UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the Quarterly Period Ended March 31, 2015

or

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

For the transition period from to

Commission File Number 000-29472

AMKOR TECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

Delaware	**23-1722724**
(State of incorporation)	*(I.R.S. Employer Identification Number)*

2045 East Innovation Circle
Tempe, AZ 85284
(Address of principal executive offices and zip code)

1900 South Price Road
Chandler, AZ 85286
(Former address of principal executive offices and zip code)

(480) 821-5000
(Registrant's telephone number, including area code)

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

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

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

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

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

The number of outstanding shares of the registrant's Common Stock as of April 24, 2015 was 237,374,103.

QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended March 31, 2015

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This report contains forward-looking statements within the meaning of the federal securities laws, including but not limited to statements regarding: (1) the amount, timing and focus of our expected capital investments in 2015 including expenditures in support of customer demand in the mobile communications market and expenditures related to our new factory and research and development facility in Korea, (2) our ability to fund our operating activities for the next twelve months, (3) the effect of changes in capacity utilization on our gross margin, (4) the focus of our research and development activities, (5) the expiration of tax holidays in jurisdictions in which we operate and expectations regarding our effective tax rate, (6) the release of valuation allowances related to taxes in the future, (7) our repurchase or repayment of outstanding debt or the conversion of debt in the future, (8) payment of dividends to our stockholders and the tax impact of dividends from our foreign subsidiaries, (9) compliance with our covenants, (10) expected contributions to foreign pension plans, (11) liability for unrecognized tax benefits and the potential impact of our unrecognized tax benefits on our effective tax rate, (12) the effect of foreign currency exchange rate exposure on our financial results, (13) the volatility of the trading price of our common stock, (14) potential changes to benefit plans for our employees in Korea and related funding requirements, (15) the anticipated schedule for construction of our new factory and research and development facility in Korea, (16) our plan to increase our ownership of J-Devices and consolidation of J-Devices' results into our consolidated financial statements, (17) our efforts to enlarge our customer base in certain geographic areas and markets, (18) demand for advanced packages in mobile devices and our technology leadership and potential growth in this market and (19) 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 various factors, including those set forth in the following report as well as in Part II, Item 1A of this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

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

	For the Three Months Ended March 31,	
	2015	2014
	(In thousands, except per share data)	
Net sales	$ 742,875	$ 696,044
Cost of sales	607,928	567,224
Gross profit	134,947	128,820
Selling, general and administrative	62,942	62,424
Research and development	18,026	21,045
Total operating expenses	80,968	83,469
Operating income	53,979	45,351
Interest expense	23,777	23,722
Interest expense, related party	1,242	1,242
Other (income) expense, net	(498)	36
Total other expense, net	24,521	25,000
Income before taxes and equity in earnings of unconsolidated affiliate	29,458	20,351
Income tax expense	5,999	4,929
Income before equity in earnings of unconsolidated affiliate	23,459	15,422
Equity in earnings of J-Devices	6,238	5,761
Net income	29,697	21,183
Net income attributable to noncontrolling interests	(916)	(550)
Net income attributable to Amkor	$ 28,781	$ 20,633
Net income attributable to Amkor per common share:		
Basic	$ 0.12	$ 0.09
Diluted	$ 0.12	$ 0.09
Shares used in computing per common share amounts:		
Basic	236,708	216,757
Diluted	237,424	235,497

The accompanying notes are an integral part of these statements.

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

	For the Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Net income	$ 29,697	$ 21,183
Other comprehensive income, net of tax:		
Adjustments to unrealized components of defined benefit pension plans, net of tax	22	120
Foreign currency translation adjustment	(122)	685
Equity interest in J-Devices' other comprehensive income, net of tax	1,338	3,144
Total other comprehensive income	1,238	3,949
Comprehensive income	30,935	25,132
Comprehensive income attributable to noncontrolling interests	(916)	(550)
Comprehensive income attributable to Amkor	$ 30,019	$ 24,582

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2015	December 31, 2014
	(In thousands, except per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 494,189	$ 449,946
Restricted cash	2,681	2,681
Accounts receivable, net of allowances	433,092	469,683
Inventories	227,605	223,379
Other current assets	48,383	52,259
Total current assets	1,205,950	1,197,948
Property, plant and equipment, net	2,167,790	2,206,476
Investments	138,218	117,733
Restricted cash	2,151	2,123
Other assets	119,767	111,125
Total assets	$ 3,633,876	$ 3,635,405
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	$ 30,000	$ 5,000
Trade accounts payable	287,129	309,025
Capital expenditures payable	111,646	127,568
Accrued expenses	272,620	258,997
Total current liabilities	701,395	700,590
Long-term debt	1,420,677	1,450,824
Long-term debt, related party	75,000	75,000
Pension and severance obligations	153,027	152,673
Other non-current liabilities	120,193	125,382
Total liabilities	2,470,292	2,504,469
Commitments and contingencies (Note 17)		
Amkor 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, 282,439 and 282,231 shares issued, and 236,804 and 236,627 shares outstanding, in 2015 and 2014, respectively	282	282
Additional paid-in capital	1,880,753	1,878,810
Accumulated deficit	(488,181)	(516,962)
Accumulated other comprehensive loss	(31,629)	(32,867)
Treasury stock, at cost, 45,635 and 45,604 shares in 2015 and 2014, respectively	(213,258)	(213,028)
Total Amkor stockholders' equity	1,147,967	1,116,235
Noncontrolling interests in subsidiaries	15,617	14,701
Total equity	1,163,584	1,130,936
Total liabilities and equity	$ 3,633,876	$ 3,635,405

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Cash flows from operating activities:		
Net income	$ 29,697	$ 21,183
Depreciation and amortization	124,387	108,338
Other operating activities and non-cash items	(9,525)	(4,274)
Changes in assets and liabilities	20,465	6,699
Net cash provided by operating activities	165,024	131,946
Cash flows from investing activities:		
Payments for property, plant and equipment	(106,149)	(95,999)
Proceeds from sale of property, plant and equipment	3,254	726
Investment in J-Devices	(12,908)	—
Other investing activities	(322)	(266)
Net cash used in investing activities	(116,125)	(95,539)
Cash flows from financing activities:		
Borrowings under revolving credit facilities	30,000	—
Proceeds from issuance of long-term debt	—	80,000
Payments of long-term debt	(35,000)	(80,000)
Payment of deferred consideration for an acquisition	—	(18,763)
Proceeds from the issuance of stock through share-based compensation plans	574	438
Payments of tax withholding for restricted shares	(230)	(122)
Net cash used in financing activities	(4,656)	(18,447)
Effect of exchange rate fluctuations on cash and cash equivalents	—	183
Net increase in cash and cash equivalents	44,243	18,143
Cash and cash equivalents, beginning of period	449,946	610,442
Cash and cash equivalents, end of period	$ 494,189	$ 628,585
Non cash investing and financing activities:		
Property, plant and equipment included in capital expenditures payable	$ 111,646	$ 144,302

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Interim Financial Statements

Basis of Presentation. The Consolidated Financial Statements and related disclosures as of March 31, 2015, and for the three months ended March 31, 2015 and 2014, are unaudited, pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). The December 31, 2014, Consolidated Balance Sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America ("U.S."). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations. In our opinion, these financial statements include all adjustments (consisting only of normal recurring adjustments) necessary for the fair statement of the results for the interim periods. These financial statements should be read in conjunction with the financial statements included in our Annual Report for the year ended December 31, 2014, filed on Form 10-K with the SEC on February 19, 2015. The results of operations for the three months ended March 31, 2015, are not necessarily indicative of the results to be expected for the full year. Unless the context otherwise requires, all references to "Amkor," "we," "us," "our" or the "company" are to Amkor Technology, Inc. and our subsidiaries.

On June 30, 2014, we completed the sale of our Japanese subsidiary to J-Devices, our equity-method joint venture in Japan. The financial results of the entity were included in our consolidated financial statements up to the date of sale (Note 3) and have subsequently been included in the results of J-Devices.

The U.S. dollar is our reporting currency and the functional currency for our subsidiaries. Effective June 30, 2014, we changed the functional currency for our sales office in Japan to the U.S. dollar primarily due to an increase in the mix of our U.S. dollar denominated sales. The change in functional currency is applied on a prospective basis.

Use of Estimates. The Consolidated Financial Statements have been prepared in conformity with U.S. GAAP, using management's best estimates and judgments where appropriate. These estimates and judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and judgments will also affect the reported amounts for certain revenues and expenses during the reporting period. Actual results could differ materially from these estimates and judgments.

2. New Accounting Standards

Recently Issued Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 is based on the principle that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, including significant judgments and changes in judgments. ASU 2014-09 is effective for reporting periods beginning after December 15, 2016; however, the FASB is contemplating changes to the new standard and its effective date. ASU 2014-09 permits the use of either full retrospective or modified retrospective methods of adoption. Early adoption is not permitted. We are currently evaluating the method of adoption and the impact that this guidance will have on our financial statements and disclosure.

In April 2015, the FASB issued ASU 2015-03, *Interest-Imputation of Interest (Subtopic 835-30) - Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 requires debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-03 is effective for reporting periods beginning after December 15, 2015, and requires retrospective application. Early adoption is permitted. ASU 2015-03 is not expected to have a significant impact on our financial statements and disclosure.

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

In April 2015, the FASB issued ASU 2015-05, *Intangibles - Goodwill and Other Internal-Use Software (Subtopic 350-40) - Customer's Accounting for Fees Paid in a Cloud Computing Arrangement*. ASU 2015-05 provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The new guidance does not change the accounting for a customer's accounting for service contracts. ASU No. 2015-05 is effective for interim and annual reporting periods beginning after December 15, 2015. Early adoption is permitted. We are currently evaluating the impact that this guidance will have on our financial statements and disclosure.

