revoked within such 90-day period.

After an amendment or waiver becomes effective it shall bind every holder of a Convertible Subordinated Note, unless it is of the type described in clauses (a) through (i) of Section 9.02. In such cases, the amendment or waiver shall bind each holder of a Convertible Subordinated Note who has consented to it and every subsequent holder of a Convertible Subordinated Note or portion of a Convertible Subordinated Note that evidences the same debt as the consenting holder's Convertible Subordinated Note.

SECTION 9.05. Notation on or Exchange of Convertible Subordinated Notes. Convertible Subordinated Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and shall if required by the Trustee, bear a notation in the form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Convertible Subordinated Notes so modified as to conform, in the opinion of the Company and the Trustee, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for outstanding Convertible Subordinated Notes without charge to the holders of the Convertible Subordinated Notes, except as specified in Section 2.06.

SECTION 9.06. Trustee Protected. The Trustee shall sign any amendment or supplemental indenture authorized pursuant to this Article IX if such amendment or supplemental indenture does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing such amendment or supplemental indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel as conclusive evidence that such amendment or supplemental indenture is authorized or permitted by this Indenture, that it is not inconsistent herewith, and that it will be valid and binding upon the Company in accordance with its terms.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.01. Trust Indenture Act Controls. If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Section 318(c), such duties imposed by such section of the TIA shall control. If any provision of this Indenture expressly modifies or excludes any provision of the TIA that may be so modified or excluded, the Indenture provision so modifying or excluding such provision of the TIA shall be deemed to apply.

SECTION 10.02. Notices. Any notice or communication by the Company or the Trustee to the other is duly given if in writing and delivered in person or mailed by first-class mail, with postage prepaid (registered or certified, return receipt requested), or sent by facsimile or overnight air couriers guaranteeing next day delivery, to the other's address as stated in Section 10.10. The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to holders of Convertible Subordinated Notes) shall be deemed to have been duly given at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when transmission is confirmed, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. Notwithstanding the foregoing, all notices to the Trustee shall be effective only upon receipt by a Trust Officer.

Any notice or communication to a holder of a Convertible Subordinated Note shall be mailed by first-class mail, with postage prepaid, to his or her address shown on the Register kept by the Registrar. Failure to mail a notice or communication to a holder or any defect in it shall not affect its sufficiency with respect to other holders.

If a notice or communication is sent in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company sends a notice or communication to holders of Convertible Subordinated Notes, it shall send a copy to the Trustee and each Agent at the same time.

All notices or communications shall be in writing.

SECTION 10.03. Communication by Holders With Other Holders. Holders may communicate pursuant to TIA Section 312(b) with other holders with respect to their rights under this Indenture or the Convertible Subordinated Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 10.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 10.05) stating that, in the opinion of such person, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth

in Section 10.05) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

SECTION 10.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant

provided for in this Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) shall include:

(1) a statement that the person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

Any Officers' Certificate may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless such Officer knows that the opinion with respect to the matters upon which his or her certificate may be based as aforesaid is erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon certificates, statements or opinions of, or representations by, an officer or officers of the Company, or other Persons or firms deemed appropriate by such counsel, unless such counsel knows that the certificates, statements or opinions or representations with respect to the matters upon which his or her opinion may be based as aforesaid are erroneous.

Any Officers' Certificate, statement or Opinion of Counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representation by an accountant (who may be an employee of the Company), or firm of accountants, unless such Officer or counsel, as the case may be, knows that the certificate or opinion or representation with respect to the accounting matters upon which his or her certificate, statement or opinion may be based as aforesaid is erroneous.

SECTION 10.06. Rules by Trustee and Agents. The Trustee may make reasonable rules for action by, or a meeting of, holders of Convertible Subordinated Notes. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 10.07. Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions in the City of New York, the city in which the

Corporate Trust Office of the Trustee is located or the City of New York, New York are not required to be open, and a "Business Day" is any day that is not a Legal Holiday. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If any date specified in this Indenture, including, without limitation, a Redemption Date under Paragraph 5 of Convertible Subordinated Notes, is a Legal Holiday, then such date shall be the next succeeding Business Day.

SECTION 10.08. No Recourse Against Others. No director, officer, employee or stockholder, as such, of the Company from time to time shall have any liability for any obligations of the Company under the Convertible Subordinated Notes or this Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each holder by accepting a Convertible Subordinated Note waives and releases all such liability. This waiver and release are part of the consideration for the Convertible Subordinated Notes. Each of such directors, officers, employees and stockholders is a third party beneficiary of this Section 10.08.

SECTION 10.09. Counterparts. This Indenture may be executed in any number of counterparts and by the parties hereto 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.

SECTION 10.10. Other Provisions. The Company initially appoints the Trustee as Paying Agent, Registrar and authenticating agent.

The reporting date for Section 7.06 is May 15 of each year. The first reporting date is the March 1 following the issuance of Convertible Subordinated Notes hereunder.

The Trustee shall always have, or shall be a Subsidiary of a bank or bank holding company which has, a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition.

The Company's address is:

Amkor Technology, Inc.
1900 South Price Road
Chandler, AZ 85248
Attention: Chief Financial Officer
Facsimile: (480) 821-2616
Telephone: (480) 821-5000

The Trustee's address is:

U.S. Bank National Association
One Federal Street, 3rd Floor

Boston, MA 02110
Attention: Corporate Trust Services (Amkor Technology, Inc.
6 1/4% Convertible Notes due 2013)
Facsimile: (617) 603-6665
Telephone: (617) 603-6562

SECTION 10.11. Governing Law. The internal laws of the State of New York shall govern this Indenture and the Convertible Subordinated Notes, without regard to the conflict of laws provisions thereof.

SECTION 10.12. No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or a Subsidiary of the Company. Any such other indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 10.13. Successors. All agreements of the Company in this Indenture and the Convertible Subordinated Notes shall bind its successor. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 10.14. Severability. In case any provision in this Indenture or in the Convertible Subordinated Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 10.15. Table of Contents, Headings, Etc. The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

ARTICLE XI

SUBORDINATION

SECTION 11.01. Agreement to Subordinate. The Company agrees, and each holder of Convertible Subordinated Notes by accepting a Convertible Subordinated Note agrees, that the indebtedness evidenced by the Convertible Subordinated Note is subordinated in right of payment, to the extent and in the manner provided in this Article XI, to the prior payment in full in cash or payment satisfactory to holders of Senior Debt of all Senior Debt (whether outstanding on the Issue Date or thereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Debt. The Company agrees, and each holder of Convertible Subordinated Notes by accepting a Convertible Subordinated Note agrees, that the indebtedness evidenced by the Convertible Subordinated Note is pari passu in right of payment to the Existing Convertible Subordinated Notes.

SECTION 11.02. Liquidation; Dissolution; Bankruptcy. Upon any distribution to creditors of the Company in a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, in an assignment for the benefit of creditors or any marshaling of the Company's assets and liabilities:

(1) holders of Senior Debt shall be entitled to receive payment in full of all Obligations due in respect of such Senior Debt (including interest and Liquidated Damages, if any, after the commencement of any such proceeding at the rate specified in the applicable Senior Debt) in cash or other payment satisfactory to the holders of the Senior Debt before holders of Convertible Subordinated Notes shall be entitled to receive any payment with respect to the Convertible Subordinated Notes; and

(2) until all Senior Debt is paid in full in cash or other payment satisfactory to the holders of the Senior Debt, any distribution to which holders of Convertible Subordinated Notes would be entitled but for this Article XI shall be made to holders of Senior Debt, as their interests may appear.

SECTION 11.03. Default on Senior Debt and/or Designated Senior Debt. The Company may not make any payment or distribution to the Trustee or any holder of Convertible Subordinated Notes in respect of Obligations with respect to the Convertible Subordinated Notes and may not acquire from the Trustee or any holder of Convertible Subordinated Notes any Convertible Subordinated Notes until all Senior Debt has been paid in full in cash or other payment satisfactory to the holders of the Senior Debt if:

(i) a default in the payment of any principal of, premium, if any, interest, rent or other Obligations in respect of Senior Debt occurs and is continuing beyond any applicable grace period in the agreement, indenture or other document governing such Senior Debt; or

(ii) a default, other than a payment default, on Designated Senior Debt occurs and is continuing that then permits holders of such Designated Senior Debt to accelerate its maturity and the Trustee receives a notice of the default (a "Payment Blockage Notice") from a Person who may give it pursuant to Section 11.11 hereof.

If the Trustee receives any Payment Blockage Notice pursuant to Section 11.03 (ii) hereof, no subsequent Payment Blockage Notice shall be effective for purposes of such Section unless and until at least 365 days shall have elapsed since the effectiveness of the immediately prior Payment Blockage Notice. No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice.

The Company may and shall resume payments on and distributions in respect of the Convertible Subordinated Notes and may acquire them upon the earlier of:

(1) in the case of a payment default, upon the date upon which the default is cured or waived or ceases to exist, or

(2) in the case of a nonpayment default referred to in Section 11.03(ii) hereof, the earlier of the date upon which the default is cured or waived ceases to exist or 179 days after notice is received if the maturity of such Designated Senior Debt has not been accelerated,

if this Article XI otherwise permits the payment, distribution or acquisition at the time of such payment or acquisition.

SECTION 11.04. Acceleration of Convertible Subordinated Notes. In the event of the acceleration of the Convertible Subordinated Notes because of an Event of Default, the Company may not make any payment or distribution to the Trustee or any holder of Convertible Subordinated Notes in respect of Obligations with respect to Convertible Subordinated Notes and may not acquire or purchase from the Trustee or any holder of Convertible Subordinated Notes any Convertible Subordinated Notes until all Senior Debt has been paid in full in cash or other payment satisfactory to the holders of Senior Debt or such acceleration is rescinded in accordance with the terms of this Indenture.

If payment of the Convertible Subordinated Notes is accelerated because of an Event of Default, the Company or the Trustee shall promptly notify holders of Senior Debt or trustee(s) of such Senior Debt of the acceleration.

SECTION 11.05. When Distribution Must Be Paid Over. In the event that the Trustee, any holder of Convertible Subordinated Notes or any other Person receives any payment or distributions of assets of the Company of any kind with respect to the Convertible Subordinated Notes in contravention of any terms contained in this Indenture, whether in cash, property or securities, including, without limitation by way of set-off or otherwise, then such payment shall be held by the recipient in trust for the benefit of holders of Senior Debt, and shall be immediately paid over and delivered to the holders of Senior Debt or the representative(s), to the extent necessary to make payment in full of all Senior Debt remaining unpaid, after giving effect to any concurrent payment or distribution or provision therefore, to or for the holders of Senior Debt; provided that the foregoing shall apply to the Trustee only if the Trustee has actual knowledge (as determined in accordance with Section 11.11) that such payment or distribution is prohibited by this Indenture.

With respect to the holders of Senior Debt, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article XI, and no implied covenants or obligations with respect to the holders of Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Debt, and shall not be liable to

any such holders if the Trustee shall pay over or distribute to or on behalf of holders of Convertible Subordinated Notes or the Company or any other Person money or assets to which any holders of Senior Debt shall be entitled by virtue of this Article XI, except if such payment is made as a result of the willful misconduct or gross negligence of the Trustee.

SECTION 11.06. Notice by Company. The Company shall promptly notify the

Trustee of any facts known to the Company that would cause a payment of any Obligations with respect to the Convertible Subordinated Notes or the purchase of any Convertible Subordinated Notes by the Company to violate this Article XI, but failure to give such notice shall not affect the subordination of the Convertible Subordinated Notes to the Senior Debt as provided in this Article XI.

SECTION 11.07. Subrogation. After all Senior Debt is paid in full and until the Convertible Subordinated Notes are paid in full, holders of Convertible Subordinated Notes shall be subrogated (equally and ratably with all other indebtedness pari passu with the Convertible Subordinated Notes) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that distributions otherwise payable to the holders of Convertible Subordinated Notes have been applied to the payment of Senior Debt. A distribution made under this Article XI to holders of Senior Debt that otherwise would have been made to holders of Convertible Subordinated Notes is not, as between the Company and holders of Convertible Subordinated Notes, a payment by the Company on the Convertible Subordinated Notes.

SECTION 11.08. Relative Rights. This Article XI defines the relative rights of holders of Convertible Subordinated Notes and holders of Senior Debt. Nothing in this Indenture shall:

(1) impair, as between the Company and holders of Convertible Subordinated Notes, the obligation of the Company, which is absolute and unconditional, to pay principal of, premium, if any, and interest (including Liquidated Damages) on the Convertible Subordinated Notes in accordance with their terms;

(2) affect the relative rights of holders of Convertible Subordinated Notes and creditors (other than with respect to Senior Debt) of the Company, other than their rights in relation to holders of Senior Debt; or

(3) prevent the Trustee or any holder of Convertible Subordinated Notes from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to holders of Convertible Subordinated Notes.

If the Company fails because of this Article XI to pay principal of or interest (including Liquidated Damages) on a Convertible Subordinated Note on the due date, the failure is still a Default or Event of Default.

SECTION 11.09. Subordination May Not Be Impaired by Company. No right of any holder of Senior Debt to enforce the subordination of the indebtedness evidenced by the Convertible Subordinated Notes shall be impaired by any act or failure to act by the Company or any holder of Convertible Subordinated Notes or by the failure of the Company or any such holder to comply with this Indenture.

SECTION 11.10. Distribution or Notice to Representative. Whenever a distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of the Company referred to in this Article XI, the Trustee and the holders of Convertible Subordinated Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the holders of Convertible Subordinated Notes for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon

and all other facts pertinent thereto or to this Article XI.

SECTION 11.11. Rights of Trustee and Paying Agent. Notwithstanding the provisions of this Article XI or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee (other than pursuant to Section 11.04), and the Trustee may continue to make payments on the Convertible Subordinated Notes, unless a Trust Officer shall have received at least two Business Days prior to the date of such payment or distribution written notice of facts that would cause such payment or distribution with respect to the Convertible Subordinated Notes to violate this Article XI. Only the Company or a Representative may give the notice.

Nothing in this Article XI shall impair the claims of, or payments to, the Trustee under or pursuant to Section 7.07 hereof.

The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

SECTION 11.12. Authorization to Effect Subordination. Each holder of a Convertible Subordinated Note by the holder's acceptance thereof authorizes and directs the Trustee on the holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article XI, and appoints the Trustee to act as the holder's attorney-in-fact for any and all such purposes. If the Trustee does not

file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, the holders of any Senior Debt or their Representatives are hereby authorized to file an appropriate claim for and on behalf of the holders of the Convertible Subordinated Notes.

SECTION 11.13. Article Applicable to Paying Agents. In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article XI shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article XI in addition to or in place of the Trustee; provided, however, that the second and third paragraphs of Section 11.11 shall not apply to the Company or any Subsidiary of the Company if it or such Subsidiary acts as Paying Agent.

SECTION 11.14. Senior Debt Entitled to Rely. The holders of Senior Debt shall have the right to rely upon this Article XI, and no amendment or modification of the provisions contained herein shall diminish the rights of such holders unless such holders shall have agreed in writing thereto.

SECTION 11.15. Permitted Payments. Notwithstanding anything to the contrary in this Article XI, the holders of Convertible Subordinated Notes may receive and retain at any time on or prior to the Maturity Date (i) securities that are subordinated to at least the same extent as the Convertible Subordinated Notes to (a) Senior Debt and (b) any securities issued in exchange for Senior Debt and (ii) payments and other distributions made from any trust created pursuant to Section 8.01 hereof.

ARTICLE XII

CONVERSION OF CONVERTIBLE SUBORDINATED NOTES

SECTION 12.01. Right to Convert. Subject to and upon compliance with the provisions of this Indenture, each holder of Convertible Subordinated Notes shall have the right, at his or her option, at any time on or before the close

of business on the last trading day prior to the Maturity Date (except that, (a) with respect to any Convertible Subordinated Note or portion thereof which is called for redemption prior to such date, such right shall terminate, except as provided in the fourth paragraph of Section 12.02, before the close of business on the last trading day preceding the Redemption Date (unless the Company defaults in payment of the Redemption Price in which case the conversion right will terminate at the close of business on the trading day preceding the date such default is cured) and (b) with respect to any Convertible Subordinated Note or portion thereof subject to a duly completed election for repurchase, such right shall terminate on or before the close of business on the Designated Event Offer Termination Date (unless the Company defaults in the payment due upon repurchase or such holder elects to withdraw the submission of such election to repurchase)) to convert the principal

amount of any Convertible Subordinated Note held by such holder, or any portion of such principal amount which is $1,000 or an integral multiple thereof, into that number of fully paid and non-assessable shares of Common Stock (as such shares shall then be constituted) obtained by dividing the principal amount of the Convertible Subordinated Note or portion thereof to be converted by the Conversion Price in effect at such time, by surrender of the Convertible Subordinated Note so to be converted in whole or in part in the manner provided in Section 12.02. A holder of Convertible Subordinated Notes is not entitled to any rights of a holder of Common Stock until such holder of Convertible Subordinated Notes has converted his or her Convertible Subordinated Notes to Common Stock, and only to the extent such Convertible Subordinated Notes are deemed to have been converted to Common Stock under this Article XII.

SECTION 12.02. Exercise of Conversion Privilege; Issuance of Common Stock on Conversion; No Adjustment for Interest or Dividends. To exercise, in whole or in part, the conversion privilege with respect to any Convertible Subordinated Note, the holder of such Convertible Subordinated Note shall surrender such Convertible Subordinated Note, duly endorsed, at an office or agency maintained by the Company pursuant to Section 4.04, accompanied by the funds, if any, required by the penultimate paragraph of this Section 12.02, and shall give written notice of conversion in the form provided on the Convertible Subordinated Notes (or such other notice which is acceptable to the Company) to the office or agency that the holder of Convertible Subordinated Notes elects to convert such Convertible Subordinated Note or such portion thereof specified in said notice. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for shares of Common Stock which are issuable on such conversion shall be issued, and shall be accompanied by transfer taxes, if required pursuant to Section 12.07. Each such Convertible Subordinated Note surrendered for conversion shall, unless the shares issuable on conversion are to be issued in the same name as the registration of such Convertible Subordinated Note, be duly endorsed by, or be accompanied by instruments of transfer in form satisfactory to the Company duly executed by, the holder of Convertible Subordinated Notes or his or her duly authorized attorney.

As promptly as practicable after satisfaction of the requirements for conversion set forth above, the Company shall issue and shall deliver to such holder at the office or agency maintained by the Company for such purpose pursuant to Section 4.04, a certificate or certificates for the number of full shares of Common Stock issuable upon the conversion of such Convertible Subordinated Note or portion thereof in accordance with the provisions of this Article XII and a check or cash in respect of any fractional interest in respect of a share of Common Stock arising upon such conversion, as provided in Section 12.03 (which payment, if any, shall be paid no later than five Business Days after satisfaction of the requirements for conversion set forth above). Certificates representing shares of Common Stock will not be issued or delivered unless all taxes and duties, if any, payable by the holder have been paid. In case any Convertible Subordinated Note of a denomination of an integral multiple greater than $1,000 is surrendered for partial conversion, and subject to

Section 2.02, the Company

shall execute, and the Trustee shall authenticate and deliver to the holder of the Convertible Subordinated Note so surrendered, without charge to him or her, a new Convertible Subordinated Note or Convertible Subordinated Notes in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Convertible Subordinated Note.

Each conversion shall be deemed to have been effected as to any such Convertible Subordinated Note (or portion thereof) on the date on which the requirements set forth above in this Section 12.02 have been satisfied as to such Convertible Subordinated Note (or portion thereof), and the Person in whose name any certificate or certificates for shares of Common Stock are issuable upon such conversion shall be deemed to have become on said date the holder of record of the shares represented thereby; provided, however, that any such surrender on any date when the Company's stock transfer books are closed shall constitute the Person in whose name the certificates are to be issued as the record holder thereof for all purposes on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the Conversion Price in effect on the date upon which such Convertible Subordinated Note is surrendered.

Any Convertible Subordinated Note or portion thereof surrendered for conversion during the period from the close of business on the Regular Record Date for any interest payment through the close of business on the last trading day immediately preceding such Interest Payment Date shall (unless such Convertible Subordinated Note or portion thereof being converted has been called for redemption pursuant to a notice of redemption mailed by the Company to the holders in accordance with the provisions of Section 3.04) be accompanied by payment, in funds acceptable to the Company, of an amount equal to the interest and Liquidated Damages, if any, otherwise payable on such Interest Payment Date on the principal amount being converted; provided however, that no such payment need be made if there exists at the time of conversion a default in the payment of interest or Liquidated Damages, if applicable, on the Convertible Subordinated Notes. An amount equal to such payment shall be paid by the Company on such Interest Payment Date to the holder of such Convertible Subordinated Note at the close of business on such Regular Record Date; provided, however, that if the Company defaults in the payment of interest or Liquidated Damages, if applicable, on such Interest Payment Date, such amount shall be paid to the Person who made such required payment. Except as provided above in this Section 12.02, no adjustment shall be made for interest accrued and Liquidated Damages, if any, on any Convertible Subordinated Note converted or for dividends on any shares issued upon the conversion of such Convertible Subordinated Note as provided in this Article XII.

SECTION 12.03. Cash Payments in Lieu of Fractional Shares. No fractional shares of Common Stock or scrip representing fractional shares shall be issued upon conversion of Convertible Subordinated Notes. If more than one Convertible Subordinated Note shall be surrendered for conversion at one time by the same holder, the number of full shares which shall be issuable upon conversion shall be computed on the basis of the aggregate principal amount of the Convertible Subordinated Notes (or

specified portions thereof to the extent permitted hereby) so surrendered for conversion. If any fractional share of stock otherwise would be issuable upon the conversion of any Convertible Subordinated Note or Convertible Subordinated Notes, the Company shall make an adjustment therefore in cash based upon the Current Market Price (as defined in Section 12.05(g)) of the Common Stock on the

last trading day prior to the date of conversion.

SECTION 12.04. Conversion Price. The conversion price shall be as specified in the form of Convertible Subordinated Note attached as Exhibit A hereto, subject to adjustment as provided in this Article XII.

SECTION 12.05. Adjustment of Conversion Price. The Conversion Price shall be adjusted from time to time by the Company as follows:

(a) If the Company shall hereafter pay a dividend or make a distribution to all holders of the outstanding Common Stock in shares of Common Stock, the Conversion Price in effect at the opening of business on the date following the Record Date (as defined in Section 12.05(g)) fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be reduced by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the Record Date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reduction to become effective immediately after the opening of business on the day following the Record Date. If any dividend or distribution of the type described in this Section 12.05(a) is declared but not so paid or made, the Conversion Price shall again be adjusted to the Conversion Price which would then be in effect if such dividend or distribution had not been declared.

(b) If the outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately reduced, and, conversely, if the outstanding shares of Common Stock shall be combined into a smaller number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(c) If the Company shall issue rights or warrants to all or substantially all holders of its outstanding shares of Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as defined in Section 12.05(g)) on the Record Date fixed for the

determination of stockholders entitled to receive such rights or warrants, the Conversion Price shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect at the opening of business on the date after such Record Date by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the Record Date plus the number of shares which the aggregate offering price of the total number of shares so offered would purchase at such Current Market Price, and of which the denominator shall be the number of shares of Common Stock outstanding on the close of business on the Record Date plus the total number of additional shares of Common Stock so offered for subscription or purchase. Such adjustment shall become effective immediately after the opening of business on the day following the Record Date fixed for determination of stockholders entitled to receive such rights or warrants. To the extent that shares of Common Stock are not delivered pursuant to such rights or warrants, upon the expiration or termination of such rights or warrants the Conversion Price shall be readjusted to be the Conversion Price which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares

of Common Stock actually delivered. If such rights or warrants are not so issued, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such Record Date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such Current Market Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received for such rights or warrants, with the value of such consideration, if other than cash, to be determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors.

(d) If the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock shares of any class of capital stock of the Company (other than any dividends or distributions to which Section 12.05(a) applies) or evidences of its indebtedness, cash or other assets (including securities, but excluding (i) any rights or warrants of a type referred to in Section 12.05(c) and (ii) dividends and distributions paid exclusively in cash) (the foregoing hereinafter in this Section 12.05(d) called the "Securities"), then, in each such case, the Conversion Price shall be reduced so that the same shall be equal to the price determined by multiplying the Conversion Price in effect immediately prior to the close of business on the Record Date (as defined in Section 12.05(g)) with respect to such distribution by a fraction of which the numerator shall be the Current Market Price (determined as provided in Section 12.05(g)) on such date less the fair market value (as determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) on such date of the portion of the Securities so distributed applicable to

one share of Common Stock and the denominator shall be such Current Market Price, such reduction to become effective immediately prior to the opening of business on the day following the Record Date; provided, however, that in the event the then fair market value (as so determined) of the portion of the Securities so distributed applicable to one share of Common Stock is equal to or greater than the Current Market Price on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of Convertible Subordinated Notes shall have the right to receive upon conversion of a Convertible Subordinated Note (or any portion thereof) the amount of Securities such holder would have received had such holder converted such Convertible Subordinated Note (or portion thereof) immediately prior to such Record Date. If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been declared. If the Board of Directors determines the fair market value of any distribution for purposes of this Section 12.05(d) by reference to the actual or when issued trading market for any securities comprising all or part of such distribution, it must in doing so consider the prices in such market over the same period used in computing the Current Market Price pursuant to Section 12.05(g) to the extent possible.

Notwithstanding any other provision of this Section 12.05(d) to the contrary, rights, warrants, evidences of indebtedness, other securities, cash or other assets (including, without limitation, any rights distributed pursuant to any stockholder rights plan) shall be deemed not to have been distributed for purposes of this Section 12.05(d) if the Company makes proper provision so that each holder of Convertible Subordinated Notes who converts a Convertible Subordinated Note (or any portion thereof) after the Record Date fixed for determination of stockholders entitled to receive such distribution shall be entitled to receive upon such conversion, in addition to the shares of Common Stock issuable upon such conversion, the

amount and kind of such distributions that such holder would have been entitled to receive if such holder had, immediately prior to such determination date, converted such Convertible Subordinated Note into Common Stock.