3. Sale of Subsidiary to J-Devices

On June 30, 2014, we sold 100% of the shares of our wholly-owned subsidiary engaged in semiconductor packaging and test operations in Japan to J-Devices Corporation ("J-Devices"), our equity-method joint venture in Japan, for ¥1.1 billion ($9.5 million). For additional information regarding our investment in J-Devices, we refer you to Note 12. We received ¥0.1 billion ($1.0 million) in cash from J-Devices at closing and will receive the remaining ¥1.0 billion ($8.5 million) by June 30, 2015. We recognized a net gain on the sale of $9.2 million in our consolidated financial statements in other (income) expense, net, which includes a gain of $12.6 million from the release of accumulated foreign currency translation adjustments associated with the entity. J-Devices recognized a gain of $14.7 million on the transaction in its consolidated financial statements as the fair value of the net assets acquired exceeded the purchase price. The gain recognized by J-Devices increased our equity in earnings of J-Devices by $8.8 million. The combined net gain we recognized was $18.0 million.

4. Share-Based Compensation Plans

For the three months ended March 31, 2015 and 2014, we recognized share-based compensation attributable to stock options and restricted shares of $1.4 million and $1.0 million, respectively, primarily in selling, general and administrative expenses. There were no corresponding deferred income tax benefits for stock options or restricted shares.

Stock Options

The following table summarizes our stock option activity for the three months ended March 31, 2015:

	Number of Shares (In thousands)	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In thousands)
Outstanding at December 31, 2014	3,822	$ 6.25		
Granted	100	8.92		
Exercised	(119)	4.81		
Forfeited or expired	(69)	4.28		
Outstanding at March 31, 2015	3,734	$ 6.41	6.22	$ 10,424
Fully vested at March 31, 2015 and expected to vest thereafter	3,706	$ 6.41	6.21	$ 10,329
Exercisable at March 31, 2015	2,244	$ 7.00	4.83	$ 5,330

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The following assumptions were used to calculate the weighted average fair values of the options granted:

	For the Three Months Ended March 31,	
	2015	2014
Expected life (in years)	6.1	6.1
Risk-free interest rate	1.7%	1.9%
Volatility	50%	59%
Dividend yield	—	—
Weighted average grant date fair value per option granted	$ 4.38	$ 2.89

Total unrecognized compensation expense from stock options, net of a forfeiture estimate, was $3.6 million as of March 31, 2015, which is expected to be recognized over a weighted-average period of approximately 2.3 years beginning April 1, 2015.

Restricted Shares

The following table summarizes our restricted share activity for the three months ended March 31, 2015:

	Number of Shares (In thousands)	Weighted Average Grant-Date Fair Value (Per share)
Nonvested at December 31, 2014	660	$ 4.58
Awards granted	8	9.85
Awards vested	(89)	5.27
Awards forfeited	(17)	4.46
Nonvested at March 31, 2015	562	$ 4.55

Total unrecognized compensation cost from restricted shares, net of a forfeiture estimate, was $2.2 million as of March 31, 2015, which is expected to be recognized over a weighted average period of approximately 2.0 years beginning April 1, 2015.

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

5. Other Income and Expense

Other income and expense consists of the following:

	For the Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Interest income	$ (983)	$ (711)
Foreign currency loss, net	207	334
Other expense, net	278	413
Total other (income) expense, net	$ (498)	$ 36

6. Income Taxes

Our income tax expense of $6.0 million for the three months ended March 31, 2015 primarily reflects income taxes at certain of our foreign operations and foreign withholding taxes. Our income tax expense also reflects income taxed in foreign jurisdictions where we benefit from tax holidays.

We maintain a valuation allowance on all of our U.S. net deferred tax assets, including our net operating loss carryforwards. We also have valuation allowances on deferred tax assets in certain foreign jurisdictions. Such valuation allowances are released as the related tax benefits are realized or when sufficient net positive evidence exists to conclude that it is more likely than not that the deferred tax assets will be realized.

Unrecognized tax benefits represent reserves for potential tax deficiencies or reductions in tax benefits that could result from federal, state or foreign tax audits. Our gross unrecognized tax benefits were $12.7 million at March 31, 2015 and December 31, 2014. At March 31, 2015, all of our unrecognized tax benefits would reduce our effective tax rate, if recognized. Our unrecognized tax benefits are subject to change as examinations of tax years are completed. Tax return examinations involve uncertainties, and there can be no assurances that the outcome of examinations will be favorable.

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

7. Earnings Per Share

Basic earnings per share ("EPS") is computed by dividing net income attributable to Amkor common stockholders by the weighted average number of common shares outstanding during the period. The weighted average number of common shares outstanding includes restricted shares held by retirement eligible recipients and is reduced for treasury stock. We grant restricted shares which entitle recipients to voting and nonforfeitable dividend rights from the date of grant therefore our unvested share-based compensation awards are considered participating securities and are included in the computation of EPS pursuant to the two-class method.

Diluted EPS is computed on the basis of the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period. Dilutive potential common shares include outstanding stock options, unvested restricted shares and convertible debt. The following table summarizes the computation of basic and diluted EPS:

	For the Three Months Ended March 31,	
	2015	2014
	(In thousands, except per share data)	
Net income attributable to Amkor	$ 28,781	$ 20,633
Income allocated to participating securities	(68)	(105)
Net income available to Amkor common stockholders — basic	28,713	20,528
Adjustment for dilutive securities on net income:		
Net income reallocated to participating securities	—	3
Interest on 6.0% convertible notes due 2014, net of tax	—	907
Net income attributable to Amkor — diluted	$ 28,713	$ 21,438
Weighted average shares outstanding — basic	236,708	216,757
Effect of dilutive securities:		
Stock options	716	109
6.0% convertible notes due 2014	—	18,631
Weighted average shares outstanding — diluted	237,424	235,497
Net income attributable to Amkor per common share:		
Basic	$ 0.12	$ 0.09
Diluted	0.12	0.09

The following table summarizes the potential shares of common stock that were excluded from diluted EPS, because the effect of including these potential shares was antidilutive:

	For the Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Stock options and restricted share awards	1,400	4,265

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

8. Equity and Accumulated Other Comprehensive Income (Loss)

The following tables reflect the changes in equity attributable to both Amkor and the noncontrolling interests:

	Attributable to Amkor	Attributable to Noncontrolling Interests	Total
		(In thousands)	
Equity at December 31, 2014	$ 1,116,235	$ 14,701	$ 1,130,936
Net income	28,781	916	29,697
Other comprehensive income	1,238	—	1,238
Issuance of stock through employee share-based compensation plans	574	—	574
Treasury stock acquired through surrender of shares for tax withholding	(230)	—	(230)
Share-based compensation expense	1,369	—	1,369
Equity at March 31, 2015	$ 1,147,967	$ 15,617	$ 1,163,584

	Attributable to Amkor	Attributable to Noncontrolling Interests	Total
		(In thousands)	
Equity at December 31, 2013	$ 953,740	$ 11,200	$ 964,940
Net income	20,633	550	21,183
Other comprehensive income	3,949	—	3,949
Issuance of stock through employee share-based compensation plans	438	—	438
Treasury stock acquired through surrender of shares for tax withholding	(122)	—	(122)
Share-based compensation expense	972	—	972
Equity at March 31, 2014	$ 979,610	$ 11,750	$ 991,360

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

The following tables reflect the changes in accumulated other comprehensive income (loss), net of tax:

	Defined Benefit Pension	Foreign Currency Translation	Equity Interest in J-Devices' Other Comprehensive Income (Loss)	Total
	(In thousands)			
Accumulated other comprehensive loss at December 31, 2014	$ (2,525)	$ (513)	$ (29,829)	$ (32,867)
Other comprehensive (loss) income before reclassifications	—	(122)	1,338	1,216
Amounts reclassified from accumulated other comprehensive loss	22	—	—	22
Other comprehensive income (loss)	22	(122)	1,338	1,238
Accumulated other comprehensive loss at March 31, 2015	$ (2,503)	$ (635)	$ (28,491)	$ (31,629)

	Defined Benefit Pension	Foreign Currency Translation	Equity Interest in J-Devices' Other Comprehensive Income (Loss)	Total
	(In thousands)			
Accumulated other comprehensive (loss) income at December 31, 2013	$ (1,013)	$ 11,451	$ (10,693)	$ (255)
Other comprehensive income before reclassifications	—	685	3,144	3,829
Amounts reclassified from accumulated other comprehensive (loss) income	120	—	—	120
Other comprehensive income	120	685	3,144	3,949
Accumulated other comprehensive (loss) income at March 31, 2014	$ (893)	$ 12,136	$ (7,549)	$ 3,694

Amounts reclassified out of accumulated other comprehensive (loss) income are included as a component of net periodic pension cost (Note 15).

9. Factoring of Accounts Receivable

In certain foreign locations, we use non-recourse factoring arrangements with third party financial institutions to manage our working capital and cash flows. Under this program, we sell receivables to a financial institution for cash at a discount to the face amount. As part of the factoring arrangements, we perform certain collection and administrative functions for the receivables sold. For the three months ended March 31, 2015 and 2014, we sold accounts receivable totaling $81.3 million and $69.0 million, respectively, for a discount, plus fees, of $0.4 million and $0.3 million, respectively.

10. Inventories

Inventories consist of the following:

	March 31, 2015	December 31, 2014
	(In thousands)	
Raw materials and purchased components	$ 162,250	$ 161,942
Work-in-process	65,355	61,437
Total inventories	$ 227,605	$ 223,379

11. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	March 31, 2015	December 31, 2014
	(In thousands)	
Land	$ 207,985	$ 207,985
Land use rights	26,845	26,845
Buildings and improvements	944,246	940,846
Machinery and equipment	3,977,069	3,953,891
Software and computer equipment	186,868	185,243
Furniture, fixtures and other equipment	16,274	15,347
Construction in progress	64,324	39,261
Total property, plant and equipment	5,423,611	5,369,418
Less accumulated depreciation and amortization	(3,255,821)	(3,162,942)
Total property, plant and equipment, net	$ 2,167,790	$ 2,206,476

Depreciation expense was $124.1 million and $108.0 million for the three months ended March 31, 2015 and March 31, 2014, respectively.

During 2013, we purchased land for a factory and research and development center in Korea ("K5") for $104.1 million. In 2014, we commenced construction activities and incurred costs of $29.8 million, including capitalized interest of $8.6 million, which is reflected in construction in progress. As of March 31, 2015, construction in progress reflects $49.9 million of costs, including capitalized interest of $10.8 million.

12. Investments

Investments consist of the following:

	March 31, 2015		December 31, 2014	
	Carrying Value (In thousands)	Ownership Interest	Carrying Value (In thousands)	Ownership Interest
Investment in unconsolidated affiliate	$ 138,218	65.7%	$ 117,733	60.0%

J-Devices Corporation

In October 2009, Amkor and Toshiba Corporation ("Toshiba") invested in Nakaya Microdevices Corporation ("NMD") and formed a joint venture to provide semiconductor packaging and test services in Japan. As a result of the transaction, NMD changed its name to J-Devices. We invested $16.7 million for our original 30% equity interest and options to acquire additional equity interests. We exercised our options and increased our ownership interest in J-Devices from 30% to 60% in April 2013, for an aggregate purchase price of $67.4 million, and from 60% to 65.7% in January 2015, for an aggregate purchase price of $12.9 million. J-Devices is now owned 65.7% by Amkor and 34.3% by the former shareholders of NMD.

The remaining option is exercisable beginning in the fourth quarter of 2015 and each year thereafter and permits us to increase our ownership interest in J-Devices up to 80% by purchasing shares owned by the other shareholders. If exercised in 2015, we would expect closing to occur by early 2016. After we own 80% or more shares, the original shareholders of NMD have a put option which allows them to sell their shares to us. The exercise price for all options is payable in cash and is determined using a formula based on the net book value and a multiple of earnings before interest, taxes, depreciation and amortization of J-Devices.

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

The governance provisions currently applicable to J-Devices restrict our ability, even with our majority ownership, to cause J-Devices to take certain actions without the consent of the other investors. Accordingly, we account for our investment in J-Devices using the equity method of accounting. Under the equity method of accounting, we recognize our proportionate share of J-Devices' net income or loss, which is after J-Devices' income taxes in Japan, during each accounting period as a change in our investment in unconsolidated affiliate. J-Devices' financial information is converted to U.S. GAAP and translated into U.S. dollars using Japanese yen as the functional currency. In addition, we record equity method adjustments as a change in our investment. The equity method adjustments include the amortization of basis differences as a result of the cost of our investment differing from our proportionate share of J-Devices' equity.

On June 30, 2014, J-Devices purchased 100% of the shares of our wholly-owned subsidiary engaged in semiconductor packaging and test operations in Japan. For additional information regarding this transaction, we refer you to Note 3.

13. Accrued Expenses

Accrued expenses consist of the following:

	March 31, 2015	December 31, 2014
	(In thousands)	
Payroll and benefits	$ 62,626	$ 77,635
Deferred revenue and customer advances	59,171	56,829
Income taxes payable	38,072	31,580
Accrued interest	36,995	15,947
Accrued settlement costs (Note 17)	31,006	32,414
Accrued severance plan obligations (Note 15)	13,809	13,226
Other accrued expenses	30,941	31,366
Total accrued expenses	$ 272,620	$ 258,997

Accrued settlement costs relate to amounts due as a result of the settlement of previously pending patent license litigation (Note 17).

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

14. Debt

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

	March 31, 2015	December 31, 2014
	(In thousands)	
Debt of Amkor Technology, Inc.:		
Senior secured credit facilities:		
$200 million revolving credit facility, LIBOR plus 1.25%-1.75%, due December 2019	$ —	$ —
Senior notes:		
7.375% Senior notes, due May 2018	345,000	345,000
6.625% Senior notes, due June 2021, $75 million related party	400,000	400,000
6.375% Senior notes, due October 2022	525,000	525,000
Debt of subsidiaries:		
Amkor Technology Korea, Inc.:		
$41 million revolving credit facility, foreign currency funding-linked base rate plus 1.60%, due June 2016 (1) (6)	30,000	—
Term loan, LIBOR plus 3.70%, due June 2016 (2) (6)	70,000	70,000
Term loan, foreign currency funding-linked base rate plus 1.80%, due March 2017 (3) (6)	80,000	80,000
Term loan, LIBOR plus 3.70%, due July 2017 (1) (6)	—	30,000
Term loan, foreign currency funding-linked base rate plus 1.75%, due September 2017 (4) (6)	—	5,000
Term loan, LIBOR plus 3.70%, due December 2019 (5) (6)	70,000	70,000
Other:		
Revolving credit facility, TAIFX plus a bank-determined spread, due April 2015 (Taiwan) (7)	—	—
	1,520,000	1,525,000
Add: Unamortized premium	5,677	5,824
Less: Short-term borrowings and current portion of long-term debt	(30,000)	(5,000)
Long-term debt (including related party)	$ 1,495,677	$ 1,525,824

(1) In June 2012, we entered into a $41.0 million revolving credit facility with a Korean Bank. Principal is payable at maturity. In February 2015, the facility was amended to lower the interest rate. In February 2015, we drew $30.0 million and used the proceeds to prepay our term loan due July 2017. In April 2015, the outstanding balance was repaid. Interest is due monthly, at a foreign currency funding-linked base rate plus 1.60% (3.05% as of March 31, 2015). As of March 31, 2015, $11.0 million was available to be borrowed for general working capital purposes.

(2) In April 2013, we entered into a term loan agreement with a Korean bank pursuant to which we may borrow up to $150.0 million through April 2016 for general working capital purposes and the repayment of inter-company debt. Principal is payable at maturity. Interest is due quarterly, at a rate of LIBOR plus 3.70% (3.97% as of March 31, 2015). As of March 31, 2015, $80.0 million was available to be borrowed.

(3) In March 2014, we entered into a term loan agreement with a Korean bank pursuant to which we borrowed $80.0 million. Principal is payable at maturity. In January 2015, the term loan was amended to lower the interest rate. Interest is due monthly, at a foreign currency funding-linked base rate plus 1.80% (3.08% as of March 31, 2015).

(4) In March 2013, we entered into a loan agreement with a Korean bank pursuant to which we may borrow up to $150.0 million through September 2017. Principal is payable in quarterly installments of $5.0 million starting in December 2014, with the remaining balance due at maturity. Interest is due quarterly, at a foreign currency funding-linked base rate plus 1.75% (3.20% as of March 31, 2015). At March 31, 2015, $140.0 million was available to be borrowed for capital expenditures.

(5) In November 2012, we entered into a loan agreement with a Korean bank pursuant to which we could borrow up to $100.0 million through March 2014. Principal is payable upon maturity. Interest is payable quarterly in arrears, at LIBOR plus 3.70% (3.94% as of March 31, 2015). In April 2015, the term loan was amended and now bears interest at LIBOR plus 2.70%.

(6) The loans in Korea are collateralized by substantially all the land, factories and equipment located at our facilities in Korea.

(7) In September 2012, Amkor Technology Taiwan Ltd, a subsidiary in Taiwan, entered into a revolving credit facility. Availability under the revolving credit facility was originally $44.0 million and subsequent availability steps down $5.0 million every six months from the original available balance. Principal is payable at maturity. As of March 31, 2015, $19.0 million was available to be drawn for general corporate purposes and capital expenditures.

The debt of Amkor Technology, Inc. is structurally subordinated in right of payment to all existing and future debt and other liabilities of our subsidiaries. The agreements governing our indebtedness contain a number of affirmative and negative covenants which restrict our ability to pay dividends and could restrict our operations. We have never paid a dividend to our stockholders and we do not have any present plans for doing so. We were in compliance with all of our covenants at March 31, 2015.

15. Pension and Severance Plans

Foreign Defined Benefit Pension Plans

Our subsidiaries in Japan, Malaysia, the Philippines and Taiwan sponsor defined benefit pension plans that cover substantially all of their respective employees who are not covered by statutory plans. Charges to expense are based upon actuarial analyses. The components of net periodic pension cost for these defined benefit plans are as follows:

	For the Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Service cost	$ 1,219	$ 1,424
Interest cost	766	779
Expected return on plan assets	(856)	(766)
Amortization of prior service cost	9	49
Recognized actuarial loss	21	92
Net periodic pension cost	$ 1,159	$ 1,578

Korean Severance Plan

Our subsidiary in Korea participates in an accrued severance plan that covers employees with at least one year of service. To the extent eligible employees are terminated, our subsidiary in Korea would be required to make lump-sum severance payments on behalf of these eligible employees based on their length of service, seniority and rate of pay at the time of termination. Accrued severance benefits 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 provision recorded for severance benefits for the three months ended March 31, 2015 and 2014, was $5.1 million and $5.6 million, respectively. The balance of our Korean severance obligation consists of the following:

	March 31, 2015	December 31, 2014
	(In thousands)	
Current (Accrued expenses)	$ 13,809	$ 13,226
Non-current (Pension and severance obligations)	133,701	133,435
Total Korean severance obligation	$ 147,510	$ 146,661

16. Fair Value Measurements

The accounting framework for determining fair value includes a hierarchy for ranking the quality and reliability of the information used to measure fair value, which enables the reader of the financial statements to assess the inputs used to develop those measurements. The fair value hierarchy consists of three tiers as follows: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities and Level 3, defined as unobservable inputs that are not corroborated by market data.