Rights or warrants distributed by the Company to all holders of Common Stock entitling the holders thereof to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"): (i) are deemed to be transferred with such shares of Common Stock; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Common Stock, shall be deemed not to have been distributed for purposes of this Section 12.05(d) (and no adjustment to the Conversion Price under this Section 12.05(d) shall be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment to the Conversion Price under this Section 12.05(d)

shall be made. If any such rights or warrants, including any such existing rights or warrants distributed prior to the Issue Date, are subject to subsequent events, upon the occurrence of each of which such rights or warrants shall become exercisable to purchase different securities, evidences of indebtedness or other assets, then the occurrence of each such event shall be deemed to be such date of issuance and Record Date with respect to new rights or warrants (and a termination or expiration of the existing rights or warrants without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event with respect thereto, that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Price under this Section 12.05 was made, (1) in the case of any such rights or warrants which shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Price shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such redemption or repurchase, and (2) in the case of such rights or warrants which shall have expired or been terminated without exercise by any holders thereof, the Conversion Price shall be readjusted as if such rights and warrants had not been issued.

For purposes of this Section 12.05(d) and Sections 12.05(a) and (c), any dividend or distribution to which this Section 12.05(d) is applicable that also includes shares of Common Stock, or rights or warrants to subscribe for or purchase shares of Common Stock to which Section 12.05(c) applies (or both), shall be deemed instead to be (1) a dividend or distribution of the evidences of indebtedness, assets, shares of capital stock, rights or warrants other than such shares of Common Stock or rights or warrants to which Section 12.05(c) applies (and any Conversion Price reduction required by this Section 12.05(d) with respect to such dividend or distribution shall then be made) immediately followed by (2) a dividend or distribution of such shares of Common Stock or such rights or warrants (and any further Conversion Price reduction required by Sections 12.05(a) and (c) with respect to such dividend or distribution shall then be made, except that (A) the Record Date of such dividend or distribution shall be substituted as "the Record Date fixed for the determination of stockholders entitled to receive such dividend or other distribution", "Record Date fixed for such determination" and "Record Date" within the meaning of Section 12.05(a) and as "the Record Date fixed for the determination of stockholders entitled to receive such rights or warrants", "the Record Date

fixed for the determination of the stockholders entitled to receive such rights or warrants" and "such Record Date" within the meaning of Section 12.05(c) and (B) any shares of Common Stock included in such dividend or distribution shall not be deemed "outstanding

at the close of business on the date fixed for such determination" within the meaning of Section 12.05(a)).

(e) If the Company shall, by dividend or otherwise, distribute (a "Triggering Distribution") cash to all holders of its Common Stock (excluding any cash that is distributed upon a merger or consolidation to which Section 12.06 applies or as part of a distribution referred to in Section 12.05(d)) the Conversion Price shall be reduced so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the close of business on the record date for such Triggering Distribution (a "Distribution Determination Date") by a fraction (i) the numerator of which shall be equal to the Current Market Price per share of Common Stock on such Distribution Determination Date less the amount of such cash dividend or distribution applicable to one share of Common Stock (determined on the basis of the number of shares of Common Stock outstanding at the close of business on the Distribution Determination Date) and (ii) the denominator of which shall be equal to the Current Market Price per share of Common Stock on such Distribution Determination Date; provided, however, that if the portion of the cash so distributed applicable to one share of Common Stock is equal to or greater than the Current Market Price of the Common Stock on the Distribution Determination Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of Convertible Subordinated Notes shall have the right to receive upon conversion of a Convertible Subordinated Note (or any portion thereof) the amount of cash such holder would have received had such holder converted such Convertible Subordinated Note (or portion thereof) immediately prior to such Distribution Determination Date. If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been declared. Any cash distribution to all holders of Common Stock as to which the Company makes the election permitted by Section 12.05(m) and as to which the Company has complied with the requirements of such Section shall be treated as not having been made for all purposes of this Section 12.05(e).

(f) If a tender offer made by the Company or any of its subsidiaries for all or any portion of the Common Stock expires and such tender offer (as amended upon the expiration thereof) requires the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender offer) of Purchased Shares (as defined below)) of an aggregate consideration having a fair market value (as determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) that exceeds the Current Market Price per share of Common Stock on the trading day next succeeding the last date (the "Expiration Date") tenders could have been made pursuant to such tender offer (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter called the "Expiration Time"), then the Conversion Price shall be

adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to close of business on the date of the Expiration Time by a fraction of which the numerator shall

be the number of shares of Common Stock outstanding (including any Purchased Shares) on the Expiration Time multiplied by the Current Market Price of the Common Stock on the trading day next succeeding the Expiration Time and the denominator shall be the sum of (x) the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender offer) of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (y) the product of the number of shares of Common Stock outstanding (less any Purchased Shares) on the Expiration Time and the Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time, such reduction (if any) to become effective immediately prior to the opening of business on the day following the Expiration Time. If the Company is obligated to purchase shares pursuant to any such tender offer, but the Company is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such tender offer had not been made. If the application of this Section 12.05(f) to any tender offer would result in an increase in the Conversion Price, no adjustment shall be made for such tender offer under this Section 12.05(f).

(g) For purposes of this Section 12.05, the following terms shall have the meaning indicated:

(1) "Closing Price" with respect to any securities on any day means the closing price on such day or, if no such sale takes place on such day, the average of the reported high and low prices on such day, in each case on the Nasdaq National Market or New York Stock Exchange, as applicable, or, if such security is not listed or admitted to trading on such national market or exchange, on the principal national securities exchange or quotation system on which such security is quoted or listed or admitted to trading, or, if not quoted or listed or admitted to trading on any national securities exchange or quotation system, the average of the high and low prices of such security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similar generally accepted reporting service, or, if not so available, in such manner as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors for that purpose, or a price determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors.

(2) "Current Market Price" means the average of the daily Closing Prices per share of Common Stock for the 10 consecutive trading

days immediately prior to the date in question; provided, however, that (1) if the "ex" date (as hereinafter defined) for any event (other than the issuance or distribution requiring such computation) that requires an adjustment to the Conversion Price pursuant to Sections 12.05(a), (b), (c), (d), (e) or (f) occurs during such 10 consecutive trading days, the Closing Price for each trading day prior to the "ex" date for such other event shall be adjusted by multiplying such Closing Price by the same fraction by which the Conversion Price is so required to be adjusted as a result of such other event, (2) if the "ex" date for any event (other than the issuance or distribution requiring such computation) that requires an adjustment to the Conversion Price pursuant to Section 12.05(a), (b), (c), (d), (e) or (f) occurs on or after the "ex" date for the issuance or distribution requiring such computation and prior to the day in question, the Closing Price for each trading day on and after the "ex" date for such other event shall be adjusted by multiplying such Closing Price by the reciprocal of the fraction by which the Conversion Price is so required to

be adjusted as a result of such other event, and (3) if the "ex" date for the issuance or distribution requiring such computation is prior to the day in question, after taking into account any adjustment required pursuant to clause (1) or (2) of this proviso, the Closing Price for each trading day on or after such "ex" date shall be adjusted by adding thereto the amount of any cash and the fair market value (as determined by the Board of Directors in a manner consistent with any determination of such value for purposes of Sections 12.05(d) or (f), whose determination shall be conclusive and described in a resolution of the Board of Directors) of the evidences of indebtedness, shares of capital stock or assets being distributed applicable to one share of Common Stock as of the close of business on the day before such "ex" date. For purposes of any computation under Section 12.05(f), the Current Market Price on any date shall be deemed to be the average of the daily Closing Prices per share of Common Stock for such day and the next two succeeding trading days; provided, however, that if the "ex" date for any event (other than the tender offer requiring such computation) that requires an adjustment to the Conversion Price pursuant to Section 12.05(a), (b), (c), (d), (e) or (f) occurs on or after the Expiration Time for the tender or exchange offer requiring such computation and prior to the day in question, the Closing Price for each trading day on and after the "ex" date for such other event shall be adjusted by multiplying such Closing Price by the reciprocal of the fraction by which the Conversion Price is so required to be adjusted as a result of such other event. For purposes of this paragraph, the term "ex" date, (1) when used with respect to any issuance or distribution, means the first date on which the Common Stock trades regular way on the relevant exchange or in the relevant market from which the Closing Price was obtained without the right to receive such issuance or distribution, (2) when used with respect to any subdivision or combination of shares of Common Stock, means the first date on which the Common Stock trades regular way on such exchange or in such market after the time at which such subdivision or combination becomes effective, and (3) when used with respect to any tender or exchange offer means the first date on which the Common Stock trades regular way on such exchange or

in such market after the Expiration Time of such offer. Notwithstanding the foregoing, whenever successive adjustments to the Conversion Price are called for pursuant to this Section 12.05, such adjustments shall be made to the Current Market Price as may be necessary or appropriate to effectuate the intent of this Section 12.05 and to avoid unjust or inequitable results as determined in good faith by the Board of Directors.

(3) "fair market value" shall mean the amount which a willing buyer would pay a willing seller in an arm's length transaction.

(4) "Record Date" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

(5) "trading day" shall mean (x) if the applicable security is listed or admitted for trading on the New York Stock Exchange or another national securities exchange, a day on which the New York Stock Exchange or another national securities exchange is open for business or (y) if the applicable security is quoted on the Nasdaq National Market, a day on which trades may be made thereon or (z) if the applicable security is not so listed, admitted for trading or quoted, any day other than a Saturday or Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

(h) The Company may make such reductions in the Conversion Price, in addition to those required by Sections 12.05(a), (b), (c), (d), (e) and (f), as the Board of Directors considers to be advisable to avoid or diminish any income tax to holders of Common Stock or rights to purchase Common Stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes.

The Company from time to time may, to the extent permitted by law, reduce the Conversion Price by any amount for any period of at least 20 days, if the Board of Directors has made a determination that such reduction would be in the Company's best interests, which determination shall be conclusive and described in a resolution of the Board of Directors. The reduction in Conversion Price shall be irrevocable during this period. Whenever the Conversion Price is reduced pursuant to the preceding sentence, the Company shall mail to the holders of Convertible Subordinated Notes at his or her last address appearing on the Register of holders maintained for that purpose a notice of the reduction at least 15 days prior to the date the reduced Conversion Price takes effect, and such

notice shall state the reduced Conversion Price and the period during which it will be in effect.

(i) No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in such price; provided, however, that any adjustments which by reason of this Section 12.05(i) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Article XII shall be made by the Company and shall be made to the nearest cent or to the nearest one hundredth of a share, as the case may be.

No adjustment need be made for a change in the par value or no par value of the Common Stock.

(j) Whenever the Conversion Price is adjusted as herein provided, the Company shall promptly file with the Trustee and any Conversion Agent other than the Trustee an Officers' Certificate setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Promptly after delivery of such certificate, the Company shall prepare a notice of such adjustment of the Conversion Price setting forth the adjusted Conversion Price and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Price to each holder of Convertible Subordinated Notes at his or her last address appearing on the Register of holders maintained for that purpose within 20 days of the effective date of such adjustment. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(k) In any case in which this Section 12.05 provides that an adjustment shall become effective immediately after a Record Date for an event, the Company may defer until the occurrence of such event issuing to the holder of any Convertible Subordinated Note converted after such Record Date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the Common Stock issuable upon such conversion before giving effect to such adjustment.

(l) For purposes of this Section 12.05, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The

Company shall not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(m) In lieu of making any adjustment to the Conversion Price pursuant to Section 12.05(e), the Company may elect to reserve an amount of cash for distribution to the holders of Convertible Subordinated Notes upon the conversion

of the Convertible Subordinated Notes so that any such holder converting Convertible Subordinated Notes will receive upon such conversion, in addition to the shares of Common Stock and other items to which such holder is entitled, the full amount of cash which such holder would have received if such holder had, immediately prior to the Record Date for such distribution of cash, converted its Convertible Subordinated Notes into Common Stock, together with any interest accrued with respect to such amount, in accordance with this Section 12.05(m). The Company may make such election by providing an Officers' Certificate to the Trustee to such effect on or prior to the payment date for any such distribution and depositing with the Trustee on or prior to such date an amount of cash equal to the aggregate amount that the holders of Convertible Subordinated Notes would have received if such holders had, immediately prior to the Record Date for such distribution, converted all of the Convertible Subordinated Notes into Common Stock. Any such funds so deposited by the Company with the Trustee shall be invested by the Trustee in U.S. Government Obligations with a maturity not more than three (3) months from the date of issuance. Upon conversion of Convertible Subordinated Notes by a holder thereof, such holder shall be entitled to receive, in addition to the Common Stock issuable upon conversion, an amount of cash equal to the amount such holder would have received if such holder had, immediately prior to the Record Date for such distribution, converted its Convertible Subordinated Note into Common Stock, along with such holder's pro-rata share of any accrued interest earned as a consequence of the investment of such funds. Promptly after making an election pursuant to this Section 12.05(m), the Company shall give or shall cause to be given notice to all holders of Convertible Subordinated Notes of such election, which notice shall state the amount of cash per $1,000 principal amount of Convertible Subordinated Notes such holders shall be entitled to receive (excluding interest) upon conversion of the Convertible Subordinated Notes as a consequence of the Company having made such election.

SECTION 12.06. Effect of Reclassification, Consolidation, Merger or Sale. If any of the following events occur: (i) any reclassification or change of the outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), (ii) any consolidation, merger or combination of the Company with another corporation as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, or (iii) any sale or conveyance of the properties and assets of the Company as an entirety or substantially as an entirety to any other corporation as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, then the Company or the successor or purchasing corporation, as the case may be, shall execute with the Trustee a supplemental indenture (which shall comply with the TIA as in force at the date of execution of such supplemental indenture if such supplemental indenture is then required to so comply) providing that the Convertible

Subordinated Notes shall be convertible into the kind and amount of shares of stock and other securities or property or assets (including cash) receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance by a holder of a number of shares of Common Stock issuable upon conversion of the Convertible Subordinated Notes (assuming, for such purposes, a sufficient number of authorized shares of Common Stock available to convert all such Convertible Subordinated Notes) immediately prior to such reclassification, change, consolidation, merger, combination, sale or conveyance (except that such holder will not receive the Make Whole Premium (as defined in Section 12.12 below) if such holder does not convert its Convertible Subordinated Notes "in connection with" the relevant Designated Event that constitutes to a Change of Control; a conversion of the Convertible Subordinated Notes by a Holder will be deemed for these purposes to be "in connection with" a Change of Control if the notice of such conversion is provided in compliance with Article XII to the Conversion Agent on or subsequent to the date 10 trading days prior to the date announced by the Company as the anticipated Designated Event Date but before the close of business on the Business Day immediately preceding the related Designated Event Payment Date) assuming such holder of Common Stock did not exercise his or her rights of election, if any, as to the kind or amount of securities, cash or other property receivable upon such consolidation, merger, statutory exchange, sale or conveyance (provided that, if the kind or amount of securities, cash or other property receivable upon such consolidation, merger, statutory exchange, sale or conveyance is not the same for each share of Common Stock in respect of which such rights of election have not been exercised ("non-electing share"), then, for the purposes of this Section 12.06, the kind and amount of securities, cash or other property receivable upon such consolidation, merger, statutory exchange, sale or conveyance for each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article XII. If, in the case of any such reclassification, change, consolidation, merger, combination, sale or conveyance, the stock or other securities and assets receivable thereupon by a holder of shares of Common Stock includes shares of stock or other securities and assets of a corporation other than the successor or purchasing corporation, as the case may be, in such reclassification, change, consolidation, merger, combination, sale or conveyance, then such supplemental indenture shall also be executed by such other corporation and shall contain such additional provisions to protect the interests of the holders of the Convertible Subordinated Notes as the Board of Directors shall reasonably consider necessary by reason of the foregoing.

The Company shall cause notice of the execution of such supplemental indenture to be mailed to each holder of Convertible Subordinated Notes at his or her address appearing on the Register of holders for that purpose within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

The above provisions of this Section 12.06 shall similarly apply to successive reclassifications, changes, consolidations, mergers, combinations, sales and conveyances.

If this Section 12.06 applies to any event or occurrence, Section 12.05 shall not apply.

SECTION 12.07. Taxes on Shares Issued. The issue of stock certificates on conversions of Convertible Subordinated Notes shall be made without charge to the converting holder for any tax in respect of the issue thereof. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of stock in any name other than that of the holder of any Convertible Subordinated Note converted, and the Company shall not be required to issue or deliver any such stock certificate unless and until the Person or Persons requesting the issue thereof shall have

paid to the Company the amount of such tax or shall have established to the reasonable satisfaction of the Company that such tax has been paid.

SECTION 12.08. Reservation of Shares; Shares to Be Fully Paid; Listing of Common Stock. The Company shall provide, free from preemptive rights, out of its authorized but unissued shares or shares held in treasury, sufficient shares to provide for the conversion of the Convertible Subordinated Notes from time to time as such Convertible Subordinated Notes are presented for conversion.

Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value, if any, of the shares of Common Stock issuable upon conversion of the Convertible Subordinated Notes, the Company shall take all corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue shares of such Common Stock at such adjusted Conversion Price; provided, however, that no shares of Common Stock shall be required to be issued at a Conversion Price less than the par value of such Common Stock.

The Company covenants that all shares of Common Stock issued upon conversion of Convertible Subordinated Notes will be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

The Company further covenants that as long as the Common Stock is quoted on the Nasdaq National Market, or its successor, the Company shall cause all Common Stock issuable upon conversion of the Convertible Subordinated Notes to be eligible for such quotation in accordance with, and at the times required under, the requirements of such market, and if at any time the Common Stock becomes listed on the New York Stock Exchange or any other national securities exchange, the Company shall cause all Common Stock issuable upon conversion of the Convertible Subordinated Notes to be so listed and kept listed.

SECTION 12.09. Responsibility of Trustee. The Trustee shall not at any time be under any duty of responsibility to any holders of Convertible Subordinated Notes to determine whether any facts exist which may require any adjustment of the Conversion Price, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at any time be issued or delivered upon the conversion of any Convertible Subordinated Note; and the Trustee makes no representations with respect thereto. Subject to the provisions of Section 7.01, the Trustee shall not be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock or stock certificates or other securities or property or cash upon the surrender of any Convertible Subordinated Note for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article XII. Without limiting the generality of the foregoing, the Trustee shall not have any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 12.06 relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by holders of Convertible Subordinated Notes upon the conversion of their Convertible Subordinated Notes after any event referred to in such Section 12.06 or to any adjustment to be made with respect thereto, but, subject to the provisions of Section 7.01, may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officers' Certificate and Opinion of Counsel (which the Company shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture) with respect thereto.

SECTION 12.10. Notice to Holders Prior to Certain Actions. If

(a) the Company declares a dividend (or any other distribution) on its Common Stock (other than in cash out of retained earnings or other than a dividend that results in an adjustment in the Conversion Price pursuant to Section 12.05 as to which the Company has made an election in accordance with Section 12.05(m)); or

(b) the Company authorizes the granting to the holders of its Common Stock of rights or warrants to subscribe for or purchase any share of any class of Common Stock or any other rights or warrants; or

(c) there is any reclassification of the Common Stock (other than a subdivision or combination of outstanding Common Stock, or a change in par value, or from par value to no par value, or from no par value to par value), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

(d) there is any voluntary or involuntary dissolution, liquidation or winding-up of the Company;

then the Company shall cause to be filed with the Trustee and to be mailed to each holder of Convertible Subordinated Notes at his or her address appearing on the Register maintained for that purpose as promptly as possible but in any event at least 15 days prior to the applicable date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up is expected to become effective or occur, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such dividend, distribution, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up.

SECTION 12.11. Restriction on Common Stock Issuable Upon Conversion.

(a) Shares of Common Stock to be issued upon conversion of Convertible Subordinated Notes prior to the effectiveness of a Shelf Registration Statement shall be physically delivered in certificated form to the holders converting such Securities and the certificate representing such shares of Common Stock shall bear the Restricted Common Stock Legend unless removed in accordance with section 12.11(c).

(b) If (i) shares of Common Stock to be issued upon conversion of a Convertible Subordinated Note prior to the effectiveness of a Shelf Registration Statement are to be registered in a name other than that of the holder of such Convertible Subordinated Note or (ii) shares of Common Stock represented by a certificate bearing the Restricted Common Stock Legend are transferred subsequently by such holder, then, unless the Shelf Registration Statement has become effective and such shares are being transferred pursuant to the Shelf Registration Statement, the holder must deliver to the transfer agent for the Common Stock a certificate in substantially the form of Exhibit C as to compliance with the restrictions on transfer applicable to such shares of Common Stock and neither the transfer agent nor the registrar for the Common Stock shall be required to register any transfer of such Common Stock not so accompanied by a properly completed certificate.

(c) Except in connection with a Shelf Registration Statement, if

certificates representing shares of Common Stock are issued upon the registration of transfer, exchange or replacement of any other certificate representing shares of Common Stock bearing the Restricted Common Stock Legend, or if a request is made to remove such Restricted Common Stock Legend from certificates representing shares of Common Stock, the certificates so issued shall bear the Restricted Common Stock Legend, or the

Restricted Common Stock Legend shall not be removed, as the case may be, unless there is delivered to the Company such satisfactory evidence, which, in the case of a transfer made pursuant to Rule 144 under the Securities Act, may include an opinion of counsel pursuant to the laws in the State of New York, as may be reasonably required by the Company, that neither the legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such shares of Common Stock are securities that are not "restricted" within the meaning of Rule 144 under the Securities Act. Upon provision to the Company of such reasonably satisfactory evidence, the Company shall cause the transfer agent for the Common Stock to countersign and deliver certificates representing shares of Common Stock that do not bear the legend.

SECTION 12.12. Make Whole Premium Upon a Change of Control.

If there shall have occurred a Designated Event that constitutes a Change of Control, the Company shall pay a "Make Whole Premium" to the Holders of the Convertible Subordinated Notes who convert their Convertible Subordinated Notes during the period beginning 10 trading days before the anticipated Designated Event Date and ending at the close of business on the business day immediately preceding the Designated Event Payment Date by increasing the Conversion Rate for such Convertible Subordinated Notes. The number of additional shares of Common Stock per $1,000 principal amount of Convertible Subordinated Notes constituting the Make Whole Premium shall be determined by reference to the table below, based on the Designated Event Date and the Stock Price on such Designated Event Date; provided that if the Stock Price or Designated Event Date are not set forth on the table: (i) if the actual Stock Price on the Designated Event Date is between two Stock Prices on the table or the actual Designated Event Date is between two Designated Event Dates on the table, the Make Whole Premium will be determined by a straight-line interpolation between the Make Whole Premiums set forth for the two Stock Prices and the two Designated Event Dates on the table based on a 365-day year, as applicable, (ii) if the Stock Price on the Designated Event Date exceeds $17.28 per share, subject to adjustment as set forth herein, no Make Whole Premium will be paid, and (iii) if the Stock Price on the Designated Event Date is less than $5.76 per share, subject to adjustment as set forth herein, no Make Whole Premium will be paid. If Holders of the Common Stock receive only cash in the Designated Event, the Stock Price shall be the cash amount paid per share of the Common Stock in connection with the Designated Event. Otherwise, the Stock Price shall be equal to the average Closing Prices of the Common Stock for each of the 10 trading days immediately preceding, but not including, the applicable Designated Event Date.

MAKE WHOLE PREMIUM UPON A DESIGNATED EVENT DATE (NUMBER OF ADDITIONAL SHARES)

EFFECTIVE DATE	$5.76	$6.91	$8.06	$9.22	$10.37	$11.52	$12.67	$13.82	$14.98	$16.13	$17.28
12/01/05	40.0641	26.7762	18.2390	12.5378	8.6034	5.8263	3.8383	2.4050	1.3747	0.6528	0.1952
12/01/06	39.1834	25.6286	17.1427	11.5743	7.7956	5.1717	3.3227	2.0101	1.0825	0.4536	0.0890
12/01/07	37.8639	24.0356	15.6240	10.2565	6.7285	4.3455	2.7128	1.5834	0.8025	0.2881	0.0243
12/01/08	35.7676	21.4579	13.0813	8.0686	4.9558	2.9740	1.6911	0.8479	0.3057	0.0247	0.0000
12/01/09	32.5264	17.0598	8.7939	4.4605	2.2112	1.0336	0.3925	0.0515	0.0000	0.0000	0.0000
12/01/10	30.0488	9.5172	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12/01/11	31.9061	9.4916	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12/01/12	34.8167	9.9951	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12/01/13	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

The Stock Prices set forth in the first column of the table above will be adjusted as of any date on which the Conversion Rate of the Securities is adjusted. The adjusted Stock Prices will equal the Stock Prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the Stock Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of additional shares set forth in the table above will be adjusted in the same manner as the Conversion Rate as set forth in Section 12.05 hereof, other than as a result of an adjustment of the Conversion Rate by adding the Make Whole Premium as described above.

For purposes of giving effect to the Make Whole Premium, the Conversion Price of the Convertible Subordinated Notes following payment of the Make Whole Premium shall be equal to the product of (a) the Conversion Price immediately prior to payment of the Make Whole Premium and (b) the fraction obtained by dividing (i) the Conversion Rate immediately prior to payment of the Make Whole Premium by (ii) the Conversion Rate immediately after payment of the Make Whole Premium.

Notwithstanding the foregoing paragraphs, in no event will the total number of shares of Common Stock issuable upon conversion of a Convertible Subordinated Note exceed 173.6111 per $1,000 principal amount of Convertible Subordinated Notes, subject to proportional adjustment in the same manner as the Conversion Price as set forth in clauses (a) through (d) of Section 12.05 hereof.

By delivering the amount of cash and/or the number of shares of Common Stock issuable on conversion to the Trustee, the Company will be deemed to have satisfied its obligation to pay the principal amount of the Convertible Subordinated Notes so converted and its obligation to pay accrued and unpaid interest attributable to the period from the most recent Interest Payment Date through the date of conversion (which amount will be deemed paid in full rather than cancelled, extinguished or forfeited).

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed and attested, all as of the date first above written, signifying their agreements contained in this Indenture.

AMKOR TECHNOLOGY, INC.

By: /s/ Kenneth Joyce

Name: Kenneth Joyce
Title: Exec. VP and CFO

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Susan Freedman

Name: Susan Freedman
Title: Vice President

EXHIBIT A

(Face of Security)

[Global Securities Legend]

[The following legend shall appear on the face of each Global Security:

THIS CONVERTIBLE SUBORDINATED NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY, WHICH MAY BE TREATED BY THE COMPANY, THE TRUSTEE AND ANY AGENT THEREOF AS OWNER AND HOLDER OF THIS CONVERTIBLE SUBORDINATED NOTE FOR ALL PURPOSES.]

[The following legend shall appear on the face of each Global Security for which The Depository Trust Company is to be the Depositary:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY THE AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OR DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR REGISTERED CONVERTIBLE SUBORDINATED NOTES IN DEFINITIVE REGISTERED FORM IN THE LIMITED CIRCUMSTANCES REFERRED TO IN THE INDENTURE, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OR SUCH SUCCESSOR DEPOSITARY.]

[Affiliate Securities Legend]

IN NO EVENT MAY THIS SECURITY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED PRIOR TO NOVEMBER 18, 2006; PROVIDED, HOWEVER, THAT A HOLDER MAY TRANSFER A SECURITY TO AN AFFILIATED ENTITY, PROVIDED THAT SUCH AFFILIATED ENTITY AGREES TO BE BOUND BY THE TRANSFER PROVISIONS OF THE INDENTURE AND THE INVESTOR RIGHT AGREEMENT. THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY OTHER THAN (1) TO THE COMPANY, (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT. THIS LEGEND SHALL BE REMOVED UPON THE TRANSFER OF THIS SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY PURSUANT TO THE IMMEDIATELY PRECEDING SENTENCE. IF THE PROPOSED TRANSFER IS PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY OR TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING

MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTIONS WITH REGARD TO THIS SECURITY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

[Restricted Securities Legend]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES THAT IT WILL NOT PRIOR TO THE DATE THAT IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUANCE OF THIS SECURITY EVIDENCED HEREBY AND THE LAST DATE ON WHICH THE COMPANY OR ANY "AFFILIATE" (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY WAS THE OWNER OF THE SECURITY (THE "RESTRICTION TERMINATION DATE") RESELL OR OTHERWISE TRANSFER THIS SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY OTHER THAN (1) TO THE COMPANY, (2)

SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS A QUALIFIED INSTITUTIONAL BUYER OR (2) NOT A U.S. PERSON AND IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k)(2) OF RULE 902 UNDER) REGULATION S UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTIONS WITH REGARD TO THIS SECURITY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

No. ____ $_____

CUSIP _____

AMKOR TECHNOLOGY, INC.

6 1/4% CONVERTIBLE SUBORDINATED NOTE DUE 2013

promises to pay to _____ or registered assigns, the principal sum of _____ on December 1, 2013.

Interest Payment Dates: June 1 and December 1, commencing June 1, 2006

Regular Record Dates: May 15 and November 15

Dated:

AMKOR TECHNOLOGY, INC.

By:

Name:

Title:

This is one of the Convertible Subordinated Notes described in the within-mentioned Indenture:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:

Authorized Signatory

(Back of Security)

AMKOR TECHNOLOGY, INC.

6 1/4% CONVERTIBLE SUBORDINATED NOTE DUE 2013

1. INTEREST. Amkor Technology, Inc., a Delaware corporation (the "Company"), promises to pay interest on the principal amount of this Convertible Subordinated Note at the rate per annum shown above. The Company will pay interest semi-annually in arrears on June 1 and December 1 of each year, beginning June 1, 2006. Interest on the Convertible Subordinated Notes will accrue from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from November 18, 2005. Interest (including any Liquidated Damages) will be computed on the basis of a 360-day year composed of twelve 30-day months.

2. METHOD OF PAYMENT. The Company will pay interest (and Liquidated Damages, if any) on the Convertible Subordinated Notes (except defaulted interest) to the Person in whose name each Convertible Subordinated Note is registered at the close of business on the May 15 or November 15 immediately preceding the relevant Interest Payment Date (each a "Regular Record Date") (other than with respect to a Convertible Subordinated Note or portion thereof called for redemption on a Redemption Date, or repurchased in connection with a Designated Event on a repurchase date, during the period from the close of business on a Regular Record Date to (but excluding) the next succeeding Interest Payment Date, in which case accrued interest (and Liquidated Damages, if any) shall be payable (unless such Convertible Subordinated Note or portion thereof is converted) to the holder of the Convertible Subordinated Note or portion thereof redeemed or repurchased in accordance with the applicable redemption or repurchase provisions of the Indenture). Holder must surrender Convertible Subordinated Notes to a Paying Agent to collect principal payments. The Company will pay the principal of, premium, if any, and interest (including Liquidated Damages, if any) on the Convertible Subordinated Notes at the office or agency of the Company maintained for such purpose, in money of the United States that at the time of payment is legal tender for payment of public and private debts. Until otherwise designated by the Company, the Company's office or agency maintained for such purpose will be the principal Corporate Trust Office of the Trustee (as defined below). However, the Company may pay principal, premium, if any, and interest (including Liquidated Damages, if any) by check payable in such money, and may mail such check to the holders of the Convertible Subordinated Notes at their respective addresses as set forth in the Register of holders of Convertible Subordinated Notes.

3. PAYING AGENT AND REGISTRAR. U.S. Bank National Association (together with any successor Trustee under the Indenture referred to below, the "Trustee"), will act as Paying Agent and Registrar. The Company may change the Paying Agent, Registrar or co-registrar without prior notice. Subject to certain

limitations in the Indenture, the Company or any of its subsidiaries may act in any such capacity.

4. INDENTURE. The Company issued the Convertible Subordinated Notes under an Indenture dated as of November 18, 2005 (the "Indenture") between the Company and the Trustee. The terms of the Convertible Subordinated Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code Sections 77aaa-77bbbb) (the "TIA") as in effect on the Issue Date. The Convertible Subordinated Notes are subject to, and qualified by, all such terms, certain of which are summarized hereon, and holders are referred to the Indenture and the TIA for a statement of such terms. However, to the extent any provision of any Convertible Subordinated Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling. The Convertible Subordinated Notes are unsecured general obligations of the Company limited to (except as otherwise provided in the Indenture) up to $100,000,000 in aggregate principal amount. Capitalized terms not defined below have the same meaning as is given to them in the Indenture.

5. OPTIONAL REDEMPTION. On or after December 5, 2010, the Company shall have the option to redeem the Convertible Subordinated Notes, in whole or from time to time in part, at the following Redemption Prices (expressed as percentages of principal amount), if redeemed during the twelve month period beginning December 1 of each year indicated (December 5, 2010 through November 30, 2010, in the case of the first such year) plus accrued and unpaid interest (and Liquidated Damages, if any) to, but excluding, the Redemption Date:

YEAR	REDEMPTION PRICE
2010...	102.344%
2011...	101.563%
2012...	100.781%

and 100% at December 1, 2013.

Notice of redemption will be mailed by first class mail at least 15 days but not more than 60 days before the Redemption Date to each holder of Convertible Subordinated Notes to be redeemed at his or her registered address. Convertible Subordinated Notes in denominations larger than $1,000 may be redeemed in part but only in integral multiples of $1,000. If less than all the Convertible Subordinated Notes are to be redeemed, the Trustee shall select the Convertible Subordinated Notes to be redeemed by a method that complies with the requirements of the principal national securities exchange, if any, on which the Convertible Subordinated Notes are listed or quoted, or, if the Convertible Subordinated Notes are not so listed, on a pro rata basis by lot or by any other method that the Trustee considers fair and appropriate. On and after the Redemption Date, interest (and Liquidated Damages, if any) ceases to accrue on Convertible Subordinated Notes or portions thereof called for redemption (unless the Company defaults in the payment of the Redemption Price). If this Convertible Subordinated Note is redeemed on a date which is also an Interest Payment Date, the interest payment (and Liquidated Damages, if any) due on such Interest Payment Date

will be paid to the Person in whose name this Convertible Subordinated Note is registered at the close of business on such Regular Record Date.

6. DESIGNATED EVENT. Upon a Designated Event, the Company shall make a Designated Event Offer to repurchase all outstanding Convertible Subordinated Notes at a price equal to 100% of the aggregate principal amount of the Convertible Subordinated Notes, plus accrued and unpaid interest (and Liquidated Damages, if any) to, but excluding, the date of repurchase, such offer to be made as provided in the Indenture. To accept the Designated Event Offer, the holder hereof must comply with the terms thereof, including surrendering this Convertible Subordinated Note, with the "Option of Holder to Elect Repurchase" portion hereof completed, to the Company, a depositary, if appointed by the Company, or a Paying Agent, at the address specified in the notice of the Designated Event Offer mailed to holders as provided in the Indenture, prior to termination of the Designated Event Offer.

If there shall occur a Designated Event that constitutes a Change of Control, the Company shall pay a "Make Whole Premium" in certain circumstances as described in the Indenture.

7. SUBORDINATION. The Company's payment of the principal of, premium, if any, and interest (including Liquidated Damages, if any) on the Convertible Subordinated Notes is subordinated to the prior payment in full of the Company's Senior Debt as set forth in the Indenture. Each holder of Convertible Subordinated Notes by his or her acceptance hereof covenants and agrees that all payments of the principal of, premium, if any, and interest (including Liquidated Damages, if any) on the Convertible Subordinated Notes by the Company shall be subordinated in accordance with the provisions of Article XI of the Indenture, and each holder of Convertible Subordinated Notes accepts and agrees to be bound by such provisions. The Company agrees, and each holder of Convertible Subordinated Notes by accepting a Convertible Subordinated Note agrees, that the indebtedness evidenced by the Convertible Subordinated Note is pari passu in right of payment to the Existing Convertible Subordinated Notes.

8. DENOMINATIONS, TRANSFER, EXCHANGE. The Convertible Subordinated Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Convertible Subordinated Notes may be registered and Convertible Subordinated Notes may be exchanged as provided in the Indenture. As a condition of transfer, the Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a holder to pay any taxes and fees required by law or permitted by the Indenture. The Company or the Registrar need not exchange or register the transfer of any Convertible Subordinated Note or portion of a Convertible Subordinated Note selected for redemption or submitted for repurchase. Also, the Company or the Registrar need not exchange or register the transfer of any Convertible Subordinated Note for a period of 15 days before a selection of Convertible Subordinated Notes to be redeemed.

9. PERSONS DEEMED OWNERS. The registered holder of a Convertible Subordinated Note may be treated as its owner for all purposes.

10. AMENDMENTS AND WAIVERS. Subject to certain exceptions, the Company and the Trustee may amend the Indenture or the Convertible Subordinated Notes with the written consent of the holders of at least a majority in principal amount of the then outstanding Convertible Subordinated Notes (including consents obtained in connection with tender offer or exchange offer for Convertible Subordinated Notes) and any existing default may be waived with the consent of the holders of a majority in principal amount of the then outstanding Convertible Subordinated Notes.

Without the consent of any holder of a Convertible Subordinated Note, the Indenture or the Convertible Subordinated Notes may be amended by the

Company and the Trustee to: (a) cure any ambiguity or correct or supplement any defective or inconsistent provision contained in the Indenture, or make any other changes in the provisions of the Indenture which the Company and the Trustee may deem necessary or desirable provided such amendment does not materially and adversely affect the legal rights under the Indenture of the holders of Convertible Subordinated Notes; (b) provide for uncertificated Convertible Subordinated Notes in addition to or in place of certificated Convertible Subordinated Notes; (c) evidence the succession of another Person to the Company and providing for the assumption by such successor of the covenants and obligations of the Company thereunder and in the Convertible Subordinated Notes as permitted by Section 5.01 of the Indenture; (d) provide for conversion rights and/or repurchase rights of holders of Convertible Subordinated Notes in the event of consolidation, merger or sale of all or substantially all of the assets of the Company as required to comply with Sections 5.01 and/or 12.06 of the Indenture; (e) reduce the Conversion Price; (f) make any change that would provide any additional rights or benefits to the holders of Convertible Subordinated Notes or that does not adversely affect the legal rights under the Indenture of any such holder; or (g) comply with the requirements of the Commission in order to effect or maintain the qualification of the Indenture under the TIA.

Without the consent of each holder affected, an amendment or waiver may not (with respect to any Convertible Subordinated Notes held by a non-consenting holder): (a) reduce the principal amount of Convertible Subordinated Notes whose holders must consent to an amendment, supplement or waiver; (b) reduce the principal of, or premium on, or change the fixed maturity of any Convertible Subordinated Note or, except as permitted pursuant to clause (a) of the immediately preceding paragraph, alter the provisions with respect to the redemption of the Convertible Subordinated Notes; (c) reduce the rate of or change the time for payment of interest, including defaulted interest or Liquidated Damages on any Convertible Subordinated Notes; (d) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest or Liquidated Damages on the Convertible Subordinated Notes (except a rescission of acceleration of the Convertible Subordinated Notes by the holders of at least a majority in aggregate principal amount of the Convertible Subordinated Notes and a waiver of the payment default that resulted from such acceleration); (e) make the principal of, or

premium, if any, or interest or Liquidated Damages on, any Convertible Subordinated Note payable in money other than as provided for in the Indenture and in the Convertible Subordinated Notes; (f) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Convertible Subordinated Notes to receive payments of principal of, premium, if any, or interest or Liquidated Damages on the Convertible Subordinated Notes; (g) waive a redemption payment with respect to any Convertible Subordinated Note; (h) make any change in the foregoing amendment and waiver provisions, or (i) except as permitted by the Indenture (including Section 9.01(a)), increase the Conversion Price or modify the provisions of the Indenture relating to conversion of the Convertible Subordinated Notes in a manner adverse to the holders thereof. In addition, any amendment to the provisions of Article XI of the Indenture (which relate to subordination) will require the consent of the holders of at least 75% in aggregate principal amount of the Convertible Subordinated Notes then outstanding if such amendment would adversely affect the rights of holders of Convertible Subordinated Notes.

11. DEFAULTS AND REMEDIES. An Event of Default is: (a) default in payment of the principal of, or premium, if any, on the Convertible Subordinated Notes, when due at maturity, upon repurchase, upon acceleration or otherwise, whether or not such payment is prohibited by the subordination provisions of the Indenture; (b) default for 30 days or more in payment of any installment of interest or Liquidated Damages on the Convertible Subordinated Notes, whether or not such payment is prohibited by the subordination provisions of the Indenture; (c) default by the Company for 60 days or more after notice in the observance or

performance of any other covenants in the Indenture; (d) default in the payment of the Designated Event Payment in respect of the Convertible Subordinated Notes on the date therefore, whether or not such payment is prohibited by the subordination provisions of the Indenture; (e) failure to provide timely notice of a Designated Event; (f) failure of the Company or any Material Subsidiary to make any payment at maturity, including any applicable grace period, in respect of indebtedness for borrowed money of, or guaranteed or assumed by, the Company or any Material Subsidiary which payment is in an amount in excess of $20,000,000 and continuance of such failure for 30 days after notice; (g) default by the Company or any Material Subsidiary with respect to any such indebtedness, which default results in the acceleration of such indebtedness of an amount in excess of $20,000,000 without such indebtedness having been paid or discharged or such acceleration having been cured, waived, rescinded, or annulled for 30 days after notice; or (h) certain events involving bankruptcy, insolvency or reorganization of the Company or any Material Subsidiary. If an Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the then outstanding Convertible Subordinated Notes may declare the unpaid principal of, premium, if any, and accrued and unpaid interest and Liquidated Damages, if any, on all Convertible Subordinated Notes then outstanding to be due and payable immediately, except that in the case of an Event of Default arising from certain events of bankruptcy, insolvency, or reorganization with respect to the Company all outstanding Convertible Subordinated Notes become due and payable without further action or notice. Holders of Convertible Subordinated Notes may not enforce the

Indenture or the Convertible Subordinated Notes except as provided in the Indenture. The Trustee may require an indemnity satisfactory to it before it enforces the Indenture or the Convertible Subordinated Notes. Subject to certain limitations, holders of a majority in principal amount of the then outstanding Convertible Subordinated Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders notice of any continuing default (except a default in payment of principal, premium, if any, or interest or Liquidated Damages, if applicable) if it determines that withholding notice is in their interests. The Company must furnish annual compliance certificates to the Trustee.

12. TRUSTEE DEALINGS WITH THE COMPANY. The Trustee or any of its Affiliates, in their individual or any other capacities, may make or continue loans to or guaranteed by, accept deposits from and perform services for the Company or its Affiliates and may otherwise deal with the Company or its Affiliates as if it were not Trustee.

13. NO RECOURSE AGAINST OTHERS. No director, officer, employee or stockholder, as such, of the Company shall have any liability for any obligations of the Company under the Convertible Subordinated Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. Each holder by accepting a Convertible Subordinated Note waives and releases all such liability. The waiver and release are part of the consideration for the Convertible Subordinated Notes.

14. AUTHENTICATION. This Convertible Subordinated Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

15. ABBREVIATIONS. Customary abbreviations may be used in the name of a holder or an assignee, such as: TEN CO = tenants in common, TEN ENT = tenants by the entireties, JT TEN = joint tenants with right of survivorship and not as tenants in common, CUST = Custodian and U/G/M/A = Uniform Gifts to Minors Act.

16. CONVERSION. Subject to and upon compliance with the provisions of the Indenture, the registered holder of this Convertible Subordinated Note has the right at any time on or before the close of business on the last trading day prior to the Maturity Date (or in case this Convertible Subordinated Note or any

portion hereof is (a) called for redemption prior to such date, before the close of business on the last trading day preceding the Redemption Date (unless the Company defaults in payment of the Redemption Price in which case the conversion right will terminate at the close of business on the trading day preceding the date such default is cured) or (b) subject to a duly completed election for repurchase, on or before the close of business on the Designated Event Offer Termination Date (unless the Company defaults in payment due upon repurchase or such holder elects to withdraw the submission of such election to repurchase)) to convert the principal amount hereof, or any portion of such principal amount which is $1,000 or an integral multiple thereof, into that number of fully paid and

non-assessable shares of common stock of the Company ("Common Stock") obtained by dividing the principal amount of the Convertible Subordinated Note or portion thereof to be converted by the conversion price of $7.49 per share, as adjusted from time to time as provided in the Indenture, including with respect to the Make Whole Premium (the "Conversion Price"), upon surrender of this Convertible Subordinated Note to the Company at the office or agency maintained for such purpose (and at such other offices or agencies designated for such purpose by the Company), accompanied by written notice of conversion duly executed (and if the shares of Common Stock to be issued on conversion are to be issued in any name other than that of the registered holder of this Convertible Subordinated Note by instruments of transfer, in form satisfactory to the Company, duly executed by the registered holder or its duly authorized attorney) and, in case such surrender shall be made during the period from the close of business on the Regular Record Date immediately preceding any Interest Payment Date through the close of business on the last trading day immediately preceding such Interest Payment Date (unless this Convertible Subordinated Note or the portion thereof being converted has been called for redemption on a date in such period), also accompanied by payment, in funds acceptable to the Company, of an amount equal to the interest and Liquidated Damages, if any, otherwise payable on such Interest Payment Date on the principal amount of this Convertible Subordinated Note then being converted. Subject to the aforesaid requirement for a payment in the event of conversion after the close of business on a Regular Record Date immediately preceding an Interest Payment Date, no adjustment shall be made on conversion for interest or Liquidated Damages accrued hereon or for dividends on Common Stock delivered on conversion. The right to convert this Convertible Subordinated Note is subject to the provisions of the Indenture relating to conversion rights in the case of certain consolidations, mergers, or sales or transfers of substantially all the Company's assets.

The Company shall not issue fractional shares or scrip representing fractions of shares of Common Stock upon any such conversion, but shall make an adjustment therefore in cash based upon the current market price of the Common Stock on the last trading day prior to the date of conversion.

17. INVESTORS RIGHTS AGREEMENT. The holder of this Convertible Subordinated Note is entitled to the benefits of a Investors Rights Agreement, dated November 18, 2005, between the Company and the investors named therein (the "Investors Rights Agreement").

The Company will furnish to any holder upon written request and without charge a copy of the Indenture and the Investors Rights Agreement. Requests may be made to: Corporate Secretary, Amkor Technology, Inc., 1900 South Price Road, Chandler, Arizona 85248.

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Transfer	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such increase or decrease	Signature of Authorized Signatory of Trustee or Registrar

FORM OF CONVERSION NOTICE

To: AMKOR TECHNOLOGY, INC.

The undersigned registered owner of the Convertible Subordinated Note hereby irrevocably exercises the option to convert this Convertible Subordinated Note, or portion hereof (which is $1,000 or an integral multiple thereof) below designated, into shares of Common Stock of Amkor Technology, Inc. in accordance with the terms of the Indenture referred to in this Convertible Subordinated Note, and directs that the shares issuable and deliverable upon the conversion, together with any check in payment for fractional shares and Convertible Subordinated Notes representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. If shares or any portion of this Convertible Subordinated Note not converted are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. Any amount required to be paid by the undersigned on account of interest, Liquidated Damages and taxes accompanies this Convertible Subordinated Note.

Dated:
_____

Fill in for registration of shares if to be delivered, and Convertible Subordinated Notes if to be issued, other than to and in the name of the registered holder
(Please Print):

_____
(Name)

_____
(Street Address)

_____
(City, State and Zip Code)

Signature Guarantee:
_____

_____

_____

Signature(s)

Principal amount to be converted (if less than all):

$___,000

Social Security or other Taxpayer Identification Number

[Signatures must be guaranteed by an eligible Guarantor Institution (banks, brokers, dealers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if shares are to be issued, or Convertible Subordinated Notes are to be delivered, other than to and in the name of the registered holder(s).]

ASSIGNMENT FORM

To assign this Convertible Subordinated Note, fill in the form below:
(I) or (we) assign and transfer this Convertible Subordinated Note to

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(Insert assignee's social security or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ agent to transfer this Convertible Subordinated Note on the books of the Company. The agent may substitute another to act for him.

Your Signature:

(Sign exactly as your name appears on the other side of this Convertible Subordinated Note)

Date:

Medallion Signature Guarantee:

[FOR INCLUSION ONLY IF THIS CONVERTIBLE SUBORDINATED NOTE BEARS AN AFFILIATE SECURITIES LEGEND --] Other than pursuant to the sale or transfer of the Security under an effective Shelf Registration Statement filed in connection with the Investors Rights Agreement, dated as of November 18, 2005, between the Company and the investors named therin, in connection with any transfer of any of the Convertible Subordinated Notes evidenced by this certificate which are "restricted securities" (as defined in Rule 144 (or any successor thereto) under the Securities Act), the undersigned confirms that the Convertible Subordinated

Notes are being transferred:

CHECK ONE BOX BELOW

(1) [ ] to the Company; or

(2) [ ] pursuant to an exemption from registration under the Securities Act of 1933 provided by Rule 144 thereunder.

Unless one of the boxes is checked, the Registrar will refuse to register any of the Convertible Subordinated Notes evidenced by this certificate in the name of any Person other than the registered holder thereof; provided, however, that if box (2) is checked, the Trustee may require, prior to registering any such transfer of the Convertible Subordinated Notes, such certifications and other information, including legal opinions, as the Company has reasonably requested in writing, by delivery to the Trustee

of a standing letter of instruction, to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

Your Signature:

(Sign exactly as your name appears on the other side of this Convertible Subordinated Note)

Date:

Medallion Signature Guarantee:

[FOR INCLUSION ONLY IF THIS CONVERTIBLE SUBORDINATED NOTE BEARS A RESTRICTED SECURITIES LEGEND --] Other than pursuant to the sale or transfer of the Security under an effective Shelf Registration Statement filed in connection with the Investors Rights Agreement, dated as of November 18, 2005, between the Company and the investors named therein, in connection with any transfer of any of the Convertible Subordinated Notes evidenced by this certificate which are "restricted securities" (as defined in Rule 144 (or any successor thereto) under the Securities Act), the undersigned confirms that the Convertible Subordinated Notes are being transferred:

CHECK ONE BOX BELOW

(1) [ ] to the Company; or

(2) [ ] pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(3) [ ] pursuant to and in compliance with Regulation S under the Securities Act of 1933; or

(4) [ ] pursuant to an exemption from registration under the Securities Act of 1933 provided by Rule 144 thereunder.

Unless one of the boxes is checked, the Registrar will refuse to register any of the Convertible Subordinated Notes evidenced by this certificate in the name of any Person other than the registered holder thereof; provided, however, that if box (3) or (4) is checked, the

Trustee may require, prior to registering any such transfer of the Convertible Subordinated Notes, such certifications and other information, and if box (4) is checked such legal opinions, as the Company has reasonably requested in writing, by delivery to the Trustee of a standing letter of instruction, to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933;

provided that this paragraph shall not be applicable to any Convertible Subordinated Notes which are not "restricted securities" (as defined in Rule 144 (or any successor thereto) under the Securities Act).

Your Signature:

(Sign exactly as your name appears on the other side of this Convertible Subordinated Note)

Date:

Medallion Signature Guarantee:

OPTION OF HOLDER TO ELECT REPURCHASE

If you wish to have this Convertible Subordinated Note repurchased by the Company pursuant to Section 4.06 of the Indenture, as the case may be, check the Box:

If you wish to have a portion of this Convertible Subordinated Note purchased by the Company pursuant to Section 4.06 of the Indenture, state the amount (in multiples of $1,000): $_____.

Date:

Your Signature:

(Sign exactly as your name appears on the other side of this Convertible Subordinated Note)

Medallion Signature Guarantee:

EXHIBIT B

FORM OF RESTRICTED COMMON STOCK LEGEND

[Affiliate Securities Legend]

IN NO EVENT MAY THIS SECURITY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED PRIOR TO NOVEMBER 18, 2006. THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY OTHER THAN (1) TO THE COMPANY, (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT. THIS LEGEND SHALL BE REMOVED UPON THE TRANSFER OF THIS SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY PURSUANT TO THE IMMEDIATELY PRECEDING SENTENCE. IF THE PROPOSED TRANSFER IS PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY OR TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTIONS WITH REGARD TO THIS SECURITY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

[Restricted Securities Legend]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES THAT IT WILL NOT PRIOR TO THE DATE THAT IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUANCE OF THIS SECURITY EVIDENCED HEREBY AND THE LAST DATE ON WHICH THE COMPANY OR ANY "AFFILIATE" (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY WAS THE OWNER OF THE SECURITY (THE "RESTRICTION TERMINATION DATE") RESELL OR OTHERWISE TRANSFER THIS SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY OTHER THAN (1) TO THE COMPANY, (2)

IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A OR (2) NOT A U.S. PERSON AND IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k)(2) OF RULE 902 UNDER) REGULATION S UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

EXHIBIT C

FORM OF TRANSFER CERTIFICATE FOR TRANSFER OF RESTRICTED COMMON STOCK

(Transfers pursuant to ss. 12.11(c) of the Indenture)

[NAME AND ADDRESS OF COMMON STOCK TRANSFER AGENT]

Re: Amkor Technology, Inc. 6 1/4% Convertible Subordinated Notes due 2013 (the "Convertible Subordinated Notes")

Reference is hereby made to the Indenture dated as of November 18, 2005 (the "Indenture") between Amkor Technology, Inc. and U.S. Bank National Association, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to _____ shares of Common Stock represented by the accompanying certificate(s) that were issued upon conversion of Convertible Subordinated Notes and which are held in the name of [name of transferor] (the "Transferor") to effect the transfer of such Common Stock.