The fair values of cash, accounts receivable, trade accounts payable, capital expenditures payable, and certain other current assets and accrued expenses approximate carrying values because of their short-term nature. The carrying value of other non-current liabilities approximates fair value. Our assets and liabilities recorded at fair value on a recurring basis include cash equivalent money market funds and restricted cash money market funds. Cash equivalent money market funds and restricted cash money market funds are invested in U.S. money market funds and various U.S. and foreign bank operating and time deposit accounts, which are due on demand or carry a maturity date of less than three months when purchased. No restrictions have been imposed on us regarding withdrawal of balances with respect to our cash equivalents as a result of liquidity or other credit market issues affecting the money market funds we invest in or the counterparty financial institutions holding our deposits. Money market funds are valued using quoted market prices in active markets for identical assets.

Our recurring fair value measurements consist of the following:

	March 31, 2015	December 31, 2014
	(In thousands)	
Cash equivalent money market funds (Level 1)	$ 106,334	$ 145,938
Restricted cash money market funds (Level 1)	2,681	2,681

We also measure certain assets and liabilities, including property, plant and equipment and our investment in J-Devices, at fair value on a nonrecurring basis.

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

We measure the fair value of our debt for disclosure purposes. The following table presents the fair value of financial instruments that are not recorded at fair value on a recurring basis:

	March 31, 2015		December 31, 2014	
	Fair Value	Carrying Value	Fair Value	Carrying Value
	(In thousands)			
Senior notes (Level 1)	$ 1,311,521	$ 1,275,677	$ 1,268,619	$ 1,275,824
Revolving credit facility and term loans (Level 2)	254,095	250,000	254,999	255,000
Total debt	$ 1,565,616	$ 1,525,677	$ 1,523,618	$ 1,530,824

The estimated fair value of our senior notes is based primarily on quoted market prices reported on or near the respective balance sheet dates. The estimated fair value of our revolving credit facility and term loans was calculated using a discounted cash flow analysis, which utilized market based assumptions including forward interest rates adjusted for credit risk.

17. Commitments and Contingencies

We have a letter of credit sub-facility of $25.0 million under our $200.0 million senior secured revolving credit facility that matures in December 2019. As of March 31, 2015, we had $0.4 million of standby letters of credit outstanding. Such standby letters of credit are used in the ordinary course of our business and are collateralized by our cash balances.

We generally warrant that our services will be performed in a professional and workmanlike manner and in compliance with our customers' specifications. We accrue costs for known warranty issues. Historically, our warranty costs have been immaterial.

Legal Proceedings

We are involved in claims and legal proceedings and may become involved in other legal matters arising in the ordinary course of our business. We evaluate these claims and legal matters on a case-by-case basis to make a determination as to the impact, if any, on our business, liquidity, results of operations, financial condition or cash flows. We believe that the ultimate outcome of these claims and proceedings, individually and in the aggregate, will not have a material adverse impact to us. Our evaluation of the potential impact of these claims and legal proceedings on our business, liquidity, results of operations, financial condition or cash flows could change in the future.

In accordance with the accounting guidance for loss contingencies, including legal proceedings, lawsuits, pending claims and other legal matters, we accrue for a loss contingency when we conclude that the likelihood of a loss is probable and the amount of the loss can be reasonably estimated. When the reasonable estimate of the loss is within a range of amounts, and no amount in the range constitutes a better estimate than any other amount, we accrue for the amount at the low end of the range. We adjust our accruals from time to time as we receive additional information, but the loss we incur may be significantly greater than or less than the amount we have accrued. We disclose loss contingencies if there is at least a reasonable possibility that a loss has been incurred. Attorney fees related to legal matters are expensed as incurred.

Proceedings with Tessera, Inc.

We were involved in several legal proceedings with Tessera, Inc. (“Tessera”) related to a license agreement (the “License Agreement”) entered into in 1996 between Tessera and our predecessor. The proceedings generally involved disputes about whether or not Amkor owed Tessera royalties under the License Agreement with respect to certain packages, the termination of the License Agreement and post-termination infringement.

In January 2015, the parties entered into a settlement agreement to end all pending proceedings related to the dispute. Under the terms of the settlement, Amkor agreed to pay Tessera a total of $155.0 million in 16 equal quarterly recurring payments commencing in the first quarter of 2015, and continuing through the fourth quarter of 2018, and the parties agreed to a mutual release and dismissal of all claims relating to their pending litigation and arbitration proceedings. The settlement agreement also provides that Tessera and Amkor will look for opportunities to engage in potential technology collaboration.

In connection with the settlement, we recorded a pre-tax charge of $87.1 million for the three months ended December 31, 2014, of which $75.3 million was charged to cost of sales and $11.8 million was charged to interest expense. This charge reflects the aggregate amount due under the settlement agreement, net of amounts previously reserved. At March 31, 2015, the total liability owed Tessera is $145.3 million of which $31.0 million is a current liability, $98.5 million is a non-current liability and $15.8 million will be imputed into interest over time.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

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

Amkor is one of the world's leading providers of outsourced semiconductor packaging and test services. Our financial goals are sales growth and improved profitability, and we are focusing on the following strategies to achieve these goals: capitalizing on our investments in services for advanced technologies, improving utilization of existing assets and selectively growing our scale and scope through strategic investments.

We are an industry leader in developing and commercializing cost-effective advanced packaging and test technologies. These advanced technology solutions provide increased value to our customers while typically generating gross margins above our corporate average. This is particularly true in the mobile device market, where growth has outpaced the semiconductor industry rate. Advanced packages are now the preferred choice in both the high-end and the mid-range segments of the smartphone market, which together account for a high portion of mobile phone semiconductor value. The demand for advanced packages is also being driven by second-wave mobile device customers, who are transitioning out of wirebond into wafer-level and flip-chip packages. Our technology leadership and this technology transition create significant growth opportunities for us.

We typically look for opportunities in the advanced packaging and test area where we can generate reasonably quick returns on investments made for customers seeking leading edge technologies. We also focus on developing a second wave of customers to fill the capacity that becomes available when leading edge customers transition to newer packaging and test equipment and platforms. For example, we are currently working to expand our sales to Chinese and Taiwanese fabless chip companies that make up a significant portion of the mid-tier and entry-level segments of the mobile device market where much of the growth is occurring. In addition, we are seeking out new customers and deepening our engagement with existing customers. This includes an expanded emphasis on the automotive market where semiconductor content continues to grow and in the analog area for our mainstream wirebond technologies.

From time to time, we identify attractive opportunities to grow our customer base and expand the markets we serve. For example, in 2009 we invested in J-Devices Corporation, a joint venture to provide semiconductor packaging and test services in Japan. We increased our investment in J-Devices to 60% in 2013 and to 65.7% in 2015. In 2013, we acquired Toshiba's power discrete semiconductor packaging and test factory in Malaysia. We believe that selective growth through joint ventures, acquisitions and other strategic investments can help diversify our revenue streams, improve our profits and continue our technological leadership.

Our IDM customers include: Intel Corporation; Micron Technology, Inc.; STMicroelectronics N.V.; Texas Instruments Incorporated and Toshiba Corporation. Our fabless customers include: Altera Corporation; Avago Technologies; Broadcom Corporation and Qualcomm Incorporated. Our contract foundry customers include: GlobalFoundries Inc. and Taiwan Semiconductor Manufacturing Company Limited.

Our business is impacted by market conditions in the semiconductor industry, which is cyclical and impacted by broad economic factors, such as world-wide gross domestic product and consumer spending. Historical trends indicate there has been a strong correlation between world-wide gross domestic product levels, consumer spending and semiconductor industry cycles. The semiconductor industry has experienced significant and sometimes prolonged cyclical downturns in the past. We cannot predict the timing, strength or duration of any economic slowdown or subsequent economic recovery.

Our net sales, gross profit, operating income, cash flows, liquidity and capital resources have historically fluctuated significantly from quarter to quarter as a result of many factors, including the seasonality of our business, the cyclical nature of the semiconductor industry and other factors discussed in Part II, Item 1A of this Quarterly Report on Form 10-Q.

We operate in a capital intensive industry and have a significant level of debt. Servicing our current and future customers requires that we incur significant operating expenses and continue to make significant capital expenditures, which are generally made in advance of the related revenues and without firm customer commitments. We fund our operations, including capital expenditures and debt service requirements, with cash flows from operations, existing cash and cash equivalents, borrowings under available credit facilities and proceeds from any additional financing. Maintaining an appropriate level of liquidity is important to our business and depends on, among other things, the performance of our business, our capital expenditure levels and our ability to repay debt out of our operating cash flows or proceeds from debt or equity financings.

Financial Highlights

Our net sales increased $46.8 million or 6.7% to $742.9 million for the three months ended March 31, 2015, from $696.0 million for the three months ended March 31, 2014. The increase in net sales was primarily attributable to strong demand for advanced products supporting mobile communications.

Gross margin for the three months ended March 31, 2015, decreased to 18.2% from 18.5% for the three months ended March 31, 2014, primarily due to higher depreciation expense, partially offset by net sales growth, favorable foreign currency exchange rate movements and lower costs for gold.

Our capital expenditures totaled $106.1 million for the three months ended March 31, 2015, compared to $96.0 million for the three months ended March 31, 2014. Our spending was primarily focused on investments in advanced packaging and test equipment supporting mobile communications.

Net cash provided by operating activities was $165.0 million for the three months ended March 31, 2015, compared to $131.9 million for the three months ended March 31, 2014. The increase is primarily attributable to increased profit from revenue growth.