[FOR TRANSFERS BEARING THE AFFILIATE SECURITIES LEGEND --] Other than pursuant to a Shelf Registration Statement filed in connection with the Investors Rights Agreement, dated as of November 18, 2005, between the Company and the investors named therein that has been declared effective under the Securities Act of 1933, in connection with the transfer of such shares of Common Stock, such shares of Common Stock are only being transferred:

CHECK ONE BOX BELOW

(1) [ ] to the Company; or

(2) [ ] pursuant to an exemption from registration under the Securities Act of 1933 provided by Rule 144 thereunder.

Unless one of the boxes is checked, the transfer agent will refuse to register any of the Common Stock evidenced by this certificate in the name of any Person other than the registered holder thereof; provided, however, that if box (2) is checked, the transfer agent may require, prior to registering any such transfer of the Common Stock such certifications and other information, and including such legal opinions, as the Company has reasonably requested in writing, by delivery to the transfer agent of a standing letter of instruction, to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

[FOR TRANSFERS BEARING THE RESTRICTED SECURITIES LEGEND --] Other than pursuant to a Shelf Registration Statement filed in connection with the Investors Rights Agreement, dated as of November 18, 2005, between the Company and the investors named therein that has been declared effective under the Securities Act of 1933, in connection with the transfer of such shares of Common Stock, such shares of Common Stock are only being transferred:

CHECK ONE BOX BELOW

(1) [ ] to the Company; or

(2) [ ] pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(3) [ ] pursuant to and in compliance with Regulation S under the Securities Act of 1933; or

(4) [ ] pursuant to an exemption from registration under the Securities Act of 1933 provided by Rule 144 thereunder.

Unless one of the boxes is checked, the transfer agent will refuse to register any of the Common Stock evidenced by this certificate in the name of any Person other than the registered holder thereof; provided, however, that if box (2), (3) or (4) is checked, the transfer agent may require, prior to registering any such transfer of the Common Stock such certifications and other information, and if box (4) is checked such legal opinions, as the Company has reasonably requested in writing, by delivery to the transfer agent of a standing

letter of instruction, to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.]

[Name of Transferor],

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT C

FORM OF INVESTORS RIGHTS AGREEMENT

Exhibit 4.20

INVESTORS RIGHTS AGREEMENT

DATED AS OF NOVEMBER 18, 2005

BETWEEN

AMKOR TECHNOLOGY, INC.

AND

THE INVESTORS NAMED HEREIN

INVESTORS RIGHTS AGREEMENT

This Investors Rights Agreement (the "Agreement") is made and entered into this 18th day of November, 2005, between Amkor Technology, Inc., a Delaware corporation (the "Company"), and the individuals and entities (the "Investors") listed on the signature pages to the Purchase Agreement (as defined below).

This Agreement is made pursuant to the Note Purchase Agreement, dated as of November 14, 2005, between the Company and the Investors (the "Purchase Agreement"), which provides for the sale by the Company to the Investors of $100,000,000 aggregate principal amount of the Company's 6 1/4% Convertible Subordinated Notes due 2013 (the "Securities"). In order to induce the Investors to enter into the Purchase Agreement, the Company has agreed to provide the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. Definitions.

As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"1933 Act" shall mean the Securities Act of 1933, as amended from time to time.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"1939 Act" shall mean the Trust Indenture Act of 1939, as amended from time to time.

"Affiliated Entities" shall mean James J. Kim and his estates, spouses, ancestors and lineal descendants (and spouses thereof), the legal representatives of any of the foregoing, and the trustee of any bona fide trust of which one or more of the foregoing are sole beneficiaries or the grantors, or any Person of which any of the forgoing, individually or collectively, beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) voting securities representing at least a majority of the total voting power of all classes of Capital Stock of such Person (exclusive of any matters as to which class voting rights exist).

"Closing Date" shall mean the Closing as defined in the Purchase Agreement.

"Common Stock" shall mean any shares of common stock, $0.001 par value, of the Company and any other shares of common stock as may constitute "Common Stock" for purposes of the Indenture.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"Depositary" shall mean The Depository Trust Company, or any other depositary appointed by the Company, provided, however, that such depositary must have an address in the Borough of Manhattan, in the City of New York.

"Holder" shall mean each Investor, for so long as it owns any Registrable Securities, and each of such Investor's successors, assigns and direct and indirect transferees pursuant to the terms of this Agreement.

"Indenture" shall mean the Indenture relating to the Securities, dated as of November 18, 2005, between the Company and U.S. Bank National Association, as trustee, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof.

"Investors" shall have the meaning set forth in the preamble.

"Majority Holders" shall mean the Holders of a majority of the aggregate principal amount of outstanding Registrable Securities (assuming conversion of all Securities into Common Stock); provided that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company shall be disregarded in determining whether such consent or approval was given by the Holders of such required percentage amount.

"Person" shall mean an individual, partnership (general or limited), corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Prospectus" shall mean the prospectus included in a Shelf Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including any such prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to a prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble.

"Registrable Securities" shall mean all or any of the Securities issued from time to time under the Indenture in registered form, and the shares of Common Stock issuable upon conversion of such Securities; provided, however, that any such Securities shall cease to be Registrable Securities when (i) a Shelf Registration Statement with respect to such Securities shall have been declared effective under the 1933 Act and such Securities shall have been disposed of pursuant to such Shelf Registration Statement, (ii) such Securities have been sold or transferred to the public pursuant to Rule 144, if available (or any similar provision then in force, including Rule 144(k) but not Rule 144A) under the 1933 Act, or (iii) such Securities shall have ceased to be outstanding.

"Registration Expenses" shall mean any and all expenses incident to performance of or compliance by the Company with this Agreement, including without limitation: (i) all SEC, stock exchange or National Association of Securities Dealers, Inc. (the "NASD") registration and filing

fees, including, if applicable, the fees and expenses of any "qualified independent underwriter" (and its counsel) that is required to be retained by

any holder of Registrable Securities in accordance with the rules and regulations of the NASD, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws and compliance with the rules of the NASD (including reasonable fees and disbursements of counsel for any underwriters or Holders in connection with blue sky qualification of any of the Registrable Securities and any filings with the NASD), (iii) all expenses of the Company in preparing or assisting in preparing, word processing, printing and distributing any Shelf Registration Statement, any Prospectus, any amendments or supplements thereto, any securities sales agreements and other documents relating to the performance of and compliance with this Agreement, (iv) all fees and expenses incurred in connection with the listing, if any, of any of the Registrable Securities on any securities exchange or exchanges, (v) all rating agency fees, (vi) the fees and disbursements of counsel for the Company and of the independent public accountants of the Company, including in connection with the Underwritten Offering the expenses of any special audits or "comfort" letters required by or incident to such performance and compliance, (vii) the reasonable fees and expenses of the Trustee, and any escrow agent or custodian, (viii) the reasonable fees and expenses of a single counsel to the Holders in connection with the Shelf Registration Statement, which counsel shall be selected by the Majority Holders, and any fees and expenses of any special experts retained by the Company in connection with any Shelf Registration Statement, but excluding any underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

"SEC" shall mean the United States Securities and Exchange Commission or any successor agency or government body performing the functions currently performed by the United States Securities and Exchange Commission.

"Shelf Registration" shall mean a registration effected pursuant to Section 2.1 hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company pursuant to the provisions of Section 2.2 of this Agreement which covers all of the Registrable Securities on an appropriate form under Rule 415 under the 1933 Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Trustee" shall mean the trustee with respect to the Securities under the Indenture.

2. Registration Under the 1933 Act.

2.1 Shelf Registration.

(a) Subject to Section 3(B)(b), the Company shall, at its cost, no later than 90 days after the Closing Date, file with the SEC, and thereafter shall use its commercially reasonable efforts to cause to be declared effective as promptly as practicable but no later than 180 days after the Closing Date, a Shelf Registration Statement relating to the offer and sale of the Registrable Securities by the Holders that have provided the information pursuant to Section 2.1(d); provided, however, that in the event that the Company is eligible for, and elects to utilize, the

"automatic shelf" registration procedure on Form S-3 available to "well-known seasoned issuers," the only obligation of the Company under this Section 2.1(a) shall be to file a Shelf Registration Statement with the SEC no later than 120 days after the Closing Date, which Shelf Registration Statement shall become immediately effective upon filing pursuant to the SEC rules adopted in Release No. 33-8591; provided, further, that the Company may, upon written notice to all

Holders, defer the filing or the effectiveness of the Shelf Registration Statement, or defer the filing of the Shelf Registration Statement if the Company is eligible for, and elects to utilize, the "automatic shelf" registration procedure, for a reasonable period not to exceed 45 days if the Company is engaged in non-public negotiations or other non-public business activities, disclosure of which would be required in such Shelf Registration Statement (but would not be required if such Shelf Registration Statement were not filed), and the Chief Financial Officer of the Company determines in good faith that such disclosure would have a material adverse effect on the Company and its subsidiaries taken as a whole.

(b) The Company shall, at its cost, use its commercially reasonable efforts, subject to Section 2.5, to keep the Shelf Registration Statement continuously effective in order to permit the Prospectus forming part thereof to be usable by Holders for a period of three years from the last date of original issuance of any of the Securities, or for such shorter period that will terminate when all Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or cease to be outstanding or otherwise to be Registrable Securities (the "Effectiveness Period").

(c) Notwithstanding any other provisions hereof, the Company shall use its commercially reasonable efforts to ensure that (i) any Shelf Registration Statement and any amendment thereto and any Prospectus forming part thereof and any supplement thereto complies in all material respects with the 1933 Act and the rules and regulations thereunder, (ii) any Shelf Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any Prospectus forming part of any Shelf Registration Statement, and any supplement to such Prospectus (as amended or supplemented from time to time), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Notwithstanding any other provision hereof, no Holder of Registrable Securities may include any of its Registrable Securities in the Shelf Registration Statement pursuant to this Agreement unless such Holder furnishes to the Company such information in writing as the Company may reasonably request for use in connection with the Shelf Registration Statement or Prospectus included therein and in any application to be filed with or under state securities laws. Each Holder named as a selling securityholder in the Prospectus agrees to promptly furnish to the Company all information required to be disclosed in order to make information previously furnished to the Company by the Holder not materially misleading and any other information regarding such Holder and the distribution of such Holder's Registrable Securities as the Company may from time to time reasonably request in writing.

(e) Each Holder agrees not to sell any Registrable Securities pursuant to the Shelf Registration Statement without delivering, or causing to be delivered, a Prospectus to the purchaser thereof and, following termination of the Effectiveness Period, to notify the Company, within ten days of a written request by the Company, of the amount of Registrable Securities sold pursuant to the Shelf Registration Statement.

The Company shall not permit any securities other than Registrable Securities to be included in the Shelf Registration Statement. The Company further agrees, if necessary, to supplement or amend the Shelf Registration Statement, as required by Section 2.3(b) below, and to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

2.2 Expenses. The Company shall promptly pay all Registration Expenses

in connection with the registration pursuant to Section 2.1. Each Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

2.3 Effectiveness. A Shelf Registration Statement pursuant to Section 2.1 hereof will not be deemed to have become effective unless it has been declared effective by the SEC; provided, however, that if, after it has been declared effective, the offering of Registrable Securities pursuant to a Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Shelf Registration Statement will be deemed not to have become effective during the period of such interference, until the offering of Registrable Securities pursuant to such Shelf Registration Statement may legally resume.

2.4 Interest. In the event that (a) a Shelf Registration Statement is not declared effective on or prior to November 18, 2006, (b) after effectiveness, subject to Section 2.5, the Shelf Registration Statement fails to be effective or usable by the Holders without being succeeded within seven business days by a post-effective amendment or a report filed with the SEC pursuant to the 1934 Act that cures the failure to be effective or usable, or (c) the Shelf Registration Statement is unusable by the Holders for any reason, and the aggregate number of days in any consecutive three-month or twelve-month period, as applicable, for which the Shelf Registration Statement shall not be usable exceeds the Suspension Period (as defined in Section 2.5 hereof) (each such event being a "Registration Default"), additional interest, as liquidated damages ("Liquidated Damages"), will accrue at a rate per annum of one-quarter of one percent (0.25%) of the principal amount of the Securities for the first 90-day period from day following the Registration Default, and thereafter at a rate per annum of one-half of one percent (0.50%) of the principal amount of the Securities, provided that in no event shall Liquidated Damages accrue at a rate per annum exceeding one half of one percent (0.50%) of the issue price of the Securities; provided further that no Liquidated Damages shall accrue after the third anniversary of the date of this Agreement; provided further that Liquidated Damages shall not accrue under clauses (b) and (c) above with respect to any Holder that is not named as a Selling Holder in the Shelf Registration Statement; and provided further that no Liquidated Damages shall accrue if, pursuant to Section 2.1(a) hereof, the Company defers the effectiveness of the Shelf Registration Statement, for a reasonable period not to exceed 45 days if the Company is engaged in non-public negotiations or other non-public business activities, disclosure of

which would be required in such Shelf Registration Statement (but would not be required if such Shelf Registration Statement were not filed), and the Board of Directors of the Company or a committee of the Board of Directors of the Company determines in good faith that such disclosure would have a material adverse effect on the Company and its subsidiaries taken as a whole. Upon the cure of all Registration Defaults then continuing, the accrual of Liquidated Damages will automatically cease and the interest rate borne by the Securities will revert to the original interest rate at such time. Liquidated Damages shall be computed based on the actual number of days elapsed in each 90-day period in which the Shelf Registration Statement is not effective or is unusable. Holders who have converted Securities into Common Stock will not be entitled to receive any Liquidated Damages with respect to such Common Stock or the issue price of the Securities converted.

The Company shall notify the Trustee within three business days after each and every date on which an event occurs in respect of which Liquidated Damages are required to be paid. Liquidated Damages shall be paid by depositing with the Trustee, in trust, for the benefit of the Holders of Registrable Securities, on or before the applicable semiannual interest payment date, immediately available funds in sums sufficient to pay the Liquidated Damages then due. The Liquidated Damages due shall be payable on each interest payment

date to the record Holder of Registrable Securities entitled to receive the interest payment to be paid on such date as set forth in the Indenture. Each obligation to pay Liquidated Damages shall be deemed to accrue from and including the day following the Registration Default to but excluding the day on which the Registration Default is cured.

A Registration Default under clause (a) above shall be cured on the date that the Registration Statement is filed with the SEC. A Registration Default under clause (b) above shall be cured on the date that the Shelf Registration Statement is declared effective by the SEC. A Registration Default under clauses (c) or (d) above shall be cured on the date an amended Shelf Registration Statement is declared effective by the SEC or the Company otherwise declares the Shelf Registration Statement and the Prospectus useable, as applicable. The Company will have no liabilities for monetary damages with respect to any Registration Default for which Liquidated Damages are expressly provided for herein.

2.5 Suspension. The Company may suspend the use of any Prospectus, without incurring or accruing any obligation to pay Liquidated Damages pursuant to Section 2.4 hereof, for a period not to exceed 45 calendar days in any three-month period, or an aggregate of 90 calendar days in any twelve-month period, (each, a "Suspension Period") if the Board of Directors of the Company shall have determined in good faith that because of valid business reasons (not including avoidance of the Company's obligations hereunder), including without limitation proposed or pending corporate developments and similar events or because of filings with the SEC, it is in the best interests of the Company to suspend such use, and prior to suspending such use the Company provides the Holders with written notice of such suspension, which notice need not specify the nature of the event giving rise to such suspension. Each Holder shall keep confidential any communications received by it from the Company regarding the suspension of the use of the Prospectus, except as required by applicable law.

3. Registration Procedures.

(A) In connection with the obligations of the Company with respect to the Shelf Registration, the Company shall:

(a) prepare and file with the SEC a Shelf Registration Statement, within the relevant time period specified in Section 2, on the appropriate form under the 1933 Act, which form (i) shall be selected by the Company, (ii) shall be available for the sale of the Registrable Securities by the selling Holders thereof, (iii) shall comply as to form in all material respects with the requirements of the applicable form and include or incorporate by reference all financial statements required by the SEC to be filed therewith or incorporated by reference therein, and (iv) shall comply in all respects with the applicable requirements of Regulation S-T under the 1933 Act, if any, and use commercially reasonable efforts to cause such Shelf Registration Statement to become effective and remain effective in accordance with Section 2 hereof;

(b) promptly prepare and file with the SEC such amendments and post-effective amendments to the Shelf Registration Statement as may be necessary under applicable law to respond to comments from the SEC and to keep the Shelf Registration Statement effective for the Effectiveness Period, subject to Section 2.4; and cause each Prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provision then in force) under the 1933 Act and comply during the Effectiveness Period with the provisions of the 1933 Act, the 1934 Act and the rules and regulations thereunder required to enable the disposition of all Registrable Securities covered by the Shelf Registration Statement in accordance with the intended method or methods of distribution by the selling Holders thereof;

(c) (i) notify each Holder of Registrable Securities of the

filing, by issuing a press release, of a Shelf Registration Statement with respect to the Registrable Securities; (ii) furnish to each Holder of Registrable Securities that has provided the information required by Section 2.1(d) and to each underwriter of an underwritten offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder or underwriter may reasonably request, including financial statements and schedules and, if the Holder so requests, all exhibits in order to facilitate the unrestricted sale or other disposition of the Registrable Securities; and (iii) subject to Section 2.4 hereof and to any notice by the Company in accordance with Section 3(e) hereof of the existence of any fact of the kind described in Sections 3(e)(ii), (iii), (iv), (v) and (vi) hereof, hereby consent to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders of Registrable Securities that has provided the information required by Section 2.1(d) in connection with the offering and sale of the Registrable Securities;

(d) use commercially reasonable efforts to register or qualify the Registrable Securities under all applicable state securities or "blue sky" laws of such jurisdictions as any Holder of Registrable Securities covered by a Shelf Registration Statement and each underwriter of an underwritten offering of Registrable Securities shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable each such Holder and underwriter to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder; provided, however, that the Company shall not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not

otherwise be required to qualify but for this Section 3(d), or (ii) take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject;

(e) notify promptly each Holder of Registrable Securities under a Shelf Registration that has provided the information required by Section 2.1(d) and, if requested by such Holder, confirm such advice in writing promptly (i) when a Shelf Registration Statement has become effective and when any post-effective amendments thereto become effective, (ii) of any request by the SEC or any state securities authority for post-effective amendments and supplements to a Shelf Registration Statement and Prospectus or for additional information after the Shelf Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Shelf Registration Statement or the initiation of any proceedings for that purpose, (iv) of the happening of any event or the discovery of any facts during the period a Shelf Registration Statement is effective which makes any statement made in such Shelf Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Shelf Registration Statement or Prospectus in order to make the statements therein not misleading, (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (vi) of any determination by the Company that a post-effective amendment to such Shelf Registration Statement would be appropriate;

(f) [reserved];

(g) use commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Shelf Registration Statement at the earliest possible moment;

(h) furnish to each Holder of Registrable Securities that has provided the information required by Section 2.1(d), and each underwriter, if any, without charge, at least one conformed copy of each Shelf Registration

Statement and any post-effective amendment thereto, including financial statements and schedules (without documents incorporated therein by reference and all exhibits thereto, unless requested);

(i) cooperate with the Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends (other than as required by the Company's certificate of incorporation or bylaws or applicable law); and enable such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) and registered in such names as the selling Holders or the underwriters, if any, may reasonably request at least three business days prior to the closing of any sale of Registrable Securities;

(j) upon the occurrence of any event or the discovery of any facts, each as contemplated by Sections 3(e)(ii), (iii), (iv), (v) and (vi) hereof, as promptly as practicable after the occurrence of such an event, use commercially reasonable efforts to prepare a supplement or post-effective amendment to the Shelf Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, such Prospectus will not contain at the time of such

delivery any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or will remain so qualified. At such time as such public disclosure is otherwise made or the Company determines that such disclosure is not necessary, in each case to correct any misstatement of a material fact or to include any omitted material fact, the Company agrees promptly to notify each Holder that has provided the information required by Section 2.1(d) of such determination and to furnish each Holder such number of copies of the Prospectus as amended or supplemented, as such Holder may reasonably request;

(k) no less than three (3) business days prior to the filing of any Shelf Registration Statement, any Prospectus, any amendment to a Shelf Registration Statement or amendment or supplement to a Prospectus (other than amendments and supplements that do nothing more than name Holders and provide information with respect thereto), provide copies of such document to the Holders, and make representatives of the Company, as shall be reasonably requested by the Holders of Registrable Securities, available for discussion of such document;

(l) provide the Trustee with printed certificates for the Registrable Securities in a form eligible for deposit with the Depositary, if applicable;

(m) (i) cause the Indenture to be qualified under the 1939 Act in connection with the registration of the Registrable Securities, (ii) cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the 1939 Act, and (iii) execute, and use commercially reasonable efforts to cause the Trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(n) a reasonable time prior to filing the Shelf Registration Statement, any Prospectus forming a part thereof, any amendment to the Shelf Registration Statement or amendment or supplement to such Prospectus (other than amendments and supplements that do nothing more than name Holders and provide information with respect thereto), furnish to the Investors and one special counsel to the Investors copies of all such documents proposed to be filed and use its commercially reasonable efforts to reflect in each such document when so

filed with the SEC such comments as the Investors and such special counsel to the Investors reasonably shall propose within three (3) business days of the delivery of such copies to the Investors and counsel to the Investors. In addition, if any Holder shall so request in writing, a reasonable time prior to filing any such documents, the Company shall furnish to such Holder copies of all such documents proposed to be filed and use its reasonable efforts to reflect in each such document when so filed with the SEC such comments as such Holder reasonably shall propose within three (3) business days of the delivery of such copies to such Holder;

(o) use its commercially reasonable efforts to cause all Registrable Securities to be listed on any securities exchange or inter-dealer quotation system on which similar debt securities issued by the Company are then listed if requested by the Majority Holders, or if requested by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any;

(p) otherwise comply with all applicable rules and regulations of the SEC and make available to its security holders, as soon as reasonably practicable, an earnings statement covering at least 12 months which shall satisfy the provisions of Section 11(a) of the 1933 Act and Rule 158 thereunder; and

Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event or the discovery of any facts, each of the kind described in Section 3(e)(ii), (iii), (iv), (v) and (vi) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the Prospectus included in the Shelf Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(j) hereof or written notice from the Company that the Shelf Registration Statement is again effective and no amendment or supplement is needed, and, if so directed by the Company, such Holder will deliver to the Company (at the Company's expense) all copies in such Holder's possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice.

(B) Each Investor agrees and acknowledges that:

(a) So long as such Investor is an Affiliate of the Company, such Investor shall not transfer or sell any of its Registrable Securities pursuant to the Shelf Registration Statement at any time when either (i) any blackout period under the Company's insider trading policy is in effect and applicable to all executive officers of the Company or (ii) such Investor is in possession of any material non-public information with respect to the Company; and

(b) NO SECURITIES OR SHARES OF COMMON STOCK ISSUED UPON CONVERSION OF SECURITIES MAY BE TRANSFERRED OR EXCHANGED DURING THE PERIOD FROM THE CLOSING DATE UNTIL NOVEMBER __, 2006; PROVIDED, HOWEVER, THAT A HOLDER OF SECURITIES OR SHARES OF COMMON STOCK ISSUED UPON CONVERSION OF SECURITIES MAY TRANSFER SUCH SECURITIES OR SHARES OF COMMON STOCK ISSUED UPON CONVERSION OF SECURITIES TO AN AFFILIATED ENTITY, PROVIDED THAT SUCH AFFILIATED ENTITY AGREES TO BE BOUND BY THE TRANSFER PROVISIONS OF THE INDENTURE AND THIS AGREEMENT.

4. Indemnification; Contribution.

(a) The Company agrees to indemnify and hold harmless each Holder who has provided information to the Company in accordance with Section 2.1(d) hereof, each Person who participates as an underwriter (any such Person being an "Underwriter") and each Person, if any, who controls any Holder or Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and

expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in any Shelf Registration Statement (or any amendment or supplement thereto) pursuant to which Registrable Securities were registered under the 1933 Act, including all

documents incorporated therein by reference, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 4(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all reasonable out-of-pocket expense whatsoever, as incurred (including the reasonable fees and disbursements of counsel chosen by any indemnified party), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under subparagraph (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Holder or Underwriter expressly for use in a Shelf Registration Statement (or any amendment thereto) or any Prospectus (or any amendment or supplement thereto); provided, further, that this indemnity provision shall not apply to any loss, liability, claim, damage or expense if the Holder fails to deliver at or prior to the written confirmation of sale the most recent Prospectus furnished to such Holder by the Company and such Prospectus, as amended or supplemented as of the time of such confirmation of sale, including any amendment or supplement filed with the SEC that is incorporated by reference in the Prospectus), would have corrected such untrue statement or omission or alleged untrue statement or omission of a material fact and delivery thereof was required by law.

(b) Each Holder who has provided information to the Company in accordance with Section 2.1(d) hereof, severally, but not jointly, agrees to indemnify and hold harmless the Company, each Underwriter and the other selling Holders who have provided information to the Company in accordance with Section 2.1(d) hereof, and each of their respective directors and officers, and each Person, if any, who controls the Company, the Investors, any Underwriter or any other selling Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 4(a) hereof, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Shelf Registration Statement (or any amendment thereto) or any Prospectus included therein (or any amendment or supplement thereto) in reliance upon and in conformity with written information with respect to such Holder furnished to the

Company by or on behalf of such Holder expressly for use in the Shelf Registration Statement (or any amendment thereto) or such Prospectus (or any amendment or supplement thereto); provided, however, that no such Holder shall be liable for any claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Shelf Registration Statement.

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action or proceeding commenced against it in respect of which indemnity may be sought hereunder, but failure so to notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying party or parties be liable for the fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 4 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 4(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) If the indemnification provided for in this Section 4 is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Holders on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative fault of the Company on the one hand and the Holders on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the

Company, or by the Holders, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 4 were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 4. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 4 shall be deemed to include any reasonable out-of-pocket legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 4, no Holder shall be required to contribute any amount in excess of the amount by which the total price at which the Securities sold by it were offered exceeds the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 4, each Person, if any, who controls a Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Holder, and each director of the Company, and each Person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company.