Results of Operations

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

	For the Three Months Ended March 31,	
	2015	**2014**
Net sales	100.0%	100.0%
Materials	36.7%	36.8%
Labor	14.2%	14.7%
Other manufacturing costs	30.9%	30.0%
Gross margin	18.2%	18.5%
Operating income	7.3%	6.5%
Income before taxes and equity in earnings of unconsolidated affiliate	4.0%	2.9%
Net income attributable to Amkor	3.9%	3.0%

Net Sales

	For the Three Months Ended March 31,			
	2015	**2014**	**Change**	
	(In thousands, except percentages)			
Net sales	$ 742,875	$ 696,044	$ 46,831	6.7%

The increase in net sales for the three months ended March 31, 2015, compared to the three months ended March 31, 2014, was primarily attributable to strong demand for advanced products supporting mobile communications.

Gross Margin

	For the Three Months Ended March 31,		
	2015	2014	Change
	(In thousands, except percentages)		
Gross profit	$ 134,947	$ 128,820	$ 6,127
Gross margin	18.2%	18.5%	(0.3)%

Our cost of sales consists principally of materials, labor, depreciation and manufacturing overhead. Since a substantial portion of the costs at our factories is fixed, relatively modest increases or decreases in capacity utilization rates can have a significant effect on our gross margin.

Gross margin for the three months ended March 31, 2015, decreased primarily due to higher depreciation expense, partially offset by net sales growth, favorable foreign currency exchange rate movements and lower costs for gold, which is used in many of our wirebond products.

Selling, General and Administrative Expenses

	For the Three Months Ended March 31,			
	2015	2014	Change	
	(In thousands, except percentages)			
Selling, general and administrative	$ 62,942	$ 62,424	$ 518	0.8%

Selling, general and administrative expenses for the three months ended March 31, 2015, was comparable to the three months ended March 31, 2014. We incurred higher employee compensation costs which were offset by lower professional fees.

Research and Development

	For the Three Months Ended March 31,			
	2015	2014	Change	
	(In thousands, except percentages)			
Research and development	$ 18,026	$ 21,045	$ (3,019)	(14.3)%

Research and development activities are focused on developing new packaging and test services and improving the efficiency and capabilities of our existing production processes. The decrease in research and development expenses for the three months ended March 31, 2015, was driven by 20 nanometer chipset design wins that moved into production in the second half of 2014.

Income Tax Expense

	For the Three Months Ended March 31,			
	2015	2014	Change	
	(In thousands, except percentages)			
Income tax expense	$ 5,999	$ 4,929	$ 1,070	21.7%

Generally, our effective tax rate is below the U.S. federal tax rate of 35% because the majority of our income is taxed in foreign jurisdictions where we benefit from tax holidays or tax rates lower than the U.S. statutory rate. Our income tax expense for the three months ended March 31, 2015 and 2014 was primarily attributable to income tax on profits earned in certain foreign jurisdictions and foreign withholding taxes.

Our income tax expense reflects the applicable tax rates in effect in the various countries in which our income is earned and is subject to volatility depending on the relative jurisdictional mix of earnings. During 2015 and 2014, our subsidiaries in Korea, Malaysia, the Philippines and Taiwan operated under tax holidays which will continue to expire in whole or in part at various dates through 2022. We expect our effective tax rate to increase as the tax holidays expire as income earned in these jurisdictions will then be subject to higher statutory income tax rates.

Equity in Earnings of J-Devices

	For the Three Months Ended March 31,			
	2015	2014	Change	
	(In thousands, except percentages)			
Equity in earnings of J-Devices	$ 6,238	$ 5,761	$ 477	8.3%

In January 2015, we increased our ownership interest in J-Devices from 60% to 65.7% and in June 2014, J-Devices acquired our Japanese subsidiary.

Liquidity and Capital Resources

We assess our liquidity based on our current expectations regarding sales, operating expenses, capital spending and debt service and other liability requirements. Based on this assessment, we believe that our cash flow from operating activities, together with existing cash and cash equivalents and availability under our revolving credit facilities, will be sufficient to fund our working capital, capital expenditure, debt service and other liability requirements for at least the next twelve months. Our liquidity is affected by, among other things, volatility in the global economy and credit markets, the performance of our business, our capital expenditure levels, other uses of our cash including any purchases of stock under our stock repurchase program, any acquisitions or investments in joint ventures and our ability to either repay debt out of operating cash flow or refinance it at or prior to maturity with the proceeds of debt or equity offerings. There can be no assurance that we will generate the necessary net income or operating cash flows, or be able to borrow sufficient funds, to meet the funding needs of our business beyond the next twelve months due to a variety of factors, including the cyclical nature of the semiconductor industry and other factors discussed in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Our primary source of cash and the source of funds for our operations are cash flows from operations, current cash and cash equivalents, borrowings under available debt facilities and proceeds from any additional debt or equity financings. As of March 31, 2015, we had cash and cash equivalents of $494.2 million. Included in our cash balance as of March 31, 2015, is $367.5 million held offshore by our foreign subsidiaries. If we were to distribute this offshore cash to the U.S. as dividends from our foreign subsidiaries, we would incur foreign withholding taxes; however, we would not incur a significant amount of U.S. federal income taxes, due to the availability of tax loss carryovers and foreign tax credits.

As of March 31, 2015, we had availability of $199.6 million under our $200.0 million first lien senior secured revolving credit facility. Our foreign subsidiaries had $30.0 million available to be drawn under secured revolving credit facilities for general corporate purposes, general working capital purposes and capital expenditures and $220.0 million available to be borrowed under secured term loan credit facilities for general working capital purposes, capital expenditures and repayment of inter-company debt.

As of March 31, 2015 we had $1,525.7 million of debt. Our scheduled principal repayments on debt include $100.0 million due in 2016, $80.0 million due in 2017, $345.0 million due in 2018, $70.0 million due in 2019 and $925.0 million due thereafter. In February 2015, we drew $30.0 million on our revolving credit facility due June 2016 and used the proceeds to prepay our term loan due July 2017. In April 2015, the outstanding balance of the revolving credit facility was repaid. We were in compliance with all of our debt covenants at March 31, 2015, and we expect to remain in compliance with these covenants for at least the next twelve months.

In certain foreign locations, we use non-recourse factoring arrangements with third party financial institutions to manage our working capital and cash flows. Under this program, we sell receivables to a financial institution for cash at a discount to the face amount. Available capacity under these programs is dependent on the level of our trade accounts receivable eligible to be sold, the financial institutions' willingness to purchase such receivables and the limits provided by the financial institutions. For the three months ended March 31, 2015 and 2014, we sold accounts receivable totaling $81.3 million and $69.0 million, respectively, for a discount, plus fees, of $0.4 million and $0.3 million, respectively. At March 31, 2015 and December 31, 2014, there were outstanding receivables of $73.1 million and $102.7 million, respectively, which had been sold to financial institutions under these arrangements.

In order to reduce our debt and future cash interest payments, we may from time to time repurchase our outstanding notes for cash or exchange shares of our common stock for our outstanding notes. Any such transaction may be made in the open market, through privately negotiated transactions or otherwise and is subject to the terms of our indentures and other debt agreements, market conditions and other factors.

Certain debt agreements have restrictions on dividend payments and the repurchase of stock and subordinated securities. These restrictions are determined in part by calculations based upon cumulative net income. We have never paid a dividend to our stockholders and we do not have any present plans for doing so. Amkor Technology, Inc. also guarantees certain debt of our subsidiaries.

We sponsor an accrued severance plan for our subsidiary in Korea, which under existing tax laws in Korea, limits our ability to currently deduct related severance expenses accrued under that plan. The purpose of these limitations is to encourage companies to migrate to a defined contribution or defined benefit plan. If we retain our existing severance plan, the deduction for severance expenses will be limited to severance payments made to retired employees, which results in a larger current income tax liability in Korea. We are evaluating our alternatives, and if we decide to adopt a new plan, we may be required to fund a portion of the existing liability, which would provide a current tax deduction upon funding. Our Korean severance liability was $147.5 million as of March 31, 2015.

In January 2015, we settled our patent license litigation with Tessera. Under the terms of the settlement, Amkor agreed to pay Tessera a total of $155.0 million in 16 equal quarterly recurring payments commencing in the first quarter of 2015 and continuing through the fourth quarter of 2018. As of March 31, 2015, we owe Tessera $145.3 million. We refer you to Note 17 to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a discussion of the litigation relating to Amkor's license agreement with Tessera.

We operate in a capital intensive industry. Servicing our current and future customers may require that we incur significant operating expenses and make significant investments in equipment and facilities, which are generally made in advance of the related revenues and without firm customer commitments.

Our Board of Directors previously authorized the repurchase of up to $300.0 million of our common stock, exclusive of any fees, commissions or other expenses. At March 31, 2015, approximately $91.6 million was available to repurchase common stock pursuant to the stock repurchase program. The purchase of stock may be made in the open market or through privately negotiated transactions. The timing, manner, price and amount of any repurchases will be determined by us at our discretion and will depend upon a variety of factors including economic and market conditions, the cash needs and investment opportunities for the business, the current market price of our stock, applicable legal requirements and other factors. We have not purchased any stock under the plan since 2012.

Investments

We make significant capital expenditures in order to service the demand of our customers, which is primarily focused on investments in advanced packaging and test equipment supporting mobile communications. In September 2014, we started the construction of our new K5 facility in Korea. We plan to spend approximately $375 million for the construction of the facility in 2015 and 2016, including capitalized interest of $25 million.

We expect that our 2015 capital expenditures will be approximately $600 million, approximately $150 million of which will be spent on K5. During the three months ended March 31, 2015, our capital expenditures totaled $106.1 million, including $7.8 million for K5. Ultimately, the amount of our 2015 capital expenditures will depend on several factors including, among others, the timing and implementation of any capital projects under review, the performance of our business, economic and market conditions, the cash needs and investment opportunities for the business, the need for additional capacity to service anticipated customer demand and the availability of cash flows from operations or financing.

In January 2015, we exercised our option to increase our ownership interest of J-Devices from 60% to 65.7% for an aggregate purchase price of ¥1.5 billion ($12.9 million). We expect to exercise our option to further increase our ownership in J-Devices to 80% in the fourth quarter of 2015, subject to market and other conditions at the time of exercise. If we exercise our 80% option in 2015, we would expect closing to occur by early 2016, at which point certain governance restrictions of our shareholders' agreement will lapse, and we will begin consolidating the financial results of J-Devices. The exercise price for all options is payable in cash and is determined using a formula based upon the net book value and a multiple of earnings before interest, taxes, depreciation and amortization of J-Devices.

In addition, we are subject to risks associated with our capital expenditures, including those discussed in Part II, Item 1A of this Quarterly Report on Form 10-Q under the caption "Capital Expenditures - We Make Substantial Investments in Equipment and Facilities To Support the Demand Of Our Customers, Which May Adversely Affect Our Business If the Demand Of Our Customers Does Not Develop As We Expect or Is Adversely Affected."

Contractual Obligations

The following table summarizes our contractual obligations at March 31, 2015, and the effect such obligations are expected to have on our liquidity and cash flow in future periods.

		Payments Due for Year Ending December 31,					
	Total	2015 - Remaining	2016	2017	2018	2019	Thereafter
				(In thousands)			
Total debt (1)	$ 1,520,000	$ —	$ 100,000	$ 80,000	$ 345,000	$ 70,000	$ 925,000
Scheduled interest payment obligations (2)	550,407	91,413	92,022	88,717	75,449	62,650	140,156
Purchase obligations (3)	304,429	233,372	58,178	2,387	4,827	994	4,671
Operating lease obligations	48,111	8,706	7,987	6,419	6,103	6,238	12,658
Severance obligations (4)	147,510	13,809	12,418	11,311	10,298	9,379	90,295
Settlement payments (5)	145,313	29,063	38,750	38,750	38,750	—	—
Total contractual obligations	$ 2,715,770	$ 376,363	$ 309,355	$ 227,584	$ 480,427	$ 149,261	$ 1,172,780

(1) In February 2015, we drew $30.0 million on our revolving credit facility due June 2016. In April 2015, the outstanding balance was repaid (Note 14).

(2) Scheduled interest payment obligations were calculated using stated coupon rates for fixed rate debt and interest rates applicable at March 31, 2015, for variable rate debt.

(3) Represents off-balance sheet purchase obligations for capital expenditures and long-term supply contracts outstanding at March 31, 2015, including $225.3 million for construction obligations for K5.

(4) Represents estimated benefit payments for our Korean subsidiary severance plan.

(5) Represents settlement payments for patent license litigation. See Note 17 to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In addition to the obligations identified in the table above, other non-current liabilities recorded in our Consolidated Balance Sheets at March 31, 2015, include:

- $19.3 million of net foreign pension plan obligations, for which the timing and actual amount of impact on our future cash flow is uncertain.
- $10.6 million net liability associated with unrecognized tax benefits. Due to the uncertainty regarding the amount and the timing of any future cash outflows associated with our unrecognized tax benefits, we are unable to reasonably estimate the amount and period of ultimate settlement, if any, with the various taxing authorities.

Off-Balance Sheet Arrangements

As of March 31, 2015, we had no off-balance sheet guarantees or other off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Contingencies, Indemnifications and Guarantees

We refer you to Note 17 to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a discussion of our contingencies related to litigation and other legal matters. If an unfavorable ruling were to occur in these matters, there exists the possibility of a material adverse impact on our business, liquidity, results of operations, financial position and cash flows in the period in which the ruling occurs. The potential impact from legal proceedings on our business, liquidity, results of operations, financial position and cash flows could change in the future.

Critical Accounting Policies

Our critical accounting policies are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014. During the three months ended March 31, 2015, there have been no significant changes in our critical accounting policies as reported in our 2014 Annual Report on Form 10-K.

New Accounting Pronouncements

For information regarding recent accounting pronouncements, we refer you to Note 2 to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Cash Flows

Net cash provided by (used in) operating, investing and financing activities for the three months ended March 31, 2015 and 2014, were as follows:

	For the Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Operating activities	$ 165,024	$ 131,946
Investing activities	(116,125)	(95,539)
Financing activities	(4,656)	(18,447)

Operating activities: Our cash flows provided by operating activities for the three months ended March 31, 2015, increased by $33.1 million compared to the three months ended March 31, 2014. The increase is primarily attributable to increased profit from revenue growth.

Investing activities: Our cash flows used in investing activities are principally for payments for property, plant and equipment. In addition, the net cash used in investing activities for the three months ended March 31, 2015, included a payment for an incremental investment in J-Devices.

Financing activities: The net cash used in financing activities for the three months ended March 31, 2015, was driven by our repayment of borrowings at our subsidiary in Korea. The net cash used in financing activities for the three months ended March 31, 2014, primarily resulted from the final payment for the acquisition of the power discrete business in Malaysia.

We provide the following supplemental data to assist our investors and analysts in understanding our liquidity and capital resources. We define free cash flow as net cash provided by operating activities less payments for property, plant and equipment. Free cash flow is not defined by U.S. GAAP. We believe free cash flow to be relevant and useful information to our investors because it provides them with additional information in assessing our liquidity, capital resources and financial operating results. Our management uses free cash flow in evaluating our liquidity, our ability to service debt and our ability to fund capital expenditures. However, free cash flow has certain limitations, including that it does not represent the residual cash flow available for discretionary expenditures since other, non-discretionary expenditures, such as mandatory debt service, are not deducted from the measure. The amount of mandatory versus discretionary expenditures can vary significantly between periods. This measure should be considered in addition to, and not as a substitute for, or superior to, other measures of liquidity or financial performance prepared in accordance with U.S. GAAP, such as net cash provided by operating activities. Furthermore, our definition of free cash flow may not be comparable to similarly titled measures reported by other companies. We had free cash flow of $58.9 million for the three months ended March 31, 2015, which increased from $35.9 million for the three months ended March 31, 2014, primarily due to increased profit from revenue growth.

	For the Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Net cash provided by operating activities	$ 165,024	$ 131,946
Payments for property, plant and equipment	(106,149)	(95,999)
Free cash flow	$ 58,875	$ 35,947

Item 3. *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 been historically insignificant; however, we continue to evaluate the use of hedging instruments to manage currency and other risks.

Foreign Currency Risk

In order to reduce our exposure to foreign currency gains and losses, we generally use natural hedging techniques to reduce foreign currency rate risk. The U.S. dollar is our reporting currency and the functional currency for our subsidiaries, with the exception of our equity-method investee, J-Devices, where the local currency is the functional currency.

We have foreign currency exchange rate risk associated with the remeasurement of monetary assets and liabilities on our Consolidated Balance Sheets that are denominated in currencies other than the functional currency. We performed a sensitivity analysis of our foreign currency exposure as of March 31, 2015, to assess the potential impact of fluctuations in exchange rates for all foreign denominated assets and liabilities. Assuming a 10% adverse movement for all currencies against the U.S. dollar as of March 31, 2015, our income before taxes and equity in earnings of unconsolidated affiliate would have been approximately $17 million lower, due to the remeasurement of monetary assets and liabilities.

In addition, we have foreign currency exchange rate exposure on our results of operations. For the three months ended March 31, 2015, approximately 96% of our net sales were denominated in U.S. dollars. Our remaining net sales were principally denominated in Korean won for local country sales. For the three months ended March 31, 2015, approximately 64% of our cost of sales and operating expenses were denominated in U.S. dollars and were largely for raw materials and depreciation. The remaining portion of our cost of sales and operating expenses was principally denominated in the Asian currencies where our production facilities are located and largely consisted of labor and utilities. To the extent that the U.S. dollar weakens against these Asian-based currencies, similar foreign currency denominated transactions in the future will result in higher sales, higher cost of sales and operating expenses, with cost of sales and operating expenses having the greater impact on our financial results. Similarly, our sales, cost of sales and operating expenses will decrease if the U.S. dollar strengthens against these foreign currencies. We performed a sensitivity analysis of our foreign currency exposure as of March 31, 2015, to assess the potential impact of fluctuations in exchange rates for all foreign denominated sales and expenses. Assuming a 10% adverse movement in the U.S. dollar compared to all of these Asian-based currencies, our operating income for the three months ended March 31, 2015 would have been approximately $24 million lower due to this exposure.

There are inherent limitations in the sensitivity analysis presented, primarily due to the assumption that foreign exchange rate movements across multiple jurisdictions are similar and would be linear and instantaneous. As a result, the analysis is unable to reflect the potential effects of more complex market or other changes that could arise which may positively or negatively affect our results of operations.

Our consolidated financial statements are impacted by changes in exchange rates at entities where the local currency is the functional currency. The effect of foreign exchange rate translation for these entities for the three months ended March 31, 2015 and 2014, was a net foreign translation gain of $1.2 million and $0.7 million, respectively, and was recognized as an adjustment to equity through other comprehensive income.

Interest Rate Risk

We have interest rate risk with respect to our long-term debt. Our fixed rate debt consists of senior notes and our variable rate debt principally relates to foreign borrowings and revolving credit facilities. Changes in interest rates have different impacts on the 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 debt instrument but has no impact on interest expense 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 generally impact the fair value of the instrument.

The table below presents the interest rates, maturities and fair value of our fixed and variable rate debt as of March 31, 2015:

	2015 - Remaining	2016	2017	2018	2019	Thereafter	Total	Fair Value
	($ in thousands)							
Long term debt:								
Fixed rate debt	$ —	$ —	$ —	$ 345,000	$ —	$ 925,000	$ 1,270,000	$ 1,311,521
Average interest rate	—%	—%	—%	7.4%	—%	6.5%	6.7%	
Variable rate debt	$ —	$ 100,000	$ 80,000	$ —	$ 70,000	$ —	$ 250,000	$ 254,095
Average interest rate	—%	3.7%	3.1%	—%	3.9%	—%	3.6%	
Total debt	$ —	$ 100,000	$ 80,000	$ 345,000	$ 70,000	$ 925,000	$ 1,520,000	$ 1,565,616

For information regarding the fair value of our long-term debt, see Note 16 to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic reports to the Securities and Exchange Commission ("SEC") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure, based on the definition of “disclosure controls and procedures” in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended. In designing and evaluating the disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures.

We carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2015, and concluded those disclosure controls and procedures were effective as of that date.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings***

Information about legal proceedings is set forth in Note 17 to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2014.

Item 1A. ***Risk Factors***

The factors discussed below are cautionary statements that identify important factors and risks 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 Table of Contents of this Quarterly Report on Form 10-Q. 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 may also impair our business operations. The occurrence of any of the following risks could affect our business, liquidity, results of operations, financial condition or cash flows.

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

Our business is impacted by market conditions in the semiconductor industry, which is cyclical by nature and impacted by broad economic factors, such as world-wide gross domestic product and consumer spending. The semiconductor industry has experienced significant and sometimes sudden and prolonged downturns in the past. For example, the financial crisis and global recession in 2008 and 2009 resulted in a downturn in the semiconductor industry that adversely affected our business and results of operations during those periods. The economic recovery since that time has been slow and uneven.

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

Also, the action or inaction of the U.S. government relating to federal income tax increases for individuals or corporations, the federal debt ceiling, the federal deficit and government spending restrictions or shutdowns, may adversely affect consumer demand and economic growth in the U.S. and globally, which may harm the semiconductor industry and our business.

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

Many factors, including the impact of adverse economic conditions, could have a material adverse effect on our net sales, gross profit, operating results and cash flows, or lead to significant variability of quarterly or annual operating results. Our profitability and ability to generate cash from operations is principally dependent upon demand for semiconductors, the utilization of our capacity, semiconductor package mix, the average selling price of our services, our ability to manage our capital expenditures and our ability to control our costs including labor, material, overhead and financing costs.

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

- fluctuation in demand for semiconductors and conditions in the semiconductor industry generally, as well as by specific customers, such as inventory reductions by our customers impacting demand in key markets;
- changes in our capacity and capacity utilization rates;
- changes in average selling prices which can occur quickly due to the absence of long term agreements on price;
- changes in the mix of the semiconductor packaging and test services that we sell;
- the development, transition and ramp to high volume manufacture of more advanced silicon nodes and evolving wafer, packaging and test technologies, may cause production delays, lower manufacturing yields and supply constraints for new wafers and other materials;
- absence of backlog, the short-term nature of our customers' commitments, double bookings by customers and deterioration in customer forecasts and the impact of these factors, including the possible delay, rescheduling and cancellation of large orders, or the timing and volume of orders relative to our production capacity;
- changes in costs, quality, availability and delivery times of raw materials, components and equipment;
- changes in labor costs to perform our services;
- wage inflation and fluctuations in commodity prices, including gold, copper and other precious metals;
- the timing of expenditures in anticipation of future orders;
- changes in effective tax rates;
- the availability and cost of financing;
- intellectual property transactions and disputes;
- high leverage and restrictive covenants;
- warranty and product liability claims and the impact of quality excursions and customer disputes and returns;
- costs associated with legal claims, indemnification obligations, judgments and settlements;
- international events, political instability, civil disturbances or environmental or natural events, such as earthquakes, that impact our operations;
- pandemic illnesses that may impact our labor force and our ability to travel;
- costs of acquisitions and divestitures, difficulties integrating acquisitions, the failure of our joint ventures to operate in accordance with business plans and fluctuations in the results of investments accounted for using the equity method;
- our ability to attract and retain qualified personnel to support our global operations;

- fluctuations in foreign exchange rates;
- fluctuations in our manufacturing yields;
- our ability to penetrate various market segments, such as power discrete and the mid-tier and entry-level segments of the mobile device market;
- dependence on key customers or concentration of customers in certain end markets, such as mobile communications and
- restructuring charges, asset write-offs and impairments.

It is often difficult to predict the impact of these factors upon our results for a particular period. The downturn in the global economy and the semiconductor industry in 2009 increased the risks associated with the foregoing factors as customer forecasts became more volatile, and there was less visibility regarding future demand and significantly increased uncertainty regarding the economy, credit markets and consumer demand. The slow rate of economic growth in the U.S. and elsewhere and economic uncertainty worldwide could continue to cause volatility in customer forecasts and reduce our visibility regarding future demand in the semiconductor industry. These factors may have a material and adverse effect on our business, liquidity, results of operations, financial condition and cash flows or lead to significant variability of quarterly or annual operating results. In addition, these factors may adversely affect our credit ratings which could make it more difficult and expensive for us to raise capital and could adversely affect the price of our securities.

Absence of Backlog - The Lack of Contractually Committed Customer Demand May Adversely Affect Our Sales.

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 material amount. In addition, we sometimes experience double booking by customers and our customers often reduce, cancel or delay their purchases of packaging and test services for a variety of reasons including industry-wide, customer-specific and Amkor-specific reasons. This makes it difficult for us to forecast our capacity utilization and net sales in future periods. Since a large portion of our costs is fixed and our expense levels are based in part on our expectations of future sales, we may not be able to adjust costs in a timely manner to compensate for any sales shortfall. If we are unable to adjust costs in a timely manner, our margins, operating results, financial condition and cash flows would be adversely affected.

High Fixed Costs - Due to Our High Percentage of Fixed Costs, We Will Be Unable to Maintain Our Gross Margin at Past Levels if We Are Unable to Achieve Relatively High Capacity Utilization Rates.

Our operations are characterized by relatively high fixed costs. Our profitability depends in part not only on pricing levels for our packaging and test services, but also on the efficient utilization of our human resources and packaging and test equipment. Increases or decreases in our capacity utilization can significantly affect gross margins. In periods of low demand, we experience relatively low capacity utilization in our operations, which leads to reduced margins during that period. Transitions between different packaging technologies, such as the transition from gold wirebond to flip chip and copper wirebond packages, can also impact our capacity utilization if we do not efficiently redeploy our equipment for other packaging and test opportunities. For example, in 2011 the migration of some customer demand from wirebond to flip chip packages resulted in under-utilized wirebond assets which negatively impacted our capacity utilization and gross margin. We cannot assure you that we will be able to achieve consistently high capacity utilization, and if we fail to do so, our gross margins may decrease. If our gross margins decrease, our business, liquidity, results of operations, financial condition and cash flows could be materially adversely affected.

In addition, our fixed operating costs have increased in recent years in part as a result of our efforts to expand our capacity through significant capital expenditures. Forecasted customer demand for which we have made capital investments may not materialize, especially if industry conditions deteriorate. As a result, our sales may not adequately cover fixed costs resulting in reduced profit levels or causing significant losses, both of which may adversely impact our business, liquidity, results of operations, financial condition and cash flows.

Guidance - Our Failure to Meet Our Guidance or Analyst Projections Could Adversely Impact the Trading Prices of Our Securities.

We periodically provide guidance to investors with respect to certain financial information for future periods. Securities analysts also periodically publish their own projections with respect to our future operating results. As discussed above under "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 ," our operating results and cash flows vary significantly and are difficult to accurately predict. Volatility in customer forecasts and fluctuations in global consumer demand make it particularly difficult to predict future results. To the extent we fail to meet or exceed our own guidance or the analyst projections for any reason, the trading prices of our securities may be adversely impacted. Moreover, even if we do meet or exceed that guidance or those projections, if analysts and investors do not react favorably, or if analysts were to discontinue providing coverage of our company, the trading prices of our securities may be adversely impacted.

Declining Average Selling Prices - Historically There Has Been Downward Pressure on the Prices of Our Packaging and Test Services.

Prices for packaging and test services have generally declined over time, and sometimes prices can change significantly in relatively short periods of time. We expect downward pressure on average selling prices for our packaging and test services to continue in the future. If we are unable to offset a decline in average selling prices by developing and marketing new packages with higher prices, reducing our purchasing costs, recovering more of our material cost increases from our customers and reducing our manufacturing costs, our business, liquidity, results of operations, financial condition and cash flows could be materially adversely affected.

Decisions by Our Integrated Device Manufacturer Customers to Curtail Outsourcing May Adversely Affect Our Business.

Historically, we have been dependent on the trend in outsourcing of packaging and test services by IDM customers. Our IDM customers continually evaluate the need for outsourced services against their own in-house packaging and test services. As a result, at any time and for a variety of reasons, IDMs may decide to shift some or all of their outsourced packaging and test services to internally sourced capacity.

The reasons IDMs may shift their outsourced business to internal capacity include:

- their desire to realize higher utilization of their existing packaging and test capacity, especially during downturns in the semiconductor industry;
- their unwillingness to disclose proprietary technology;
- their possession of more advanced packaging and test technologies and
- the guaranteed availability of their own packaging and test capacity.

In addition, to the extent we limit capacity commitments for certain customers, these customers may increase their level of in-house packaging and test capabilities, which could make it more difficult for us to regain their business when we have available capacity.

In a downturn in the semiconductor industry, IDMs could respond by shifting some or all outsourced packaging and test services to internally serviced capacity on a short term basis. Also, the IDMs could curtail or reverse the trend of outsourcing packaging and test services. If we experience a significant loss of IDM business, it could have a material adverse effect on our business, liquidity, results of operations, financial condition and cash flows, especially during a prolonged industry downturn.

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

We have a significant amount of indebtedness, and the terms of the agreements governing our indebtedness allow us and our subsidiaries to incur more debt, subject to certain limitations. As of March 31, 2015, our total debt balance was $1,525.7 million, of which $250.0 million was collateralized indebtedness at our subsidiaries. We may consider investments in joint ventures, increased capital expenditures or acquisitions which may increase our indebtedness. If new debt is added to our consolidated debt level, the related risks that we face could intensify.