5. Underwritten Offering. With the prior written agreement of the Company, the Holders may sell Registrable Securities (in whole or in part) in a registration in which such securities are sold to an underwriter for reoffering to the public pursuant to the Shelf Registration Statement (an "Underwritten Offering"). Upon receipt of such a request, the Company shall provide each Holder written notice of the request, which notice shall inform such Holder that it has the opportunity to participate in the Underwritten Offering. In any such Underwritten Offering, the managing underwriters thereof will be selected by, and the underwriting arrangements with respect thereto (including the size of the offering) will be approved by, the Majority Holders of the Registrable Securities to be included in such offering; provided, however, that such managing underwriters and underwriting arrangements must be reasonably satisfactory to the Company and provided, further, that the Company will only be obligated to undertake two Underwritten Offerings pursuant to this Agreement. A Holder may not participate in the Underwritten Offering contemplated hereby unless (a) such Holder agrees to sell its Registrable Securities to be included in the Underwritten Offering in accordance with any approved underwriting arrangements, and (b) such

Holder completes and executes all reasonable questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents required under the terms of such approved underwriting arrangements. Notwithstanding the foregoing, upon receipt of a request from the managing underwriters or a Holder of the Registrable Securities to be included in the Underwritten Offering to prepare and file an amendment or supplement to the Shelf Registration Statement and Prospectus in connection with the Underwritten Offering, the Company shall promptly file such amendment or supplement; provided, however, that the Company may delay the filing of any such amendment or supplement for up to 30 days if the Board of Directors of the Company shall have determined in good faith that the Company has a bona fide business reason

for such delay.

In connection with such Underwritten Offering, the Company shall:

(a) enter into such customary agreements and take all other customary and appropriate actions in order to expedite or facilitate the disposition of such Registrable Securities, including, but not limited to:

(i) obtain opinions of counsel to the Company and updates thereof addressed to the selling Holders and the underwriters, if any, covering the matters set forth in the opinion of such counsel delivered at the Closing Date;

(ii) obtain "comfort" letters and updates thereof from the Company's independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be, included in the Shelf Registration Statement) addressed to the underwriters, if any, and use commercially reasonable efforts to have such letter addressed to the selling Holders of Registrable Securities (to the extent consistent with Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accounts), such letters substantially in the form and covering the matters covered in the comfort letter delivered on the Closing Date;

(iii) if an underwriting agreement is entered into, cause the same to set forth indemnification provisions and procedures substantially equivalent to the indemnification provisions and procedures set forth in Section 4 hereof with respect to the underwriters and all other parties to be indemnified pursuant to said Section or, at the request of any underwriters, in the form customarily provided to such underwriters in similar types of transactions; and

(iv) deliver such documents and certificates as may be reasonably requested and as are customarily delivered in similar offerings to the Holders and the managing underwriters, if any;

(b) if reasonably requested in connection with a disposition of Registrable Securities, make available for inspection during business hours by representatives of the Holders of the Registrable Securities, any underwriters participating in any disposition pursuant to a Shelf Registration Statement and any counsel or accountant retained by any of the foregoing, all financial and other records, pertinent corporate documents and properties of the Company reasonably

requested by any such persons, and cause the respective officers, directors, employees, and any other agents of the Company to supply all information reasonably requested by any such representative, underwriter, special counsel or accountant in connection with a Shelf Registration Statement, and make such representatives of the Company available for discussion of such documents as shall be reasonably requested by the Holders, in each case as is customary for "due diligence" investigations; provided that, to the extent the Company, in its reasonable discretion, agrees to disclose material non-public information, such persons shall first agree in writing with the Company that any such non-public information shall be kept confidential by such persons and shall be used solely for the purposes of exercising rights under this Agreement and such person shall not engage in trading any securities of the Company until such material non-public information becomes properly publicly available, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquires of regulatory authorities, (ii) disclosure of such information is required by law (including any disclosure requirements pursuant to federal securities laws in connection with the filing of any Registration Statement or the use of any Prospectus referred to in this Agreement upon a customary opinion of counsel for such persons delivered and

reasonably satisfactory to the Company), (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by any such person, (iv) such information becomes available to any such person from a source other than the Company and such source is not bound by a confidentiality agreement, or (v) such non-public information ceases to be material; and provided further, that the foregoing inspection and information gathering shall, to the greatest extent possible, be coordinated on behalf of the Holders and the other parties entitled thereto by special counsel to the Holders; and

(c) cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter and its counsel (including any "qualified independent underwriter" that is required to be retained in accordance with the rules and regulations of the NASD).

6. Miscellaneous.

6.1 Market Stand-Off Agreement. If requested by the Company and an underwriter of Common Stock (or other securities) of the Company, no Holder shall sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of a Registration Statement of the Company filed under the Securities Act with respect to a firm commitment public offering. The obligations described in this Section 6.1 shall not apply to a registration relating solely to employee benefit plans or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S 4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions subject to the foregoing restriction until the end of such one hundred eighty (180) day period. Each Holder agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this Section 6.1; provided, however, that such Holder shall not be obligated to execute such market stand-off agreement unless (i) all other holders of Common Stock (or other securities) holding the same or a greater percentage of Common Stock (or other securities) execute and agree to be bound

by substantially the same form and (ii) all officers and directors of the Company execute and agree to be bound by substantially the same form.

6.2 No Inconsistent Agreements. The Company has not entered into and the Company will not after the date of this Agreement enter into any agreement which is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not and will not for the term of this Agreement in any way conflict with the rights granted to the holders of the Company's other issued and outstanding securities under any such agreements.

6.3 Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company has obtained the written consent of Majority Holders (assuming conversion of all Securities into Common Stock) affected by such amendment, modification, supplement, waiver or departure. Notwithstanding the foregoing, this Agreement may be amended by a written agreement between the Company and the Majority Holders, in order to cure any ambiguity or to correct or supplement any provision contained herein, provided that no such amendment shall adversely affect the interest of the Holders of Registrable Securities. Each Holder of Registrable Securities outstanding at the time of any amendment, modification, waiver or consent pursuant to this Section 6.3, shall be bound by such amendment, modification, waiver or consent, whether or not any notice or

writing indicating such amendment, modification, waiver or consent is delivered to such Holder.

6.4 Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, registered first-class mail, facsimile, or any courier guaranteeing overnight delivery (a) if to a Holder, at the most current address given by such Holder to the Company by means of a notice given in accordance with the provisions of this Section 6.4, which address initially is the address set forth in the Purchase Agreement with respect to such Holder; and (b) if to the Company, initially at the Company's address set forth in the Purchase Agreement, and thereafter at such other address of which notice is given in accordance with the provisions of this Section 6.4.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; two business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged, if sent by facsimile; and on the next business day if timely delivered to an overnight courier.

Copies of all such notices, demands, or other communications shall be concurrently delivered by the person giving the same to the Trustee under the Indenture, at the address specified in such Indenture.

6.5 Successor and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of

any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement, including the restrictions on resale set forth in this Agreement and, if applicable, the Purchase Agreement or the Indenture, and such person shall be entitled to receive the benefits hereof.

6.6 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto 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.

6.7 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

6.8 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF.

6.9 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

6.10 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises,

warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Issuer with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

[Remainder of page intentionally left blank].

IN WITNESS WHEREOF, the parties have executed this Investors Rights Agreement as of the date first written above.

AMKOR TECHNOLOGY, INC.

By: /s/ Kenneth Joyce

Name: Kenneth Joyce
Title: Exec. VP and CFO

Confirmed and accepted as of the date first above written:

INVESTOR:

/s/ James J. Kim

James J. Kim

[Signature page for Investors Rights Agreement]

INVESTOR:

/s/ Agnes C. Kim

The James and Agnes Kim Foundation, Inc.
By: Agnes C. Kim
Title: President

[Signature page for Investors Rights Agreement]

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 12/24/92
f/b/o Alexandra Kim Panichello
By: John T. Kim
Title: Trustee

[Signature page for Investors Rights Agreement]

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 10/3/94
f/b/o Jacqueline Mary Panichello
By: John T. Kim
Title: Trustee

[Signature page for Investors Rights Agreement]

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 10/15/01
f/b/o Dylan James Panichello
By: John T. Kim
Title: Trustee

[Signature page for Investors Rights Agreement]

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 10/15/01
f/b/o Allyson Lee Kim
By: John T. Kim
Title: Trustee

[Signature page for Investors Rights Agreement]

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 11/17/03
f/b/o Jason Lee Kim
By: John T. Kim
Title: Trustee

[Signature page for Investors Rights Agreement]

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 11/11/05
f/b/o Children of David D. Kim
By: John T. Kim
Title: Trustee

[Signature page for Investors Rights Agreement]

EXHIBIT D

FORM OF VOTING AGREEMENT

Exhibit 10.2

AMKOR TECHNOLOGY, INC.

1998 STOCK PLAN

(AMENDED AND RESTATED AUGUST 24, 2005)

1. Purposes of the Plan. The purposes of this Stock Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,

- to provide additional incentive to Employees, Directors and Consultants, and

- to promote the success of the Company's business.

Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant. Stock Purchase Rights may also be granted under the Plan.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Administrator" means the Board or any of its Committees as shall be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the requirements relating to the administration of stock option plans under U. S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Options or Stock Purchase Rights are, or will be, granted under the Plan.

(c) "Board" means the Board of Directors of the Company.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Committee" means a committee of Directors appointed by the Board in accordance with Section 4 of the Plan.

(f) "Common Stock" means the common stock of the Company.

(g) "Company" means Amkor Technology, Inc., a Delaware corporation.

(h) "Consultant" means any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services to such entity.

(i) "Director" means a member of the Board.

(j) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

(k) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. A Service Provider shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor. For purposes of Incentive Stock Options, no such leave may exceed ninety days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 181st day of such leave any Incentive Stock Option held by the Optionee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the date of determination (unless the date of determination is not a market trading day, in which case the Fair Market Value shall be the closing sales price on the last market trading day prior to such date of determination), as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock on the last market trading day prior to the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Administrator.

(n) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(o) "Inside Director" means a Director who is an Employee.

(p) "Nonstatutory Stock Option" means an Option not intended to qualify as an Incentive Stock Option.

(q) "Notice of Grant" means a written or electronic notice evidencing certain terms and conditions of an individual Option or Stock Purchase Right grant. The Notice of Grant is part of the Option Agreement.

(r) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(s) "Option" means a stock option granted pursuant to the Plan.

(t) "Option Agreement" means an agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.

(u) "Option Exchange Program" means a program whereby outstanding Options are surrendered in exchange for Options with a lower exercise price.

(v) "Optioned Stock" means the Common Stock subject to an Option or Stock Purchase Right.

(w) "Optionee" means the holder of an outstanding Option or Stock Purchase Right granted under the Plan.

(x) "Outside Director" means a Director who is not an Employee.

(y) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(z) "Plan" means this 1998 Stock Plan.

(aa) "Restricted Stock" means shares of Common Stock acquired pursuant to a grant of Stock Purchase Rights under Section 11 of the Plan.

(bb) "Restricted Stock Purchase Agreement" means a written agreement between the Company and the Optionee evidencing the terms and restrictions applying to stock purchased under a Stock Purchase Right. The Restricted Stock Purchase Agreement is subject to the terms and conditions of the Plan and the Notice of Grant.

(cc) "Retirement" means an Optionee's ceasing to be a Service Provider on or after the date when the sum of (i) the Optionee's age (rounded down to the nearest whole month), plus (ii) the number of years (rounded down to the nearest whole month) that the Optionee has provided services to the Company equals or is greater than seventy-five (75).

(dd) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(ee) "Section 16(b)" means Section 16(b) of the Exchange Act.

(ff) "Service Provider" means an Employee, Director or Consultant.

(gg) "Share" means a share of the Common Stock, as adjusted in accordance with Section 13 of the Plan.

(hh) "Stock Purchase Right" means the right to purchase Common Stock pursuant to Section 11 of the Plan, as evidenced by a Notice of Grant.

(ii) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan. Subject to the provisions of Section 13 of the Plan, the maximum aggregate number of Shares which may be optioned and sold under the Plan is 5,000,000 Shares, plus an annual increase to be added as of January 1st of each year during the term of the Plan equal to the lesser of (i) the number of Shares needed to restore the maximum aggregate number of Shares which may be optioned and sold under the Plan to 5,000,000, or (ii) a lesser amount determined by the Administrator. The Shares may be authorized, but unissued, or reacquired Common Stock.

If an Option or Stock Purchase Right expires or becomes unexercisable without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares which were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated); provided, however, that Shares that have actually been issued under the Plan, whether upon exercise of an Option or Right, shall not be returned to the Plan and shall not become available for future distribution under the Plan, except that if Shares of Restricted Stock are repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. The Plan may be administered by different Committees with respect to different groups of Service Providers.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable to qualify Options granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan shall be administered by a Committee of two or more "outside directors" within the meaning of Section 162(m) of the Code.

(iii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder shall be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration. Other than as provided above, the Plan shall be administered by (A) the Board or (B) a Committee, which committee shall be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Options and Stock Purchase Rights may be granted hereunder;

(iii) to determine the number of shares of Common Stock to be covered by each Option and Stock Purchase Right granted hereunder;

(iv) to approve forms of agreement for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option or Stock Purchase Right granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Options or Stock Purchase Rights may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Option or Stock Purchase Right or the shares of Common Stock relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vi) to reduce the exercise price of any Option or Stock Purchase Right to the then current Fair Market Value if the Fair Market Value of the Common Stock covered by such Option or Stock Purchase Right shall have declined since the date the Option or Stock Purchase Right was granted;

(vii) to institute an Option Exchange Program;

(viii) to construe and interpret the terms of the Plan and awards granted pursuant to the Plan;

(ix) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of qualifying for preferred tax treatment under foreign tax laws;

(x) to modify or amend each Option or Stock Purchase Right (subject to Section 15(c) of the Plan), including the discretionary authority to extend the post-termination exercisability period of Options longer than is otherwise provided for in the Plan;

(xi) to allow Optionees to satisfy withholding tax obligations by

electing to have the Company withhold from the Shares to be issued upon exercise of an Option or Stock Purchase Right that number of Shares having a Fair Market Value equal to the amount required to be withheld. The Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by an Optionee to have Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

(xii) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Option or Stock Purchase Right previously granted by the Administrator;

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations shall be final and binding on all Optionees and any other holders of Options or Stock Purchase Rights.

5. Eligibility. Nonstatutory Stock Options and Stock Purchase Rights may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Limitations.

(a) Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Optionee during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds $100,000, such Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the time the Option with respect to such Shares is granted.

(b) Neither the Plan nor any Option or Stock Purchase Right shall confer upon an Optionee any right with respect to continuing the Optionee's relationship as a Service Provider with the Company, nor shall they interfere in any way with the Optionee's right or the Company's right to terminate such relationship at any time, with or without cause.

(c) The following limitations shall apply to grants of Options:

(i) No Service Provider shall be granted, in any fiscal year of the Company, Optionts to purchase more than 2,000,000 Shares.

(ii) In connection with his or her initial service, a Service Provider may be granted Options to purchase up to an additional 2,000,000 Shares which shall not count against the limit set forth in subsection (i) above.

(iii) The foregoing limitations shall be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 13.

(iv) If an Option is cancelled in the same fiscal year of the Company in which it was granted (other than in connection with a transaction described in Section 13), the cancelled Option will be counted against the limits set forth in subsections (i) and (ii) above. For this purpose, if the exercise price of an Option is reduced, the transaction will be treated as a cancellation of the Option and the grant of a new Option.

7. Term of Plan. Subject to Section 19 of the Plan, the Plan shall become

effective upon its adoption by the Board. It shall continue in effect for a term of ten (10) years unless terminated earlier under Section 15 of the Plan.

8. Term of Option. The term of each Option shall be stated in the Option Agreement. In the case of an Incentive Stock Option, the term shall be ten (10) years from the date of grant or such shorter term as may be provided in the Option Agreement. Moreover, in the case of an

Incentive Stock Option granted to an Optionee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Option Agreement.

9. Option Exercise Price and Consideration.

(a) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option shall be determined by the Administrator, subject to the following:

(i) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Nonstatutory Stock Option, the per Share exercise price shall be determined by the Administrator. In the case of a Nonstatutory Stock Option intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(iii) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a merger or other corporate transaction.

(b) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator shall fix the period within which the Option may be exercised and shall determine any conditions which must be satisfied before the Option may be exercised.

(c) Form of Consideration. The Administrator shall determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator shall determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of:

(i) cash;

(ii) check;

(iii) promissory note;

(iv) other Shares which (A) in the case of Shares acquired upon exercise of an option, have been owned by the Optionee for more than six months on the date of surrender, and (B) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised;

(v) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan;

(vi) a reduction in the amount of any Company liability to the Optionee, including any liability attributable to the Optionee's participation in any Company-sponsored deferred compensation program or arrangement;

(vii) any combination of the foregoing methods of payment; or

(viii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws.

10. Exercise of Option.

(a) Procedure for Exercise; Rights as a Shareholder. Any Option granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Option Agreement. Unless the Administrator provides otherwise, vesting of Options granted hereunder shall be tolled during any unpaid leave of absence. An Option may not be exercised for a fraction of a Share.

An Option shall be deemed exercised when the Company receives: (i) written or electronic notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Option Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Optionee or, if requested by the Optionee, in the name of the Optionee and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13 of the Plan.

Exercising an Option in any manner shall decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(b) Termination of Relationship as a Service Provider. If an Optionee ceases to be a Service Provider, other than upon the Optionee's death or Disability, the Optionee may exercise his or her Option within such period of time as is specified in the Option Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). In the absence of a specified time in the

Option Agreement, the Option shall remain exercisable for three (3) months following the Optionee's termination. If, on the date of termination, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination,

the Optionee does not exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(c) Disability of Optionee. If an Optionee ceases to be a Service Provider as a result of the Optionee's Disability, the Optionee may exercise his or her Option within such period of time as is specified in the Option Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Optionee's termination. If, on the date of termination, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(d) Death of Optionee. If an Optionee dies while a Service Provider, the Option may be exercised within such period of time as is specified in the Option Agreement (but in no event later than the expiration of the term of such Option as set forth in the Notice of Grant), by the Optionee's estate or by a person who acquires the right to exercise the Option by bequest or inheritance, but only to the extent that the Option is vested on the date of death. In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Optionee's termination. If, at the time of death, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall immediately revert to the Plan. The Option may be exercised by the executor or administrator of the Optionee's estate or, if none, by the person(s) entitled to exercise the Option under the Optionee's will or the laws of descent or distribution. If the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(e) Retirement of Optionee. For purposes of Option grants made after February 4, 2000, if an Optionee ceases to be a Service Provider as the result of the Optionee's Retirement, the Option may be exercised for twelve (12) months following the Optionee's termination. If, at the time of Retirement, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall immediately revert to the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan. For grants made after April 4, 2001, if an Optionee ceases to be a service provider as a result of the Optionee's Retirement, the Options will continue to vest for an additional twelve (12) months following the Optionee's termination. He/she will have thirty (30) days following the initial twelve (12) month period to exercise his/her Options.

(f) Buyout Provisions. The Administrator may at any time offer to buy out for a payment in cash or Shares an Option previously granted based on such terms and conditions as the Administrator shall establish and communicate to the Optionee at the time that such offer is made.

11. Stock Purchase Rights.

(a) Rights to Purchase. Stock Purchase Rights may be issued either alone, in addition to, or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. After the Administrator determines that it will offer Stock Purchase Rights under the Plan, it shall advise the offeree in writing or electronically, by means of a Notice of Grant, of the terms, conditions and restrictions related to the offer, including the number of Shares that the offeree shall be entitled to purchase, the price to be paid, and the time within which the offeree must accept such offer. The offer shall be accepted by execution of a Restricted Stock Purchase Agreement in the form

determined by the Administrator.

(b) Repurchase Option. Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable upon the voluntary or involuntary termination of the purchaser's service with the Company for any reason (including death or Disability). The purchase price for Shares repurchased pursuant to the Restricted Stock Purchase Agreement shall be the original price paid by the purchaser and may be paid by cancellation of any indebtedness of the purchaser to the Company. The repurchase option shall lapse at a rate determined by the Administrator.

(c) Other Provisions. The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion.

(d) Rights as a Shareholder. Once the Stock Purchase Right is exercised, the purchaser shall have the rights equivalent to those of a shareholder, and shall be a shareholder when his or her purchase is entered upon the records of the duly authorized transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Stock Purchase Right is exercised, except as provided in Section 13 of the Plan.

12. Non-Transferability of Options and Stock Purchase Rights. Unless determined otherwise by the Administrator, an Option or Stock Purchase Right may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee. If the Administrator makes an Option or Stock Purchase Right transferable, such Option or Stock Purchase Right shall contain such additional terms and conditions as the Administrator deems appropriate.

13. Formula Option Grants to Outside Directors. Outside Directors will be entitled to receive all types of awards under this Plan, including discretionary awards not covered under this Section 13. All grants of Options to Outside Directors pursuant to this Section will be automatic and nondiscretionary, except as otherwise provided herein, and will be made in accordance with the following provisions:

(a) All Options granted pursuant to this Section shall be Nonstatutory Stock Options and, except as otherwise provided herein, shall be subject to the other terms and conditions of the Plan.

(b) Each Outside Director shall be automatically granted an Option to purchase 20,000 Shares (the "First Option") on the date on which such person first becomes an Outside Director, whether through election by the stockholders of the Company or appointment by the Board to fill a vacancy; provided, however, that an Inside Director who ceases to be an Inside Director but who remains a Director shall not receive a First Option.

(c) Each Outside Director shall be automatically granted an Option to purchase 10,000 Shares on each date on which such person is re-elected by the stockholders of the Company as an Outside Director; provided that, as of such date, he or she shall have served on the Board for at least the preceding six (6) months.

(d) The terms of Option granted pursuant to this Section shall be as follows:

(i) the term of the Option shall be ten (10) years.

(ii) the exercise price per Share shall be 100% of the Fair

Market Value per Share on the date of grant of the Option.

(iii) the Option shall become exercisable as to one-third (1/3) of the Shares subject to the Option on each anniversary of its date of grant provided that the Optionee continues to serve as a Director on such date.

(e) The Administrator in its discretion may change and otherwise revise the terms of Options granted under this Section 13, including, without limitation, the number of Shares and exercise prices thereof, for Options granted on or after the date the Administrator determines to make any such change or revision.

14. Adjustments Upon Changes in Capitalization, Dissolution, Merger or Asset Sale.

(a) Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of shares of Common Stock covered by each outstanding Option and Stock Purchase Right, and the number of shares of Common Stock which have been authorized for issuance under the Plan but as to which no Options or Stock Purchase Rights have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option or Stock Purchase Right, as well as the price per share of Common Stock covered by each such outstanding Option or Stock Purchase Right, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Option or Stock Purchase Right.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion may provide for an Optionee to have the right to exercise his or her Option until ten (10) days prior to such transaction as to all of the Optioned Stock covered thereby, including Shares as to which the Option would not otherwise be exercisable. In addition, the Administrator may provide that any Company repurchase option applicable to any Shares purchased upon exercise of an Option or Stock Purchase Right shall lapse as to all such Shares, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised, an Option or Stock Purchase Right will terminate immediately prior to the consummation of such proposed action.

(c) Merger or Asset Sale. In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Option and Stock Purchase Right shall be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option or Stock Purchase Right, the Optionee shall fully vest in and have the right to exercise the Option or Stock Purchase Right as to all of the Optioned Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option or Stock Purchase Right becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the Administrator shall notify the Optionee in writing or electronically that the

Option or Stock Purchase Right shall be fully vested and exercisable for a period of ninety (90) days from the date of such notice, and the Option or Stock Purchase Right shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option or Stock Purchase Right shall be considered assumed if, following the merger or sale of assets, the option or right confers the right to purchase or receive, for each Share of Optioned Stock subject to the Option or Stock Purchase Right immediately prior to the merger or sale of assets, the consideration (whether stock, cash, or other securities or property) received in the merger or sale of assets by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or sale of assets is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option or Stock Purchase Right, for each Share of Optioned Stock subject to the Option or Stock Purchase Right, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the merger or sale of assets.

15. Date of Grant. The date of grant of an Option or Stock Purchase Right shall be, for all purposes, the date on which the Administrator makes the determination granting such Option or Stock Purchase Right, or such other later date as is determined by the Administrator. Notice of the determination shall be provided to each Optionee within a reasonable time after the date of such grant.

16. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Shareholder Approval. The Company shall obtain shareholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing and signed by the Optionee and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

17. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares shall not be issued pursuant to the exercise of an Option or Stock Purchase Right unless the exercise of such Option or Stock Purchase Right and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Option or Stock Purchase Right, the Company may require the person exercising such Option or Stock Purchase Right to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

18. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect

of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

19. Reservation of Shares. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

20. Shareholder Approval. The Plan shall be subject to approval by the shareholders of the Company within twelve (12) months after the date the Plan is adopted. Such shareholder approval shall be obtained in the manner and to the degree required under Applicable Laws.

APPENDIX A

TERMS AND CONDITIONS FOR FRENCH OPTION GRANTS

The following terms and conditions will apply in the case of Option grants to French residents.

1. Definitions. As used herein, the following definitions will apply:

(a) "Applicable Laws" means the legal requirements relating to the administration of stock option plans under French corporate, securities, labor and tax laws.

(b) "Disability" means total and permanent disability in accordance with Section L341-4 second and third paragraphs of the French Code de la Securite Sociale, as certified in writing by a physician from the French Ministry of Labor ("medecin du travail").

(c) "Employee" means (i) any person employed by the Company or a Subsidiary in a salaried position within the meaning Applicable Laws, who does not own more than 10% of the voting power of all classes of stock of the Company, or any Parent or Subsidiary, and who is a resident of the Republic of France or (ii) any person employed by the Company or a Subsidiary who is a resident of the Republic of France for tax purposes or who performs his or her duties in France and is subject to French income social security contributions on his or her remuneration.

(d) "Fair Market Value" means, as of any date, the dollar value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq National Market of the Nasdaq Stock Market, its Fair Market Value will be the average quotation price for the last 20 days preceding the date of determination for such stock (or the average closing bid for such 20 day period, if no sales were reported) as quoted on such exchange or system and reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is quoted on the Nasdaq Stock market (but not on the Nasdaq National Market thereof) or regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low asked prices for the Common Stock for the last 20 days preceding the date of determination; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

(e) "Subsidiary" means any participating subsidiary of the Company located in the Republic of France and that falls within the definition of "subsidiary" within the meaning of Section L. 225-180 paragraph 1 of the French

commercial code.

(f) "Termination" means if the Optionee is an Employee, the last day of any statutory or contractual notice period whether worked or not (provided, only the employer, and not the Optionee, may decide whether the Optionee works during the notice period) and irrespective of whether the termination of the employment agreement is due to resignation or dismissal of the Employee for any reason whatsoever; if the Optionee is a corporate officer as defined in Section 2 of this Appendix A, Termination means the date on which he or she effectively leaves his or her position as a corporate officer for any reason whatsoever.

2. Eligibility. Options granted pursuant to this Appendix A may be granted only to Employees, the President du conseil d'administration, the membres du directoire, the Directeur general, the directeurs generaux delegues, the Gerant of a company with capital divided by shares; provided, however, that the administrateurs and the membres du conseil de surveillance who are also Employees of the Subsidiary in accordance with a valid employment agreement pursuant to Applicable Laws may be granted Options hereunder. For the purpose of this Appendix A, when applicable, the rules set forth for an Employee shall be applicable to the aforementioned corporate officers.

3. Stock Subject to the Plan. The total number of Options outstanding which may be exercised for newly issued Shares may at no time exceed that number equal to one-third of the Company's voting stock, whether preferred stock of the Company or Common Stock. If any Optioned Stock is to consist of reacquired Shares, such Optioned Stock must be purchased by the Company, in the limit of 10% of its share capital, prior to the date of the grant of the corresponding new Option and must be reserved and set aside for such purposes. In addition, the new Option must be granted within one (1) year of the acquisition of the Shares underlying such new Option.

4. Limitations Upon Granting of Options.

(a) Declaration of Dividend; Capital Increase. To the extent applicable to the Company, Options cannot be granted during the 20 trading days from (i) the date the Common Stock is trading on an ex-dividend basis or (ii) a capital increase.

(b) Non-Public Information. To the extent applicable to the Company, the Company shall not grant Options during the closed periods required under Section L 225-177 of the French Commercial Code. As a result, notwithstanding any other provision of the Plan, Options cannot be granted:

(i) during the ten (10) trading days preceding and following the date on which the consolidated accounts, or, if unavailable, the annual accounts, are made public;

(ii) during the period between the date on which the Company's governing bodies (i.e., the Administrator) become aware of information which, if made public, could have a material impact on the price of the Shares, and the date ten (10) trading days after such information is made public.

(c) Right to Employment. Neither the Plan nor any Option shall confer upon any Optionee any right with respect to continuing the Optionee's employment relationship with the Company or any Subsidiary.

5. Option Price. The exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator upon the date of grant of the Option and stated in the Option Agreement, but in no event will be lower than eighty percent (80%) of the Fair Market Value on the date the Option is granted or of the average purchase price of these Shares by the Company. The

Option Price cannot be modified while the Option is outstanding, except as required by Applicable Laws.

6. Term of Option. The term of each Option shall be as stated in the Option Agreement; provided, however, that the maximum term of an Option shall not exceed ten (10) years from the date of grant of the Option.

7. Exercise of Option; Restriction on Sale.

(a) Options granted hereunder may be not be exercised within one (1) year of the date the Option is granted (the "Initial Exercise Date") whether or not the Option has vested prior to such time; provided, however, that the Initial Exercise Date will be automatically adjusted to conform with any changes under Applicable Laws so that the length of time from the date of grant to the Initial Exercise Date when added to the length of time in which Shares may not be disposed of after the Initial Exercise Date as provided in Section 7(b) below, will allow for favorable tax and social security treatment under Applicable Laws. Thereafter, Options may be exercised to the extent they have vested. Options granted hereunder will vest as determined by the Administrator.

An Option will be deemed exercised when the Company receives: (i) written or electronic notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised together with any applicable withholding taxes and social security contributions. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Option Agreement and the Plan. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13 of the Plan.

(b) The Shares subject to an Option may not be transferred, assigned or hypothecated in any manner otherwise than by will or by the laws of descent or distribution before the date three (3) years from the Initial Exercise Date, except for any events provided for in Article 91 ter of Annex II to the French tax code; provided, however, that the duration of this restriction on sale will be automatically adjusted to conform with any changes to the holding period required for favorable tax and social security treatment under Applicable Laws to the extent permitted under Applicable Laws.

(c) Termination of Employment Relationship. Upon Termination of an Optionee's status as an Employee (other than upon the Optionee's death or Disability), the Optionee may exercise his or her Option, but only within thirty (30) days from the date of such Termination, and only to the extent that the Optionee was entitled to exercise it at the date of Termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). If, at the date of Termination, the Optionee is not entitled to exercise his or her entire Option, the Shares covered by the unexercisable portion of the Option shall revert to the Plan. If, after Termination, the Optionee does not exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(d) Disability of Optionee. Upon Termination of an Optionee's status as an Employee terminates as a result of the Optionee's Disability, the Optionee may exercise his or her Option at any time within six (6) months from the date of such Termination, but only to the extent that the Optionee was entitled to exercise it at the date of such Termination (but in no event later than the

expiration of the term of such Option as set forth in the Option Agreement). If, at the date of Termination, the Optionee is not entitled to exercise his or her entire Option, the Shares covered by the unexercisable portion of the Option shall revert to the Plan. If, after Termination, the Optionee does not exercise his or her Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(e) Death of Optionee. In the event of the death of an Optionee while an Employee, the Option may be exercised at any time within six (6) months following the date of death by the Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent that the Optionee was entitled to exercise the Option at the date of death. If, at the time of death, the Optionee was not entitled to exercise his or her entire Option, the Shares covered by the unexercisable portion of the Option shall revert to the Plan. If, after death, the Optionee's estate or a person who acquired the right to exercise the Option by bequest or inheritance does not exercise the Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall immediately revert to the Plan.

(f) Retirement of Optionee. If an Optionee ceases to be an Employee as the result of the Optionee's Retirement, the Option may be exercised for twelve (12) months following the Optionee's Termination. If, at the time of Retirement, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall immediately revert to the Plan. If, after Termination, the Optionee does not exercise his or her Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan. If an Optionee ceases to be an Employee as a result of the Optionee's Retirement, the Options will continue to vest for an additional twelve (12) months following the Optionee's Termination. The Optionee will have thirty (30) days following the twelve (12) month period after his or her Termination to exercise his or her Options (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement).

8. Non-Transferability of Options. An Option may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee.

9. Changes in Capitalization. If any adjustment provided for in Section 13(a) of the Plan to the exercise price and the number of shares of Common Stock covered by outstanding Options would violate Applicable Laws in such a way to jeopardize the favorable tax and social security treatment of this Plan together with this Appendix A and the Options granted thereunder, then no such adjustment will be made prior to the exercise of any such outstanding Option.

10. Information Statements to Optionees. The Company or its French Parent or Subsidiary, as required under Applicable Laws, will provide to each Optionee, with copies to the appropriate governmental entities, such statements of information as required by the Applicable Laws.

11. Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing and signed by the Optionee and the Company. Any favorable amendments or alterations are automatically deemed to be approved by Optionee. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

12. Reporting to the Shareholders' Meeting. The Subsidiary of the Company, if required under Applicable Laws, will provide its shareholders with an annual report with respect to Options granted and/or exercised by its Employees in the

financial year.

1998 STOCK PLAN
STOCK OPTION AGREEMENT

OPTION TYPE: _____

NAME: _____	GRANT DATE: _____	EXPIRATION DATE: _____
ADDRESS: _____	OPTION PRICE PER SHARE:	AGGREGATE OPTION AWARD:
_____	_____	_____
CITY, STATE AND ZIP CODE	NUMBER OF SHARES:	ID NUMBER: _____
_____	_____	

1. GRANT OF OPTION. The Plan Administrator of the Company hereby grants to the Optionee named in this Agreement (the "Optionee") an option (the "Option") to purchase the number of Shares, as set forth in this Agreement, at the exercise price per share set forth in the Agreement (the "Option Price Per Share"), subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 15 (c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Stock Option Agreement, the terms and conditions of the Plan shall prevail.

   If designated in the Agreement as an Incentive Stock Option ("ISO"), this Option is intended to qualify as an Incentive Stock Option under Section 422 of the Code. However, if this Option is intended to be an Incentive Stock Option, to the extent that it exceeds the $100,000 rule of Code Section 422(d) it shall be treated as a Non-Qualified Stock Option ("Non-Statutory Stock Option "or "NQ")

2. VESTING SCHEDULE. This option may be exercised, in whole or in part, in accordance with the following schedule:

3. TERMINATION PERIOD. This Option may be exercised for one (1) year after the Optionee ceases to be a Service Provider. Upon the death or disability of the Optionee, this Option may be exercised for one year after Optionee ceases to be a Service Provider. Upon a qualified Retirement, the Option will continue to vest for an additional twelve (12) months following the Optionee's date of retirement. The Optionee will then have thirty (30) days following such 12-month period to exercise the Option. In no event shall this Option be exercised later than the Expiration Date as provided above. Retirement means an Optionee's ceasing to be Service Provider on or after the date when the sum of (i) the Optionee's age (rounded down to the nearest whole month), plus (ii) the number of years (rounded down to the nearest whole month) that the Optionee has provided services to the Company equals or is greater than seventy-five (75).

4. EXERCISE OF OPTION. The option is exercisable during its term in accordance with the Vesting Schedule set out in the Agreement and the applicable provision of the Plan and this Agreement. An option is exercisable by completing transaction through Company's captive broker assisted transactions via voice response system or Internet secured transaction system.

   The Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise accompanied by such aggregate Exercise Price. No shares shall be issued pursuant to the exercise of this Option unless such issuance and exercise complies with Applicable Laws. Assuming such compliance, for income tax purposes the Exercised Shares shall be considered transferred to the Optionee on the date the Option is exercised

with respect to such Exercised Shares.

5. METHOD OF PAYMENT. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

   (a) Cash; or

   (b) Check; or

   (c) Consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan; or

   (d) Surrender of other shares which (i) in the case of Shares acquired upon exercise of an option, have been owned by the Optionee for more than six (6) months on the date of surrender, and (ii) have a Fair Market Value on the date of the surrender equal to the aggregate Exercise Price of the Exercised Shares.

6. WITHHOLDING TAXES. You are responsible for payment of any federal, state, local or other taxes which must be withheld upon the exercise of the Option, and you must promptly pay to the Company any such taxes. The Company and its subsidiaries are authorized to deduct from any payment owed to you any taxes required to be withheld with respect to the Shares. Refer to the Summary Plan Description for additional general tax consequences relating to the Exercise of the Option. This is intended to be a summary of tax consequences; the Optionee should consult a tax adviser before exercising this Option or disposing of the Shares.

7. ENTIRE AGREEMENT; GOVERNING LAW. The Plan is incorporated herein by reference. The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company an Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and the Optionee. This agreement is governed by the internal substantive laws, but not the choice of law rules, of Delaware.

8. NO GUARANTEE OF CONTINUED SERVICE. By receipt of this Agreement, the Optionee acknowledges and agrees that the vesting of shares pursuant to the vesting schedule hereof is earned only by continuing as a Service Provider at the will of the Company (and not through the act of being hired, being granted an option or purchasing shares hereunder). Optionee further acknowledges and agrees that this agreement, the transactions contemplated hereunder and the vesting schedule set forth herein do not constitute an express or implied promise of continued engagement as a Service Provider for the vesting period, for any period, or at all, and shall not interfere with Optionee's rights or the Company's right to terminate Optionee's relationship as a Service Provider at any time, with or without cause.

9. AGREEMENT. Your receipt of the Option and this Agreement constitutes your agreement to be bound by the terms and conditions of this Agreement and the Plan. Your signature is not required in order to make this Agreement effective.

By: _____

Included with this Agreement is the Plan Summary. You may also print the Plan Summary and Plan Document from the Company's Intranet or request copies by contacting the Stock Plan Manager.

Exhibit 10.38

AMKOR TECHNOLOGY, INC.

RETIREMENT SEPARATION AGREEMENT AND RELEASE

This Retirement Separation Agreement and Release ("Agreement") is made by and between Amkor Technology, Inc. (the "Company"), and John N. Boruch ("Executive").

WHEREAS, Executive is employed by the Company and serves on its Board of Directors and now wishes to retire;

WHEREAS, the Company and Executive have entered into the stock option agreements listed on Exhibit A;

NOW THEREFORE, the Company and Executive (collectively referred to as "the Parties") hereby agree as follows:

1. Termination. As a result of Executive's decision to retire, Executive's employment from the Company will terminate effective as of December 30, 2005 and Executive agrees to resign, effective as of the Effective Date (as such term is defined in Section 22), all positions with the Company, including any directorship of the Company or any of its affiliates or subsidiaries.

2. Consideration. In exchange for the Executive's covenants set forth in this Agreement and contingent upon the Executive signing and not revoking the release contained in Sections 4 and 5 the Company agrees to provide Executive with the following:

(a) Severance Pay. The Company agrees to pay Executive, on or before January 31, 2006, one million, eight hundred and twenty-three thousand dollars ($1,823,000), less applicable withholding in accordance with the Company's payroll practices.

(b) Stock Options. As of December 31, 2005, each of the Stock Options will be amended to provide that it is fully vested, to the extent that it was not previously fully vested, and each option will be modified to provide that it will remain exercisable until December 31, 2008 (subject to the following). If the Term/Expiration date (as such term is used in the applicable stock option agreement) of a Stock Option occurs prior to December 31, 2008, then such Stock Option shall expire no later than the applicable Term/Expiration date. Executive specifically acknowledges that he has discussed the potential tax consequences of these modifications with his personal tax advisors and he agrees to bear any tax liability related to such modifications.

(c) Subsidized COBRA. If Executive timely elects to continue his health insurance coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA"), the Company will reimburse Executive for all COBRA premiums for eighteen (18) months unless COBRA coverage earlier terminates.

(d) Transfer of Automobile. By January 31, 2005, the Company will transfer the ownership of the 2004 Lexus Lx 470 (VIN JTHT00WD43544465) to Executive. Executive will bear all responsibility for taxes and liability related to the transfer and to the automobile after the date of transfer.

3. Payment of Salary. Executive acknowledges and represents that the Company has paid all salary, wages, bonuses, accrued vacation, commissions and any and all other benefits due to Executive, other than those accrued amounts that will be paid during the final paycheck paid to Executive for the period ending December 30, 2005.

4. Release of Claims. Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive

by the Company. Executive, on behalf of himself, and his respective heirs, family members, executors and assigns, hereby fully and forever releases the Company and its past, present and future officers, agents, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, parents, predecessor and successor corporations, and assigns (collectively, the "Releasees"), from, and agrees not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings concerning any claim, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that he may possess arising from any omissions, acts or facts that have occurred up until and including the Effective Date of this Agreement including, without limitation,

(a) any and all claims relating to or arising out of Executive's employment relationship with the Company and the termination of that relationship;

(b) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; fraud; fraudulent inducement; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; workers' compensation and disability benefits;

(d) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Americans with Disabilities Act of 1990; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Arizona Civil Rights Act; and any other state or local anti-discrimination laws;

(e) any and all claims for violation of the federal, or any state, constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination; and

(g) any and all claims for attorneys' fees and costs.

Executive acknowledges and agrees that any breach by him of this paragraph or of his obligations under paragraphs 8, 9, 10, 11, or 12 hereof shall constitute a material breach of this Agreement, and shall entitle the Company immediately to cease paying COBRA premium reimbursements pursuant to Section 2(c) and the stock option modifications provided in Section 2(b) shall be null and void and such stock options shall immediately expire. Further, Executive acknowledges and agrees that any breach by him of this paragraph or of his obligations under paragraphs 8, 9, 10, 11, or 12 hereof shall constitute a material breach of this Agreement and shall entitle the Company immediately to recover any other consideration provided to Executive by this Agreement, except as prohibited by law. Except as prohibited by law, Executive shall also be responsible to the Company for all costs, attorneys' fees and any and all damages incurred by the Company in: (a) enforcing his obligations under this

paragraph, paragraphs 8, 9, 10, 11, or 12, including the bringing of any action to recover the consideration, and (b) defending against a claim brought or pursued by Executive in violation of the terms of this Agreement.

5. Acknowledgment of Waiver of Claims under ADEA. Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 ("ADEA") and that this waiver and release is knowing and voluntary. Executive and the Company agree that this waiver and release does not apply to any rights or claims that may arise under ADEA after the Effective Date of this Agreement. Executive acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that he has been advised by this writing that

(a) he should consult with an attorney prior to executing this Agreement;

(b) he has up to twenty-one (21) days within which to consider this Agreement;

(c) he has seven (7) days following his execution of this Agreement to revoke this Agreement;

(d) this Agreement shall not be effective until the revocation period has expired; and,

nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law. Any revocation should be in writing and delivered to Ken Joyce at Amkor Technology at 1900 South Price Road, Chandler, Arizona 85248, by close of business on the seventh day from the date that Executive signs this Agreement.

6. Unknown Claims. Executive represents that he is not aware of any claim other than the claims that are released by this Agreement. Executive acknowledges that he has been advised by legal counsel and is familiar with the principle that a general release does not extend to claims which the releasor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the Releasees. Executive, being aware of said principle, agrees to expressly waive any rights he may have to that effect, as well as under any other statute or common law principles of similar effect.

7. No Pending or Future Lawsuits. Executive represents that he has no lawsuits, claims, or actions pending in his name, or on behalf of any other person or entity, against the Company or any other person or entity referred to herein. Executive also represents that he does not intend to bring any claims on his own behalf or on behalf of any other person or entity against the Company or any other person or entity referred to herein.

8. Trade Secrets and Confidential Information/Company Property. Executive agrees at all times hereafter to hold in the strictest confidence, and not to use or disclose to any person or entity, any trade secrets, proprietary or confidential information of the Company. Executive represents that he has not to date misused or disclosed any of the Company's trade secrets, proprietary and confidential information, to any unauthorized parties. Executive's signature below constitutes his certification under penalty of perjury that he has returned all documents and other items provided to Executive by the Company, developed or obtained by Executive as a result of his employment with the Company, or otherwise belonging to the Company.

9. Non-Competition and Non-Solicitation.

(a) Until the Noncompetition and Nonsolicitation End Date (as defined in Section 9(b)(i), Executive agrees not to enter into an employment or consulting relationship with any Prohibited Entity, as defined in Section 9(b)(ii). Executive specifically acknowledges and agrees that the provisions of this Section 9 are no broader than necessary to protect the Company's legitimate business interests and that Executive's knowledge of the Company's business make the prospect of his entering into business with a competitor of the Company uniquely harmful to the Company. Executive further acknowledges that the cash severance payments made pursuant to Section 2(a) are not required by the terms of any existing agreement and are being made by the Company in exchange for the non-competition and non-solicitation covenants contained in this Section 9.

(b) Definitions:

(i) Noncompetition and Nonsolicitation End Date shall mean:

(1) December 31, 2008;

(2) If a court determines that the definition in Section 9(b)(i)(1) makes the covenant in Section 9(a) too broad to be enforceable, then Noncompetition and Nonsolicitation End Date shall mean December 31, 2007;

(3) If a court determines that the definitions in Section 9(b)(i)(1) and (9)(b)(i)(2) each make the covenant in Section 9(a) too broad to be enforceable, then Noncompetition and Nonsolicitation End Date shall mean December 31, 2006.

(ii) Prohibited Entity shall mean the most expansive of the following definitions:

(1) Any company that is engaged in outsourced contract semiconductor assembly and test services throughout the world. Executive specifically acknowledges and agrees that the scope of the Company's business is worldwide and that therefore this definition of Prohibited Entity is appropriate;

(2) If a court determines that the definition in Section 9(b)(ii)(1) makes the covenant in Section 9(a) too broad to be enforceable, then Prohibited Entity shall mean any company engaged in contract semiconductor assembly and test services in the United States. Executive specifically acknowledges and agrees that the scope of the Company's business is throughout the United States and that therefore this definition of Prohibited Entity is appropriate.

(3) If a court determines that the definitions in Sections 9(b)(ii)(1) and 9(b)(ii)(2) each make the covenant in Section 9(a) too broad to be enforceable, then Prohibited Entity shall mean any of the following companies, each of which Executive specifically acknowledges and agrees is a direct competitor of the Company:

a) Advanced Semiconductor Engineering, Inc.,

b) ASE Test Limited,

c) ASAT Ltd.,

d) STATS ChipPAC Ltd., and

e) Siliconware Precision Industries Co., Ltd.

(c) Until the Noncompetition and Nonsolicitation End Date, Executive separately agrees not to solicit any employees of the Company to leave the

employment of the Company or to solicit business from or enter into a consulting or employment relationship with any key customer of the Company, including but not limited to:

(1) Toshiba

(2) Intel

(3) Samsung

(4) IBM

(5) Altera

(6) Sony

(7) Texas Instruments,

(8) Agilent Technologies,

(9) Freescale Semiconductor, and

(10) LSI Logic

10. Confidentiality of Settlement Information. Until this Agreement is publicly filed with the U.S. Securities and Exchange Commission, Executive agrees to use his best efforts to maintain in confidence the existence of this Agreement, the contents and terms of this Agreement, and the consideration for this Agreement (hereinafter collectively referred to as "Settlement Information"). Executive agrees to take every reasonable precaution to prevent disclosure of any Settlement Information to third parties, and agrees that there will be no publicity, directly or indirectly, concerning any Settlement Information. Executive agrees to take every precaution to disclose Settlement Information only to those attorneys, accountants, governmental entities, and family members who have a reasonable need to know of such Settlement Information.

11. Good Conduct. Executive agrees he will not act in any manner that might damage the business of the Company. Executive agrees that he will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company and/or any officer, director, employee, agent, representative, shareholder or attorney of the Company, unless under a subpoena or other court order to do so. Executive agrees to cooperate in providing assistance and information to the Company as reasonably requested in the future and the Company agrees that it shall pay Executive at rate of $2,500 per day in exchange for such cooperation.

12. Non-Disparagement. Executive agrees to refrain from any defamation, libel or slander of the Company and its respective officers, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns or tortuous interference with the contracts and relationships of the Company and its respective officers, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns.

13. No Admission of Liability. Executive understands and acknowledges that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Company, either previously or in connection with this Agreement shall be deemed or construed to be (a) an admission of the truth or falsity of any claims heretofore made or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to the Executive or to any

third party.

14. Costs. The Parties shall each bear their own costs, expert fees, attorneys' fees and other fees incurred in connection with this Agreement.

15. Arbitration. The Parties agree that any and all disputes arising out of, or relating to, the terms of this Agreement, their interpretation, and any of the matters herein released, shall be subject to binding arbitration in Maricopa County, Arizona before the American Arbitration Association under its National Rules for the Resolution of Employment Disputes. The Parties agree that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. The Parties agree that the prevailing party in any arbitration shall be awarded its reasonable attorneys' fees and costs. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. This section will not prevent either party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of their dispute relating to Executive's obligations under this Agreement and the agreements incorporated herein by reference.

16. Authority. Executive represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind them to the terms and conditions of this Agreement.

17. No Representations. Executive represents that he has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement.

18. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

19. Entire Agreement. This Agreement and the Stock Options represent the entire agreement and understanding between the Company and Executive concerning Executive's retirement from the Company, and supersede and replace any and all prior agreements and understandings concerning Executive's relationship with the Company and his compensation by the Company.

20. No Oral Modification. This Agreement may only be amended in writing signed by Executive and the Chief Executive Officer of the Company.

21. Governing Law. This Agreement shall be governed by the internal substantive laws, but not the choice of law rules, of the State of Arizona.

22. Effective Date. This Agreement is effective eight days after it has been signed by both Parties, provided that it is not revoked by Executive during period between signing and the Effective Date.

23. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

24. Voluntary Execution of Agreement. This Agreement is executed

voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims. Each Party acknowledges that:

(a) He has read this Agreement;

(b) He has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of his own choice or that he has voluntarily declined to seek such counsel;

(c) He understands the terms and consequences of this Agreement and of the releases it contains;

(d) He is fully aware of the legal and binding effect of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

AMKOR TECHNOLOGY, INC.

Dated: December 22, 2005

By: /s/ James Kim

James Kim
Chairman and Chief Executive Officer

Dated: December 22, 2005

/s/ John N. Boruch

John N. Boruch

EXHIBIT A

AMKOR TECHNOLOGY, INC.

GRANT DATE	TYPE	NUMBER OF SHARES
5/1/1998	Incentive Stock Option	36,360
11/9/1998	Incentive Stock Option	10,308
11/9/1998	Non-Qualified	37,427
5/7/1999	Non-Qualified	100,000
6/16/2003	Non-Qualified	7,692
6/16/2003	Non-Qualified	350,000
6/16/2003	Non-Qualified	144,337
6/16/2003	Non-Qualified	6,724
6/16/2003	Non-Qualified	5,663
6/16/2003	Non-Qualified	217,308
6/16/2003	Non-Qualified	168,276
6/26/2003	Non-Qualified	225,000
11/12/2004	Non-Qualified	60,000

Exhibit 10.53

NOTE PURCHASE AGREEMENT

BETWEEN

AMKOR TECHNOLOGY, INC.

AND

The Investors Named Herein

November 14, 2005

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NOTE PURCHASE AGREEMENT

This Note Purchase Agreement (this "Agreement") is entered into as of November 14, 2005 by and between Amkor Technology, Inc., a Delaware corporation (the "Company" or the "Corporation") and the investors named on Schedule 1 hereto (each an "Investor" and collectively, the "Investors").

WHEREAS, Investors are willing, pursuant to the terms and conditions of this Agreement, to purchase from the Company an aggregate principal amount of $100,000,000 of Notes (as defined below) convertible into shares of the Company's Common Stock, par value $0.001 per share (the "Common Stock");

WHEREAS, at the closing of the transactions contemplated hereby, the Company and Investors will enter into the Investors Rights Agreement and the Voting Agreement (each as defined below), and the Company and the Trustee will enter into the Indenture (as defined below).

NOW, THEREFORE, the parties hereby agree as follows:

SECTION 1.

DEFINITIONS

1.1. Certain Defined Terms; Interpretation. The following terms shall have the following respective meanings.

"Affiliate" shall mean, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For purposes of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Business Day" shall mean any day on which commercial banks are not authorized or required to close in New York, New York.

"Common Stock" shall have the meaning set forth in the recitals to this Agreement.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"Indenture" shall mean the Indenture, dated as of November 18, 2005, between the Company and the Trustee thereunder, pursuant to which the Notes are being issued, as amended, modified or supplemented from time to time in accordance with the terms thereof.

"Investors Rights Agreement" shall mean the Investors Rights Agreement, dated as of the date hereof, between the Company and Investors.

"Nasdaq" shall mean the Nasdaq National Market.

"Notes" shall mean the 6 1/4% Convertible Subordinated Notes due 2013 issued by the Company pursuant to the Indenture.

"Person" shall mean individual, corporation, company, voluntary association, partnership, joint venture, limited liability company, trust, estate, unincorporated organization, governmental authority or other entity.

"SEC" shall mean the Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"Subsidiary" shall mean each Person in which the Company owns, directly or indirectly, 50% or more of the voting interests or of which the Company otherwise has the right to direct the management.

"Transaction Documents" shall mean this Agreement, the Investors Rights Agreement, the Voting Agreement and the Indenture.

"Trustee" shall mean U.S. Bank National Association, as trustee under the Indenture.

"Voting Agreement" shall mean that Voting Agreement, dated as of the date hereof, between the Company and the Investors.

1.2 Index of Other Defined Terms. In addition to the terms defined above, the following terms shall have the respective meanings given thereto in the sections indicated below:

Defined Term	Section
"Action"	3.8
"Agreement"	Preamble

"Audited Financial Statements"	3.10(b)
"Balance Sheet Date"	3.10(b)
"Closing"	2.2
"Common Stock"	Recitals
"Company"	Preamble
"Form 10-K"	3.10(a)
"Form 10-Q's"	3.10(a)
"GAAP"	3.10(b)
"HLHZ"	6.1(h)
"Holding Period Termination Date"	4.3

Defined Term	Section
"Investors"	Preamble
"Material Adverse Effect"	3.1
"Purchase Price"	2.1
"SEC Documents"	3.10(a)
"Underlying Securities"	3.4(b)

SECTION 2.

AGREEMENT TO PURCHASE AND SELL SECURITIES.

2.1. Agreement to Purchase and Sell Securities. The Company hereby agrees to issue to each Investor at the Closing (as defined below) the principal amount of Notes set forth next to each Investor's name on Schedule I and each Investor agrees to purchase from the Company at the Closing, for an aggregate purchase price set forth next to each Investor's name on Schedule I (together, "Purchase Price"), the Notes.

2.2. The Closing. The purchase and sale of the Notes shall take place at the offices of Wilson Sonsini Goodrich & Rosati, P.C., 650 Page Mill Road, Palo Alto, California 94304, at 10:00 a.m. California time, on November 18, 2005, or at such other time and place as the Company and Investors mutually agree upon (which time and place is referred to in this Agreement as the "Closing"). At the Closing, the Company will deliver to each Investor a certificate representing the Notes being purchased by such Investor, against delivery to the Company by such Investor of the consideration set forth in Section 2.1 by wire transfer of immediately available funds to an account designated by the Company at least two Business Days prior to the Closing.

SECTION 3.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company hereby represents and warrants to each Investor that the statements in this Section 3 are true and correct, except as disclosed in the SEC Documents (as defined below):

3.1. Organization Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all corporate power and authority required to (a) carry on its business as presently conducted, and (b) enter into the Transaction Documents, to issue the Notes and the shares of Common Stock issuable upon conversion of the Notes pursuant to the Indenture and to consummate the transactions contemplated hereby and thereby. The Company is qualified to do business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect. As used in this

Agreement, "Material Adverse Effect" means a material adverse effect, or a group of such effects which are related, on the business, operations, condition (financial or otherwise) or results of operations, of the applicable party and its Subsidiaries, taken as a whole.

3.2. Capitalization. The authorized capital stock of the Company conforms in all material respects to the description thereof in the SEC Documents.

3.3. Due Authorization. The Company has the requisite corporate power and authority to enter into the Transaction Documents and to perform its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by the Company of its obligations hereunder and thereunder, including without limitation, the issuance of the Notes, have been duly authorized by all necessary corporate action on the part of the Company (including its directors and stockholders). The Transaction Documents, when executed and delivered by the parties thereto, will constitute, valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except (a) as may be limited by (i) applicable bankruptcy, insolvency, reorganization or others laws of general application relating to or affecting the enforcement of creditors' rights generally and (ii) the effect of rules of law governing the availability of equitable remedies and (b) as rights to indemnity or contribution may be limited under federal or state securities laws or by principles of public policy thereunder.

3.4. Valid Issuance.

(a) Valid Issuance and Enforceability of Notes. The Notes have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Investors in accordance with the terms of this Agreement, will be valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity, and will be entitled to the benefits provided for in the Indenture.

(b) Valid Issuance of Common Stock. The Common Stock initially issuable upon conversion of the Notes (the "Underlying Securities") and reserved for issuance upon conversion of the Notes has been duly authorized and reserved and, when issued upon conversion of the Notes in accordance with the terms of the Notes and the Indenture, will be validly issued, fully paid and non-assessable, and the issuance of the Underlying Securities will not be subject to any preemptive or similar rights.

3.5. Compliance with Securities Laws. Assuming the accuracy of the representations made by Investors in Section 4 hereof, the Notes and the shares of Common Stock issuable upon conversion of the Notes pursuant to the Indenture will be issued to Investors in compliance with applicable exemptions from (i) the registration and prospectus delivery requirements of the Securities Act and (ii) the registration and qualification requirements of all applicable securities laws of the states of the United States.

3.6. Governmental Consents. No consent, approval, order or authorization of, or registration qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement, except: (i) the filing of a current report on Form 8-K by the Company with the SEC following the Closing; (ii) the filing of such qualifications or

filings under the Securities Act and the regulations thereunder and all applicable state securities laws as may be required in connection with the transactions contemplated by this Agreement; and (iii) as expressly required or contemplated by the terms of the Transaction Documents. All such qualifications and filings in connection with the issuance of the Notes have been made or are effective.

3.7. Non-Contravention. The execution, delivery and performance of the Transaction Documents by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby, do not and will not (i) contravene or conflict with the Certificate of Incorporation or Bylaws of the Company, as amended; (ii) constitute a violation of any provision of any federal, state, local or foreign law binding upon or applicable to the Company; or (iii) constitute a default or require any consent under, give rise to any right of termination, cancellation or acceleration of, or to a loss of any benefit to which the Company is entitled under, or result in the creation or imposition of any lien, claim or encumbrance on any assets of the Company under, any material contract to which the Company is a party or any permit, license or similar right relating to the Company or by which the Company may be bound, except in the case of clause (ii) and clause (iii) as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

3.8. Litigation. There is no action, suit, proceeding, claim, arbitration or investigation ("Action") pending: (a) against the Company, its properties or assets or, to the best of the Company's knowledge, against any officer, director or employee of the Company in connection with such officer's, director's or employee's relationship with, or actions taken on behalf of, the Company, which the Company believes is reasonably likely to have a Material Adverse Effect, or (b) that seeks to prevent, enjoin, alter or delay the transactions contemplated by this Agreement. The Company is not a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality which it believes is reasonably likely to have a Material Adverse Effect. No Action by the Company is currently pending nor does the Company intend to initiate any Action which it believes is reasonably likely to have a Material Adverse Effect.

3.9. Compliance with Law and Charter Documents. The Company is not in violation or default of any provisions of its Certificate of Incorporation or Bylaws, both as amended. The Company has complied and is in compliance with all applicable statutes, laws, and regulations and executive orders of the United States of America and all states, foreign countries and other governmental bodies and agencies having jurisdiction over the Company's business, assets or properties, except for any violations that would not, either individually or in the aggregate, have a Material Adverse Effect.

3.10. SEC Documents.

(a) Reports. The Company has filed all required forms, reports and documents with the SEC since December 31, 2004. The Company has furnished or made available to Investors prior to the date hereof copies of its Annual Report on Form 10-K for the fiscal year ended

December 31, 2004 ("Form 10-K"), its Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2005, June 30, 2005 and September 30, 2005 (the "Form 10-Q's"), and all other registration statements, reports and proxy statements filed by the Company with the SEC on or after December 31, 2004 (the Form 10-K, the Form 10-Q's and such registration statements, reports and proxy statements are collectively referred to herein as the "SEC Documents"). Each of the SEC Documents, as of the respective date thereof (or if amended or superseded by a filing prior to the closing date of this Agreement, then on the date of such filing), did not, and each of the registration statements, reports and proxy statements filed by the Company with the SEC after the date hereof and

prior to the Closing will not, as of the date thereof (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing), contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Company is not a party to any material contract, agreement or other arrangement which was required to have been filed as an exhibit to the SEC Documents that was not so filed.

(b) Financial Statements. The SEC Documents include the Company's audited consolidated financial statements (the "Audited Financial Statements") for the fiscal year ended December 31, 2004 (the "Balance Sheet Date"), and its unaudited consolidated financial statements for the nine-month period ended September 30, 2005. The audited and unaudited consolidated financial statements of the Company included in the SEC Documents filed prior to the date hereof fairly present, in conformity with United States generally accepted accounting principles ("GAAP") (except as permitted by Form 10-Q) applied on a consistent basis (except as may be indicated in such financial statements or the notes thereto), the consolidated financial position of the Company and its consolidated Subsidiaries as at the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject to normal year-end audit adjustments in the case of the unaudited interim financial statements contained in the Form 10-Qs, which adjustments are not expected to be material in amount).

(c) No Integration. Neither the Company nor any affiliate (as defined in Rule 501(b) of Regulation D under the Securities Act) of the Company has directly, or through any agent, (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or will be integrated with the sale of the Notes in a manner that would require the registration under the Securities Act of the Notes, (ii) engaged in any form of general solicitation or general advertising in connection with the offering of the Notes (as those terms are used in Regulation D under the Securities Act), or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act, (iii) taken, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of the Notes or the Underlying Securities to facilitate the sale or resale of such Notes or the Underlying Securities, or (iv) entered into any contractual arrangement with respect to the distribution of the Notes or the Underlying Securities except for this Agreement and the Company will not enter into any such arrangement except for the Investors Rights Agreement and as may be contemplated thereby.

(d) Registration; Qualification. It is not necessary in connection with the offer, sale and delivery of the Notes to Investors in the manner contemplated by this Agreement to register the Notes under the Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

(e) Rule 144A(d)(3). The Notes satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act.

SECTION 4.

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF INVESTORS.

Each Investor represents, warrants and agrees, severally and not jointly, with respect to itself only, to the Company as follows:

4.1. Investigation; Economic Risk. Each Investor has received or has had full access to all of the information it considers necessary or appropriate to make an informed investment decision with respect to the Notes to be purchased by each Investor under this Agreement. Each Investor further has had an

opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Notes and the Underlying Securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to such Investor or to which such Investor had access. Each Investor understands that the purchase of the Notes and any Underlying Securities involves substantial risk. Each Investor acknowledges that it is able to fend for itself in the transactions contemplated by this Agreement and has the ability to bear the economic risks of its investment pursuant to this Agreement and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of this investment in the Notes and the Underlying Securities and protecting its own interests in connection with this investment. Each Investor has consulted, or has been provided the opportunity to consult with, independent advisors (including counsel and tax and accounting advisors) as needed to make its investment decision and to determine whether it is legally permitted to purchase the Notes under applicable legal investment or similar laws or regulations.

4.2. Purchase for Own Account. Each Investor will acquire the Notes for its own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof.

4.3. Exempt from Registration; Restricted Securities. Except as set forth in the Investors Rights Agreement, each Investor understands that the sale and issuance of the Notes and the Underlying Securities will not be registered under the Securities Act on the ground that the sale provided for in this Agreement is exempt from registration under of the Securities Act, and that the reliance of the Company on such exemption is predicated in part on such Investors' representations set forth in this Agreement. Each Investor understands that the Notes and the Underlying Securities are restricted securities within the meaning of Rule 144 under the Securities Act, and must be held

indefinitely unless they are subsequently registered or an exemption from such registration is available. Each Investor understands that the Company is under no obligation to register any of the securities sold hereunder except as provided in the Investors Rights Agreement. Each Investor understands that there are restrictions with respect to the transfer, offer, pledge or sale of the Notes prior to November 18, 2006 (the "Holding Period Termination Date"), and that the Indenture for the Notes contains provisions that restrict any transfer of the Notes by the Trustee prior to the Holding Period Termination Date.

4.4. Accredited Investors. Each Investor is, or prior to the date of the Closing will be, an "accredited investor" as that term is defined in Rule 501(a) of Regulation D promulgated by the SEC under the Securities Act.

4.5. Legends. Each Investor agrees that the Notes and the Underlying Securities will bear legends and be subject to the restrictions on transfer as provided in the Indenture. In addition, each Investor agrees that the Company may place stop transfer orders with its transfer agents with respect to such instruments. The appropriate portion of the legend shall be removed in accordance with the provisions of the Indenture and the stop transfer orders shall be removed promptly upon delivery to the Company of such satisfactory evidence as reasonably may be required by the Company that such stop orders are not required to ensure compliance with the Securities Act.

4.6. Due Authorization. Each Investor has the requisite authority to enter into the Transaction Documents and to perform its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by each Investor of its obligations hereunder and thereunder, have been duly authorized by all necessary action on the part of such Investor. The Transaction Documents, when executed and delivered by the parties thereto, will constitute, valid and legally binding obligations of each Investor, enforceable

against each Investor in accordance with their respective terms, except (a) as may be limited by (i) applicable bankruptcy, insolvency, reorganization or others laws of general application relating to or affecting the enforcement of creditors' rights generally and (ii) the effect of rules of law governing the availability of equitable remedies and (b) as rights to indemnity or contribution may be limited under federal or state securities laws or by principles of public policy thereunder.

4.7. Governmental Consents. No consent, approval, order or authorization of, or registration qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of each Investor is required in connection with the consummation of the transactions contemplated by this Agreement, except as expressly required or contemplated by the terms of the Transaction Documents.

4.8. Non-Contravention. The execution, delivery and performance of the Transaction Documents and the consummation by each Investor of the transactions contemplated hereby and thereby, do not and will not (i) constitute a violation of any provision of any federal, state, local or foreign law binding upon or applicable to such Investor; or (ii) constitute a default or require any consent under, give rise to any right of termination, cancellation or acceleration of, or to a loss of any benefit to which such Investor is entitled under, or result in the creation or imposition of any

lien, claim or encumbrance on any assets of such Investor under, any contract to which such Investor is a party or any permit, license or similar right relating to such Investor or by which such Investor may be bound, except in the case of clause (ii) as, individually or in the aggregate, would not have a Material Adverse Effect.

SECTION 5.

AFFIRMATIVE COVENANTS OF THE COMPANY.

The Company covenants to each Investor as follows:

5.1. Listing of Shares. Within thirty (30) days following the Closing, the Company shall file any required additional share listing application with Nasdaq so that the shares of Common Stock issuable upon conversion of the Notes will be listed on the Nasdaq National Market.

5.2. Use of Proceeds. The Company shall apply the proceeds of the sale of the Notes to redeem or repurchase a portion of its outstanding $233 million aggregate principal amount of 5.75% Convertible Subordinated Notes due 2006 in a manner such that the Notes constitute Permitted Refinancing Indebtedness under the Company's outstanding senior and senior subordinated notes indentures.

5.3. Expenses. Promptly following the closing of the transactions contemplated by the Transaction Documents, the Company shall promptly pay the reasonable out-of-pocket expenses of Investors and Investors' advisors incurred in connection with the transaction.

SECTION 6.

CLOSING CONDITIONS.

6.1. Conditions to Each Investors' Obligations. The obligations of each Investor to consummate the transactions contemplated by this Agreement at the Closing are subject to the fulfillment or waiver, on or before the Closing, of each of the following conditions:

(a) Representations and Warranties True. (i) Each of the representations and warranties of the Company contained in Section 3 and

qualified by "Material Adverse Effect" or the term "material" will be true and correct on and as of the date hereof and on and as of the date of the Closing, and (ii) each of the representations and warranties of the Company contained in Section 3 and not qualified by "Material Adverse Effect" or the term "material," disregarding all qualifications and exceptions contained therein relating to materiality, will be true and correct in all material respects on and as of the date hereof and on and as of the date of the Closing, in each case with the same effect as though such representations and warranties had been made as of the Closing.

(b) Performance. The Company will have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing and will have obtained all approvals,

consents and qualifications necessary to complete the purchase and sale of the Notes described herein.

(c) Compliance Certificate. The Company will have delivered to each Investor at the Closing a certificate signed on its behalf by its Chief Financial Officer certifying that the conditions specified in Section 6.1(a) and (b) hereof have been fulfilled.

(d) Securities Exemptions. The offer and sale of the Notes to each Investor pursuant to the Transaction Documents will be exempt from the registration requirements of the Securities Act and the registration and/or qualification requirements of all applicable state securities laws.

(e) Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto will be reasonably satisfactory in form and substance to each Investor, and each Investor will have received all such counterpart originals and certified or other copies of such documents as it may reasonably request. Such documents shall include (but not be limited to) a copy of the Certificate of Incorporation certified as of a recent date by the Secretary of State of Delaware as a complete and correct copy thereof, and the Bylaws of the Company (as amended through the date of the Closing), certified by the Secretary of the Company as true and correct copies thereof as of the Closing.

(f) Approval of Majority of Disinterested Directors. The terms and conditions of the Transaction Documents and the issuance of the Notes and the Underlying Securities shall have been approved by a majority of the disinterested directors of the Board of Directors of the Company.

(g) Approval by Audit Committee. The terms and conditions of the Transaction Documents and the issuance of the Notes and the Underlying Securities shall have been approved by the members of the Company's Audit Committee.

(h) Fairness Opinion. The Company shall have received an opinion from Houlihan Lokey Howard & Zukin Financial Advisors, Inc. (the "HLHZ Opinion") to the effect that, as of November 13, 2005 and subject to the assumptions, qualifications and limitations set forth therein, the purchase and sale transaction provided for in this Agreement was fair, from a financial point of view, to (x) the "Lenders" as such term is defined in that certain Second Lien Credit Agreement dated as of October 27, 2004 to which the Company is a party as Borrower, and (y) the "Holders" as such term is defined in each of those certain Indentures, dated as of May 13, 1999, February 20, 2001, May 8, 2003, and March 12, 2004, respectively, pursuant to which the Company has issued the notes specified therein.

(i) Opinion of Company Counsel. Each Investor will have received an opinion on behalf of the Company, dated as of the date of the Closing, from

counsel to the Company, in substantially the form set forth on Exhibit A.

(j) The Indenture. The Company and the Trustee will have executed and delivered the Indenture and the Notes in the form attached hereto as Exhibit B.

(k) The Investors Rights Agreement. The Company shall have executed and delivered the Investors Rights Agreement in the form attached hereto as Exhibit C.

(l) The Voting Agreement. The Company shall have executed and delivered the Voting Agreement in the form attached hereto as Exhibit D.

6.2. Conditions to the Company's Obligations. The obligations of the Company to consummate the transactions contemplated by this Agreement at the Closing are subject to the fulfillment or waiver, on or before the Closing, of each of the following conditions:

(a) Representations, Warranties and Agreements True. (i) Each of the representations, warranties and agreements of Investors contained in Section 4 and qualified by "Material Adverse Effect" or the term "material" will be true and correct on and as of the date hereof and on and as of the date of the Closing, and (ii) each of the representations and warranties of Investor contained in Section 4 and not qualified by "Material Adverse Effect" or the term "material," disregarding all qualifications and exceptions contained therein relating to materiality, will be true and correct in all material respects on and as of the date hereof and on and as of the date of the Closing, in each case with the same effect as though such representations and warranties had been made as of the Closing.

(b) Performance. Each Investor will have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing and will have obtained all approvals, consents and qualifications necessary to complete the purchase and sale described herein.

(c) Payment of Purchase Price. Each Investor will have delivered to the Company the Purchase Price of the Notes as specified in and in accordance with Section 2.1.

(d) Securities Exemptions. The offer and sale of the Notes to Investors pursuant to the Transaction Documents will be exempt from the registration requirements of the Securities Act and the registration and/or qualification requirements of all applicable state securities laws.

(e) Approval of Majority of Disinterested Directors. The terms and conditions of the Transaction Documents and the issuance of the Notes and the Underlying Securities shall have been approved by a majority of the disinterested directors of the Board of Directors of the Company.

(f) Approval by Audit Committee. The terms and conditions of the Transaction Documents and the issuance of the Notes and the Underlying Securities shall have been approved by the members of the Company's Audit Committee.

(g) Fairness Opinion. The Company shall have received the HLHZ Opinion.

(h) The Indenture. The Trustee will have executed and delivered the Indenture and the Notes in the form attached hereto as Exhibit B.

(i) The Investors Rights Agreement. Each Investor shall have executed and delivered the Investors Rights Agreement in the form attached hereto as Exhibit C.

(j) The Voting Agreement. Each Investor shall have executed and delivered the Voting Agreement in the form attached hereto as Exhibit D.

SECTION 7.

MISCELLANEOUS.

7.1. Governing Law. This Agreement shall be governed in all respects by and construed in accordance with the laws of the State of New York.

7.2. Successors and Assigns. This Agreement and the rights and obligations herein may not be assigned by any Investor (except to an Affiliate of such Investor or for estate planning purposes of such Investor) without the prior written consent of the Company. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

7.3. Entire Agreement. The Transaction Documents and the agreements, exhibits and schedules referred to herein and therein constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

7.4. Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be delivered to the other party (a) in person; (b) by facsimile to the address and number set forth below, when promptly followed up by another of the delivery methods permitted by this Section 8.5; (c) by U.S. mail, registered or certified, return receipt requested, postage prepaid and addressed to the other party as set forth below; or (d) by a national-recognized overnight delivery service that keeps records of deliveries and attempted deliveries (such as FedEx), postage prepaid, addressed to the parties as set forth below with next-business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider.

To Investors:

James J. Kim
915 Mount Pleasant Road
Bryn Mawr, Pennsylvania 19010
Fax Number: (610) 525-3080

The James and Agnes Kim Foundation, Inc.
c/o James J. Kim

To the Company:

Amkor Technology, Inc.
1900 South Price Road
Chandler, Arizona 85248
Attn: Chief Financial Officer
Fax Number: (480) 821-2616

915 Mount Pleasant Road
Bryn Mawr, Pennsylvania 19010
Fax Number: (610) 525-3080

Trust U/D of James J. Kim dated 12/24/92 f/b/o
Alexandra Kim Panichello
c/o James J. Kim
915 Mount Pleasant Road
Bryn Mawr, Pennsylvania 19010
Fax Number: (610) 525-3080

Trust U/D of James J. Kim dated
10/3/94 f/b/o
Jacqueline Mary Panichello
c/o James J. Kim
915 Mount Pleasant Road
Bryn Mawr, Pennsylvania 19010
Fax Number: (610) 525-3080

Trust U/D of James J. Kim dated
10/15/01 f/b/o
Dylan James Panichello
c/o James J. Kim
915 Mount Pleasant Road
Bryn Mawr, Pennsylvania 19010
Fax Number: (610) 525-3080

Trust U/D of James J. Kim dated
10/15/01 f/b/o
Allyson Lee Kim
c/o James J. Kim
915 Mount Pleasant Road
Bryn Mawr, Pennsylvania 19010
Fax Number: (610) 525-3080

Trust U/D of James J. Kim dated
11/17/03 f/b/o
Jason Lee Kim
c/o James J. Kim
915 Mount Pleasant Road
Bryn Mawr, Pennsylvania 19010
Fax Number: (610) 525-3080

Trust U/D of James J. Kim dated
11/11/05 f/b/o
Children of David D. Kim
c/o James J. Kim
915 Mount Pleasant Road

Bryn Mawr, Pennsylvania 19010
Fax Number: (610) 525-3080

with copies to:

Amkor Technologies, Inc.
Attention: Kenneth Joyce
1900 South Price Road
Chandler, Arizona 85248
Fax Number: (480) 821-2616

with copies to:

Wilson Sonsini Goodrich & Rosati, P.C.
650 Page Mill Road
Palo Alto, California 94304
Attn: Robert A. Claassen
Fax Number: (650) 493-6811

Klehr Harrison Harvey Branzburg &
Ellers LLP
2605 Broad Street
Philadelphia, Pennsylvania 19102
Attn: Leonard M. Klehr
Fax Number: (215) 568-6603

A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 7.4 by giving the other party written notice of the new address in the manner set forth above.

7.5. Amendments. Any term of this Agreement may be amended only with the prior written consent of the Company and Investors.

7.6. Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to the Company or to Investors, upon any breach or default of any party hereto under this Agreement, shall impair any such right, power or remedy of the Company or Investors, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of the Company or Investors of any breach or default under this Agreement or any waiver on the part of the Company or Investors of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to the Company or Investors shall be cumulative and not alternative.

7.7. Legal Fees. In the event of any action at law, suit in equity or arbitration proceeding in relation to this Agreement or any units or securities of the Company issued or to be issued, the prevailing party shall be paid by the other party a reasonable sum for attorney's fees and expenses for such prevailing party.

7.8. Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

7.9. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but both of which together shall constitute one instrument.

7.10. Severability. Should any provision of this Agreement be determined to be illegal or unenforceable, such determination shall not affect the remaining provisions of this Agreement.

7.11. Dispute Resolution. The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of both parties, then each party shall nominate one senior officer of the rank of Vice President or higher as its representative. These representatives shall, within thirty (30) days of a written request by either party to call such a meeting, meet in person and alone (except for one assistant for each party) and shall attempt in good faith to resolve the dispute. If the disputes cannot be resolved by such senior managers in such meeting, the parties agree that they shall, if requested in writing by either party, meet within thirty (30) days after such written notification for one day with an impartial mediator and consider dispute resolution alternatives other than litigation. If an alternative method of dispute resolution is not agreed upon within thirty (30) days after the one day mediation, either party may proceed as they see fit. This procedure shall be a prerequisite before taking any additional action hereunder.

7.12. No Third Parties Benefited. This Agreement is made and entered into for the protection and benefit of the parties hereto and their permitted successors and assigns, and, except as expressly provided herein, no other Person shall be a direct or indirect beneficiary of or have any direct or indirect cause of action or claim in connection with this Agreement or any of the documents executed in connection herewith.

7.13. Meaning of Include and Including. Whenever in this Agreement the word "include" or "including" is used. it shall be deemed to mean "include, without limitation" or "including, without limitation," as the case may be, and the language following "include" or "including" shall not be deemed to set forth an exhaustive list.

IN WITNESS WHEREOF, the parties have executed this Note Purchase Agreement as of the date first written above.

AMKOR TECHNOLOGY, INC.

By: /s/ Kenneth Joyce

Name: Kenneth Joyce
Title: Exec. VP and CFO

INVESTOR:

/s/ James J. Kim

James J. Kim

{Signature Page to Note Purchase Agreement}

INVESTOR:

/s/ Agnes C. Kim

The James and Agnes Kim Foundation, Inc.
By: Agnes C. Kim
Title: President

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 12/24/92
f/b/o Alexandra Kim Panichello
By: John T. Kim
Title: Trustee

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 10/3/94
f/b/o Jacqueline Mary Panichello
By: John T. Kim
Title: Trustee

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 10/15/01
f/b/o Dylan James Panichello
By: John T. Kim

Title: Trustee

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 10/15/01
f/b/o Allyson Lee Kim
By: John T. Kim
Title: Trustee

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 11/17/03
f/b/o Jason Lee Kim
By: John T. Kim
Title: Trustee

INVESTOR:

/s/ John T. Kim

Trust U/D of James J. Kim dated 11/11/05
f/b/o Children of David D. Kim
By: John T. Kim
Title: Trustee

SCHEDULE I

LIST OF INVESTORS

Name	Principal Amount of Notes	Purchase Price
James J. Kim	$35,000,000	$35,000,000
The James and Agnes Kim Foundation, Inc.	$ 5,000,000	$ 5,000,000
Trust U/D of James J. Kim dated 12/24/92 f/b/o Alexandra Kim Panichello John T. Kim, as Trustee	$10,000,000	$10,000,000
Trust U/D of James J. Kim dated 10/3/94 f/b/o Jacqueline Mary Panichello John T. Kim, as Trustee	$10,000,000	$10,000,000
Trust U/D of James J. Kim dated 10/15/01 f/b/o Dylan James Panichello John T. Kim, as Trustee	$10,000,000	$10,000,000
Trust U/D of James J. Kim dated 10/15/01 f/b/o Allyson Lee Kim John T. Kim, as Trustee	$10,000,000	$10,000,000
Trust U/D of James J. Kim dated 11/17/03 f/b/o Jason Lee Kim John T. Kim, as Trustee	$10,000,000	$10,000,000

Trust U/D of James J. Kim dated 11/11/05 f/b/o Children of David D. Kim John T. Kim, as Trustee	$10,000,000	$10,000,000

EXHIBIT A

FORM OF WILSON SONSINI GOODRICH & ROSATI, P.C. LEGAL OPINION

1. The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of Delaware.

2. Each of the Note Purchase Agreement, Indenture and the Investors Rights Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company, enforceable against the Company in accordance with its terms.

3. The Notes have been duly authorized by the Company and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Investors in accordance with the terms of the Note Purchase Agreement, will be valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to customary exceptions of such counsel.

4. The shares of Common Stock initially issuable upon conversion of the Notes (the "Conversion Shares") have been duly authorized and reserved and, when issued upon conversion of the Notes in accordance with the terms of the Notes and the Indenture, will be validly issued, fully paid and non-assessable.

5. The issuance and sale of the Notes being delivered on the date hereof, the issuance of the Conversion Shares, if any (assuming conversion on the date hereof pursuant to the terms of the Notes and the Indenture) and the execution, delivery and performance of the Indenture, the Notes, the Note Purchase Agreement, and the Registration Rights Agreement, and the consummation of the transactions therein contemplated, do not conflict with or did not result in a breach or violation by the Company of any of the terms or provisions of, or constitute a default under, any Reviewed Agreement, nor will such action result in any violation of the provisions of the certificate of incorporation or the bylaws of the Company or any U.S. federal or California state statute, rule or order or regulation known to such counsel of any U.S. federal or California or Delaware (under the DGCL) state court or governmental agency or body having jurisdiction over the Company or any of its properties. For purposes of this opinion, "Reviewed Agreement" shall mean those agreements currently in effect that would be filed by the Company as an Exhibit to the Company's Annual Report on Form 10-K as if such Report was filed on the date of such opinion.

6. No consent, approval, authorization, order of, registration or qualification of or with any U.S. federal or California or Delaware (under the DGCL) state court or governmental agency or body is required for the issue and sale of the Notes or the execution, delivery of and consummation by the Company of the transactions contemplated by the Note Purchase Agreement, the Registration Rights Agreement or the Indenture, except (i) the registration under the Securities Act of 1933, as amended (the "Act") of the Notes and the shares of Common Stock issuable upon conversion of the Notes as contemplated by the Registration Rights Agreement and the qualification of the Indenture

under the Trust Indenture Act of 1939 (the "Trust Indenture Act"), and (ii) as otherwise contemplated by the Transaction Documents.

7. Assuming accuracy of the representations and warranties of the Company and the Investors in the Note Purchase Agreement, no registration of the Notes under the Securities Act is required for the sale of the Notes by the Company to the Investors pursuant to the Note Purchase Agreement in the manner contemplated by the Note Purchase Agreement (it being understood that no opinion is expressed

as to any subsequent resale of the Notes or the Conversion Shares).

EXHIBIT B

FORM OF INDENTURE

Exhibit 10.54

AMKOR TECHNOLOGY, INC.

VOTING AGREEMENT

This Voting Agreement (this "AGREEMENT") is made and entered into as of November 18, 2005 by and among Amkor Technology, Inc., a Delaware corporation (the "COMPANY"), James J. Kim ("MR. KIM"), The James and Agnes Kim Foundation, Inc., Trust U/D of James J. Kim dated 12/24/92 f/b/o Alexandra Kim Panichello, Trust U/D of James J. Kim dated 10/3/94 f/b/o Jacqueline Mary Panichello, Trust U/D of James J. Kim dated 10/15/01 f/b/o Dylan James Panichello, Trust U/D of James J. Kim dated 10/15/01 f/b/o Allyson Lee Kim, Trust U/D of James J. Kim dated 11/17/03 f/b/o Jason Lee Kim, and Trust U/D of James J. Kim dated 11/11/05 f/b/o Children of David D. Kim (collectively, the "INVESTORS"). Capitalized terms contained and not otherwise defined herein shall have the meaning ascribed to such terms in the Note Purchase Agreement (defined below).

RECITALS

A. The Company proposes to issue $100 million in aggregate principal amount of 6.25% Convertible Subordinated Notes due 2013 (the "NOTES"), convertible into shares of the Company's common stock, $0.001 par value (the "COMMON STOCK") pursuant to the terms and conditions of the Note Purchase Agreement (the "PURCHASE AGREEMENT") of even date herewith (the "FINANCING").

B. Investors are the beneficial owners (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT")) of such number of shares of the outstanding capital stock of the Company, and such number of shares of capital stock of the Company issuable upon the exercise of outstanding options and warrants, as is indicated on the signature page of this Agreement.

C. In consideration of the execution of the Purchase Agreement by the Company, Investors (in their capacity as such) have agreed to vote the Shares (as defined below) and over which Investors have voting power, in the manner set forth below.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and other consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. SHARES. During the term of this Agreement, Investors agree to vote all shares issued upon conversion of the Notes (the "SHARES") in accordance with the provisions of this Agreement. For purposes of this Agreement, Shares shall not include any securities of the Company of which Investors are the beneficial owners immediately prior to the Closing of the Financing or any securities of the Company acquired by Investors other than upon conversion of the Notes subsequent to the date of this Agreement.

2. VOTING. Until this Agreement is terminated pursuant to Section 3 hereof, Investors agree to vote and cause to be voted all Shares beneficially owned, either directly or indirectly, by them in a

neutral manner on all matters submitted to the stockholders of the Company for a vote, whether required by the Company's charter or bylaws, pursuant to Delaware General Corporate Law or otherwise, including, but not limited to, the election of directors or a Change of Control Transaction (as defined below); provided, however, that to the extent that the Investors shall beneficially own, in the aggregate, securities of the Company representing less than forty-one and six-tenths percent (41.6%) of the then-outstanding voting power of the Company, then the Investors shall not be required to vote in a neutral manner such number of the Shares equal to the difference of (i) (x) the number of shares of Common Stock entitled to vote as of the record date set for any matter submitted for a

vote of stockholders of the Company multiplied by (y) .416, less (ii) the total number of shares of Common Stock beneficially owned by the Investors in the aggregate on the record date set for such stockholder vote other than the Shares. In such instances, each Investor shall be entitled to vote a number of Shares in a non-neutral manner in direct proportion to such Investors beneficial ownership of voting securities of the Company. For purposes of this Agreement, "NEUTRAL MANNER" means in the same proportion to all other outstanding voting securities of the Company (excluding any and all voting securities beneficially owned, directly or indirectly, by Investors) that are actually voted on a proposal submitted to the Company's stockholders for approval. By way of example only, if 100,000 voting securities that are not beneficially owned by Investors are cast with 60,000 of such shares voting "For" a proposal, 30,000 of such shares voting "Against" a proposal, and 10,000 of such shares abstaining, Investors shall vote sixty percent (60%) of the Shares "For" the proposal, thirty percent (30%) "Against" the proposal and abstain with respect to ten percent (10%) of the Shares. The term "vote" shall include any exercise of voting rights whether at an annual or special meeting of stockholders or by written consent or in any other manner permitted by applicable law.

3. TERMINATION. This Agreement shall terminate upon the earlier of (i) the Maturity Date of the Notes; (ii) at such time as no principal amount of the Notes or any Shares remains outstanding; (iii) a Change of Control Transaction; or (iv) the mutual agreement of the Company and Investors. "CHANGE OF CONTROL TRANSACTION" means either (a) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is party (including, without limitation, any stock acquisition, tender offer, reorganization, merger or consolidation but excluding any sale of stock for capital raising purposes) that results in the voting securities of the Company outstanding immediately prior thereto failing to represent immediately after such transaction or series of transactions (either by remaining outstanding or by being converted into voting securities of the surviving entity or the entity that controls such surviving entity) a majority of the total voting power represented by the outstanding voting securities of the Company, such surviving entity or the entity that controls such surviving entity; provided, however, that the Financing or conversion of the Notes pursuant to the terms of the Purchase Agreement shall not constitute a Change of Control Transaction; or (b) a sale, lease or other conveyance of all or substantially all of the assets of the Company.

4. ADDITIONAL SHARES. In the event that subsequent to the date of this Agreement any shares or other securities (other than pursuant to a Change of Control Transaction) are issued on, or in exchange for, any of the Shares by reason of any stock dividend, stock split, consolidation of shares, reclassification or consolidation involving the Company, such shares or securities shall be deemed to be Shares for purposes of this Agreement.

5. REPRESENTATIONS AND WARRANTIES OF INVESTORS. Investors hereby represent and warrant to the Company that, as of the date hereof, (i) Investors are the beneficial owner of the shares of Common Stock, and the options, warrants and other rights to purchase shares of Common Stock, set forth on the signature page of this Agreement, with full power to vote or direct the voting of the Shares for and on behalf of all beneficial owners of the Shares; (ii) the Shares are free and clear of any liens, pledges, security interests, claims, options, rights of first refusal, co-sale rights, charges or other encumbrances of any kind or nature (other than pursuant to the terms of restricted stock agreements as in effect on the date hereof); (iii) Investors do not beneficially own any securities of the Company other than the shares of Common Stock, and options, warrants and other rights to purchase shares of Common Stock, set forth on the signature page of this Agreement; (iv) Investors have and will have full power and authority to make, enter into and carry out the terms of this Agreement; (v) the execution, delivery and performance of this Agreement by Investors will not violate any agreement or court order to which the Notes or Shares are subject, including, without limitation, any voting agreement or voting trust; and (vi)

this Agreement has been duly and validly executed and delivered by Investors and constitutes a valid and binding agreement of Investors, enforceable against Investors in accordance with its terms.

6. LEGENDING OF SHARES. If so requested by the Company, Investors hereby agree that the Shares shall bear a legend stating that they are subject to this Agreement.

7. FIDUCIARY DUTIES. Investors are signing this Agreement solely in their capacity as an owner of their respective Shares, and nothing herein shall prohibit, prevent or preclude Mr. Kim from taking or not taking any action in his capacity as an officer or director of the Company.

8. MISCELLANEOUS.

(a) Notices. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be in writing and faxed, e-mailed, mailed, or delivered to each party as follows: (i) if to the Investors, at each Investor's address, facsimile number or e-mail address set forth in the Company's records, or at such other address, facsimile number or e-mail address as such Investor shall have furnished the Company in writing, or (ii) if to the Company, at Amkor Technology, Inc., Attn: Chief Financial Officer, or at such other address or facsimile number as the Company shall have furnished to Investors in writing, with a copy to Robert Sanchez, Esq., Wilson Sonsini Goodrich & Rosati, 650 Page Mill Road, Palo Alto, California 94304. All such notices and communications will be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile or e-mail (with receipt of appropriate confirmation), (iv) one business day after being deposited with an overnight courier service of recognized standing or (v) four days after being deposited in the U.S. mail, first class with postage prepaid. With respect to any notice given by the Company under any provision of the Delaware General Corporation Law or the Company's charter or bylaws, Investors agree that such notice may be given by facsimile or by electronic mail. In the event of any conflict between the Company's books and records and this Agreement or any notice delivered hereunder, the Company's books and records will control absent fraud or error.

(b) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. The Company shall not permit the transfer (i) to any Affiliate (as defined in Rule 405 under the Securities Act of 1933, as amended) of an Investor or (ii) to a person or entity with whom an Investor is part of a group for purposes of Section 13(d)(3) of the Exchange Act of any Shares on the Company's books or issue a new certificate representing any Shares unless and until the person or entity referred to in clauses (i) or (ii) of this subsection shall have executed a written agreement pursuant to which such person or entity becomes a party to this Agreement and agrees to be bound by all the provisions hereof as if such person or entity was a party hereto.

(c) Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

(d) Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

(e) Further Assurances. Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company,

partnership or other powers, all such other and additional instruments (including proxies) and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

(f) Entire Agreement. This Agreement and the exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof. No party hereto shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein.

(g) Specific Performance. Each of the parties hereto hereby acknowledge that (i) the representations, warranties, covenants and restrictions set forth in this Agreement are necessary, fundamental and required for the protection of the Company and its stockholders and to preserve for the Company and its stockholders the benefits of the Financing; (ii) such covenants relate to matters which are of a special, unique, and extraordinary character that gives each such representation, warranty, covenant and restriction a special, unique, and extraordinary value; and (iii) a breach of any such representation, warranty, covenant or restriction, or any other term or provision of this Agreement, will result in irreparable harm and damages to the Company which cannot be adequately compensated by a monetary award. Accordingly, the Company and Investors hereby expressly agree that in addition to all other remedies available at law or in equity, the Company shall be entitled to the immediate remedy of specific performance, a temporary and/or permanent restraining order, preliminary injunction, or such other form of injunctive or equitable relief as may be used by any court of competent jurisdiction to restrain or enjoin any of the parties hereto from breaching any representations, warranties, covenants or restrictions set forth in this Agreement, or to specifically enforce the terms and provisions hereof.

(h) Amendment. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and the Investors.

(i) No Waiver. The failure or delay by a party to enforce any provision of this Agreement will not in any way be construed as a waiver of any such provision or prevent that party from thereafter enforcing any other provision of this Agreement. The rights granted both parties hereunder are cumulative and will not constitute a waiver of either party's right to assert any other legal remedy available to it.

(j) Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

(k) Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Facsimile copies of signed signature pages will be deemed binding originals.

(signature page follows)

The parties have executed this Voting Agreement as of the date first above written.

AMKOR TECHNOLOGY, INC.,
A DELAWARE CORPORATION

/s/ Kenneth Joyce

Signature of Authorized Signatory

Kenneth Joyce, Exec. VP and CFO
Name and Title of Authorized Signatory

INVESTOR

/s/ James J. Kim

James J. Kim

Shares Beneficially Owned:

21,546,670 shares of Company Common Stock

139,516 shares of Company Common Stock issuable upon the exercise of outstanding options, warrants or other rights (1)

Address:

134 Enterprise Drive
West Chester, PA 19380

(1) Does not include any Shares

/s/ Agnes C. Kim

The James and Agnes Kim Foundation, Inc.

By: Agnes C. Kim

Title: President

Shares Beneficially Owned:

150,000 shares of Company Common Stock

139,520 shares of Company Common Stock issuable upon the exercise of outstanding options, warrants or other rights (1)

Address:

134 Enterprise Drive

West Chester, PA 19380

(1) Does not include any Shares

(SIGNATURE PAGE TO VOTING AGREEMENT)

/s/ John T. Kim

Trust U/D of James J. Kim dated 12/24/92
f/b/o Alexandra Kim Panichello

By: John T. Kim

Title: Trustee

Shares Beneficially Owned:

10,000 shares of Company Common Stock

-- shares of Company Common Stock issuable upon the exercise of outstanding options, warrants or other rights (1)

Address:

134 Enterprise Drive
West Chester, PA 19380

(1) Does not include any Shares

(SIGNATURE PAGE TO VOTING AGREEMENT)

/s/ John T. Kim

Trust U/D of James J. Kim dated 10/3/94
f/b/o Jacqueline Mary Panichello

By: John T. Kim

Title: Trustee

Shares Beneficially Owned:

10,000 shares of Company Common Stock

-- shares of Company Common Stock issuable upon the exercise of outstanding options, warrants or other rights (1)

Address:

134 Enterprise Drive
West Chester, PA 19380

(1) Does not include any Shares

(SIGNATURE PAGE TO VOTING AGREEMENT)

/s/ John T. Kim

Trust U/D of James J. Kim dated 10/15/01
f/b/o Dylan James Panichello

By: John T. Kim

Title: Trustee

Shares Beneficially Owned:

10,000 shares of Company Common Stock

-- shares of Company Common Stock issuable upon the exercise of outstanding options, warrants or other rights (1)

Address:

134 Enterprise Drive
West Chester, PA 19380

(1) Does not include any Shares

(SIGNATURE PAGE TO VOTING AGREEMENT)

/s/ John T. Kim

Trust U/D of James J. Kim dated 10/15/01
f/b/o Allyson Lee Kim

By: John T. Kim

Title: Trustee

Shares Beneficially Owned:

10,000 shares of Company Common Stock

-- shares of Company Common Stock issuable upon the exercise of outstanding options, warrants or other rights (1)

Address:

134 Enterprise Drive
West Chester, PA 19380

(1) Does not include any Shares

(SIGNATURE PAGE TO VOTING AGREEMENT)

/s/ John T. Kim

Trust U/D of James J. Kim dated 11/17/03
f/b/o Jason Lee Kim

By: John T. Kim

Title: Trustee

Shares Beneficially Owned:

10,000 shares of Company Common Stock

-- shares of Company Common Stock issuable upon the exercise of outstanding options, warrants or other rights (1)

Address:

134 Enterprise Drive
West Chester, PA 19380

(1) Does not include any Shares

(SIGNATURE PAGE TO VOTING AGREEMENT)

/s/ John T. Kim

Trust U/D of James J. Kim dated 11/11/05
f/b/o Children of David D. Kim

By: John T. Kim

Title: Trustee

Shares Beneficially Owned:

-- shares of Company Common Stock

-- shares of Company Common Stock issuable upon the exercise of outstanding options, warrants or other rights (1)

Address:

134 Enterprise Drive
West Chester, PA 19380

(1) Does not include any Shares

(SIGNATURE PAGE TO VOTING AGREEMENT)

Exhibit 12.1

AMKOR TECHNOLOGY, INC.
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES
(In thousands except ratio data)

	Year Ended December 31,				
	2001	2002	2003	2004	2005
Earnings					
Income (loss) before income taxes, equity investment earnings (losses), minority interests and discontinued operations	$ (438,498)	$(564,309)	$ (45,303)	$ (21,438)	$(144,887)
Interest expense	138,629	143,441	138,775	145,897	163,125
Amortization of debt issuance costs	22,321	8,251	7,428	6,182	7,948
Interest portion of rent	7,282	4,995	5,463	5,928	6,215
Less (earnings) loss of affiliates	—	—	—	—	—
	$(270,266)	$(407,622)	$ 106,363	$136,569	$ 32,401
Fixed Charges					
Interest expense	$ 138,629	$ 143,441	$ 138,775	$ 145,897	$163,125
Amortization of debt issuance costs	22,321	8,251	7,428	6,182	7,948
Interest portion of rent	7,282	4,995	5,463	5,928	6,215
	$ 168,232	$156,687	$151,666	$ 158,007	$ 177,288
Ratio of earnings to fixed charges	— x[1]	—x[1]	—x[1]	— x[1]	— x[1]

[1] The ratio of earnings to fixed charges was less than 1:1 for 2005. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional $144.9 million of earnings in 2005. The ratio of earnings to fixed charges was less than 1:1 for 2004. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional $21.4 million of earnings in 2004. The ratio of earnings to fixed charges was less than 1:1 for the year ended December 31, 2003. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional $45.3 million of earnings in the year ended December 31, 2003. The ratio of earnings to fixed charges was less than 1:1 for the year ended December 31, 2002. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional $564.3 million of earnings in the year ended December 31, 2002. The ratio of earnings to fixed charges was less than 1:1 for the year ended December 31, 2001. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional $438.5 million of earnings in the year ended December 31, 2001.

EXHIBIT 21.1

AMKOR TECHNOLOGY, INC.
LIST OF SUBSIDIARIES

A. Amkor Technology Hong Kong Limited, a wholly owned limited liability corporation organized under the laws of Hong Kong (incorporated September 29, 2000).

B. Amkor Wafer Fabrication Services, S.A.R.L., a wholly owned corporation organized under the laws of France (incorporated December 15, 1997).

C. Amkor Iwate Company, Ltd., a wholly owned corporation incorporated under the laws of Japan (incorporated July 21, 1953).

D. 16.1% ownership in Amkor Technology Taiwan Ltd., a corporation organized under the laws of the Republic of China (established in 1988, acquired July 26, 2001).

E. Amkor Assembly & Test (Shanghai) Co., Ltd., a wholly owned corporation organized under the laws of the People's Republic of China (incorporated March 8, 2001).

F. Amkor Technology Singapore Pte. Ltd., a wholly owned corporation organized under the laws of Singapore (incorporated March 3, 2004).

G. Guardian Assets, Inc., a wholly owned Delaware corporation (incorporated February 26, 1998), and its subsidiaries:

1) Amkor Technology Euroservices, S.A.R.L., a wholly owned corporation organized under the laws of France (incorporated January 1, 1994).

2) Amkor Technology Japan, K.K., a wholly owned corporation organized under the laws of Japan (incorporated July 23, 1999).

3) Amkor International Holdings, a wholly owned British Cayman Islands corporation (incorporated March 19, 1998) and Delaware LLC (domesticated December 22, 2004) and its subsidiaries:

a) P-Four, a Philippines corporation (incorporated December 16, 1998) and Delaware LLC (domesticated December 23, 2004) and its subsidiary:

(i) 60% ownership of Amkor Technology Philippines, a Philippines corporation (incorporated August 31, 1976) and (40% ownership by Amkor Technology Limited).

b) Amkor Technology Limited, a wholly owned corporation organized under the laws of the British Cayman Islands (incorporated February 10, 1989) and its subsidiaries:

(i) Amkor Technology Korea, Inc., a wholly owned corporation organized under the laws of the Republic of Korea (incorporated February 19, 1999).

(ii) SemiSys Co., Ltd., a wholly owned corporation organized under the laws of the Republic of Korea (incorporated July 7, 2000).

(iii) 40% ownership of Amkor Technology Philippines, a Philippines corporation (incorporated August 31, 1976) and (60% ownership by P-Four, Inc.).

(iv) 80.2% ownership of Amkor Technology Taiwan Ltd., a corporation organized under the laws of the Republic of China (established in 1988, acquired July 26, 2001) and its subsidiary:

(A) Amkor Technology Greater China, Ltd. (formerly Sampo Investments Ltd.), a wholly owned corporation organized under the laws of the Republic of China (established in 1998, acquired July 10, 2001).

H. Unitive, Inc., a wholly owned Delaware corporation (incorporated December 16, 2004), and its subsidiaries:

a) Unitive Electronics, Inc, a wholly owned North Carolina corporation (incorporated April 16, 1996).

b) Unitive International Ltd, a wholly owned corporation organized under the laws of the Netherlands Antilles (incorporated October 28, 1998).

(i) 18.36% of Unitive Semiconductor Taiwan Corp., a corporation organized under the laws of the Republic of China (established June 30, 1999).

I. 41.64% of Unitive Semiconductor Taiwan Corp., a corporation organized under the laws of the Republic of China (established June 30, 1999).

J. Amkor Worldwide Services LLC, a wholly owned limited liability company organized under the laws of Delaware (established November 23, 2005).

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos.333-39642, 333-68032 and 333-81334) and Form S-8 (File Nos.333-62891, 333-63430, 333-76254, 333-86161, 333-100814, 333-104601 and 333-113512) of Amkor Technology, Inc. of our report dated March 15, 2006 relating to the consolidated financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Phoenix, Arizona
March 15, 2006

Exhibit 31.1

SECTION 302(a) CERTIFICATION

I, James J. Kim, certify that:

1. I have reviewed this Annual Report on Form 10-K of Amkor Technology, Inc.;

2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Annual Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

   d) Disclosed in this Annual Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 16, 2006

/s/ JAMES J. KIM
By: James J. Kim
Title: Chief Executive Office

Exhibit 31.2

SECTION 302(a) CERTIFICATION

I, Kenneth T. Joyce, certify that:

1. I have reviewed this Annual Report on Form 10-K of Amkor Technology, Inc.;

2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Annual Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

   d) Disclosed in this Annual Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 16, 2006

/s/ KENNETH T. JOYCE
By: Kenneth T. Joyce
Title: Chief Financial Officer

Exhibit 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Kim, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Amkor Technology, Inc. on Form 10-K for the year ended December 31, 2005 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents in all material respects the financial condition and results of operations of Amkor Technology, Inc.

/s/ JAMES J. KIM
By: James J. Kim
Title: Chief Executive Officer
Date: March 16, 2006

I, Kenneth T. Joyce, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Amkor Technology, Inc. on Form 10-K for the year ended December 31, 2005 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents in all material respects the financial condition and results of operations of Amkor Technology, Inc.

/s/ KENNETH T. JOYCE
By: Kenneth T. Joyce
Title: Chief Financial Officer
Date: March 16, 2006