Our substantial indebtedness could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness, including our obligations under our indentures to purchase notes tendered as a result of a change in control of Amkor;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to fund future working capital, capital expenditures, research and development and other business opportunities, including joint ventures and acquisitions;
- require us to dedicate a substantial portion of our cash flow from operations to service payments of interest and principal on our debt thereby reducing the availability of our cash flow to fund future working capital, capital expenditures, research and development expenditures and other general corporate requirements;
- increase the volatility of the price of our common stock;
- limit our flexibility to react to changes in our business and the industry in which we operate;
- place us at a competitive disadvantage to any of our competitors that have less debt;
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds;
- limit our ability to refinance our existing indebtedness, particularly during periods of adverse credit market conditions when refinancing indebtedness may not be available under interest rates and other terms acceptable to us or at all and
- increase our cost of borrowing.

We May Have Difficulty Funding Liquidity Needs.

We assess our liquidity based on our current expectations regarding sales, operating expenses, capital spending and debt service requirements. Our liquidity is affected by, among other things, the performance of our business, our capital expenditure and other investment levels and our ability to repay debt and other long-term obligations out of our operating cash flows or with the proceeds of debt or equity financings.

We operate in a capital intensive industry. During the three months ended March 31, 2015, we had capital expenditures of $106.1 million. Servicing our current and future customers requires that we incur significant operating expenses and continue to make significant capital expenditures and other investments, which are generally made in advance of the related revenues and without firm customer commitments. Ultimately the actual amount of our capital expenditures for 2015 and thereafter may vary materially and will depend on several factors. These factors include, among others, the amount, timing and implementation of our capital projects, including those under review and those not yet planned, the performance of our business, economic and market conditions, the cash needs and investment opportunities for the business, the need for additional capacity and facilities and the availability of cash flows from operations or financing.

In addition, we have a significant level of debt, which requires significant scheduled principal and interest payments in the coming years. The sources funding our operations, including making capital expenditures and other investments and servicing principal and interest obligations with respect to our debt, are cash flows from our operations, existing cash and cash equivalents, borrowings under available debt facilities or proceeds from any additional debt or equity financing.

The health of the worldwide banking system and capital markets affects our liquidity. If financial institutions that have extended credit commitments to us are adversely affected by the conditions of the U.S. and international banking system and capital markets, they may refuse or be unable to fund borrowings under their credit commitments to us. Volatility in the banking system and capital markets could also make it difficult or more expensive for us to maintain our existing credit facilities or refinance our debt.

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.

In addition, there is a risk that we could fail to generate the necessary net income or operating cash flows to meet the funding needs of our business due to a variety of factors, including the other factors discussed in this “Risk Factors” section. If we fail to generate the necessary cash flows or we are unable to access the capital markets when needed, our liquidity may be adversely impacted.

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

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

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

Also, our ability to sell our joint venture investments or for our joint ventures to pay dividends, make distributions, provide loans or make other payments to us may be restricted by our joint venture agreements. As a result, we may not be able to access the cash flow of our joint ventures or realize a cash return on our joint venture investment. For example, the governance provisions of our joint venture with J-Devices require the consent of the joint venture partners to pay dividends or for us to sell our investment.

We Have Significant Severance Plan Obligations Associated With Our Manufacturing Operations in Korea Which Could Reduce Our Cash Flow and Negatively Impact Our Financial Condition.

We sponsor an accrued severance plan for our Korean subsidiary, under which we have an accrued liability of $147.5 million as of March 31, 2015. Existing tax laws in Korea limit our ability to deduct severance expenses associated with the current plan. These limitations are designed to encourage companies to migrate to a defined contribution or defined benefit plan. If we retain our existing severance plan, the deduction for severance expenses will be limited to severance payments made to retired employees, which results in a larger current income tax liability in Korea. We are evaluating our alternatives, and if we decide to adopt a new plan, we may be required to fund a portion of the existing liability, which could have a material adverse effect on our liquidity, financial condition and cash flows. If we do not adopt a new plan, our ability to deduct accrued severance will continue to be limited, and as a result we will have to pay higher taxes, which could adversely affect our liquidity, financial condition and cash flows.

Under the existing Korean plan, to the extent eligible employees are terminated, our Korean subsidiary would be required to make lump-sum severance payments on behalf of these eligible employees based on their length of service, seniority and rate of pay at the time of termination. Since our severance plan obligation is significant, in the event of a significant layoff or other reduction in our labor force in Korea, payments under the plan could have a material adverse effect on our liquidity, financial condition and cash flows. See Note 15 to our Consolidated Financial Statements in Part I, Item 1 to this Quarterly Report on Form 10-Q.

If We Fail to Maintain an Effective System of Internal Controls, We May Not be Able to Accurately Report Financial Results or Prevent Fraud.

Effective internal controls are necessary to provide reliable financial reports and to assist in the effective prevention of fraud. We must annually evaluate our internal procedures to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, which requires management and our independent registered public accounting firm to assess the effectiveness of internal control over financial reporting.

Internal controls may not prevent or detect misstatements because of their inherent limitations, including the possibility of human error, the circumvention or overriding of controls, fraud or corruption. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that the internal controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As previously reported, we are implementing a new ERP system in a multi-year program on a world-wide basis. We have implemented several significant ERP modules and expect to implement additional ERP modules in the future. In addition, we implemented a new shop floor management system in certain of our factories and integrated the acquired operations of Amkor Technology Malaysia Sdn. Bhd. into our overall internal control over financial reporting. The implementation of these systems, as well as the integration of the acquired operations, represents changes in our internal control over financial reporting. Although we continue to monitor and assess our internal controls for these systems and operations, there is a risk that deficiencies may occur that could constitute significant deficiencies or, in the aggregate, a material weakness.

If we fail to remedy any deficiencies or maintain the adequacy of our internal controls, we could be subject to regulatory scrutiny, civil or criminal penalties or shareholder litigation. In addition, failure to maintain adequate internal controls could result in financial statements that do not accurately reflect our operating results or financial condition.

***We Face Warranty Claims, Product Return and Liability Risks, the Risk of Economic Damage Claims and the Risk of Negative Publicity if Our Packages Fail*.**

Our packages are incorporated into a number of end products, and our business is exposed to warranty claims, product return and liability risks, the risk of economic damage claims and the risk of negative publicity if our packages fail.

We receive warranty claims from our customers which occur from time to time in the ordinary course of our business. If we were to experience an unusually high incidence of warranty claims, we could incur significant costs and our business could be adversely affected. In addition, we are exposed to the product and economic liability risks and the risk of negative publicity affecting our customers. Our sales may decline if any of our customers are sued on a product liability claim. We also may suffer a decline in sales from the negative publicity associated with such a lawsuit or with adverse public perceptions in general regarding our customers' products. Further, if our packages are delivered with impurities or defects, we could incur additional development, repair or replacement costs or suffer other economic losses, and our credibility and the market's acceptance of our packages could be harmed.

Risks Associated With International Operations - We Depend on Our Factories and Operations in China, Japan, Korea, Malaysia, the Philippines 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 China, Japan, Korea, Malaysia, the Philippines and Taiwan. Substantially all of our property, plant and equipment is located outside of the United States. Moreover, many of our customers and the vendors in our supply chain are located outside the U.S. The following are some of the risks we face in doing business internationally:

- changes in consumer demand resulting from deteriorating conditions in local economies;
- regulations and policies imposed by U.S. or foreign governments, such as tariffs, customs, duties and other restrictive trade barriers, antitrust and competition, tax, currency and banking, privacy, labor, environmental, health and safety;

- recent political and social attitudes, laws, rules, regulations and policies within China and other countries that may favor domestic companies over non-domestic companies, including customer- or government-supported efforts to promote the development and growth of local competitors;
- the payment of dividends and other payments by non-U.S. subsidiaries may be subject to prohibitions, limitations or taxes in local jurisdictions;
- fluctuations in currency exchange rates;
- political and social conditions, such as civil unrest and terrorism;
- disruptions or delays in shipments caused by customs brokers or government agencies;
- difficulties in attracting and retaining qualified personnel and managing foreign operations, including foreign labor disruptions;
- difficulty in enforcing contractual rights and protecting our intellectual property rights;
- potentially adverse tax consequences resulting from tax laws in the U.S. and in foreign jurisdictions in which we operate and
- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the Foreign Corrupt Practices Act (FCPA) and other anti-corruption laws and regulations.

In particular, we have significant facilities and other investments in South Korea, and there have been heightened security concerns in recent years stemming from North Korea's nuclear weapon and long-range missile programs as well as its military actions in the region. Furthermore, there has been a history of conflict and a recent rise in tensions among other countries in the region.

We Face Risks in Connection with the Continuing Development and Implementation of Changes to, and Maintenance and Security of, Our Management Information Systems.

We depend on our management information systems for many aspects of our business. Some of our key software has been developed by our own programmers, and this software may not be easily integrated with other software and systems. Our systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading, replacing or maintaining software, databases or components thereof, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors, malfeasance or catastrophic events. In addition, security breaches could result in unauthorized disclosure of confidential information. We have made and continue to make significant investments to implement and evolve our management information systems. In addition, we implemented a new shop floor system in certain of our factories. We face risks in connection with current and future projects to install or integrate new management information systems or upgrade our existing systems. These risks include:

- we may face delays in the design and implementation of the system;
- the cost of the systems may exceed our plans and expectations and
- disruptions resulting from the implementation or integration of the systems may impact our ability to process transactions and delay shipments to customers, impact our results of operations or financial condition or harm our control environment.

Our business could be materially and adversely affected if our management information systems are disrupted or if we are unable to successfully install new systems or improve, upgrade, integrate or expand upon our existing systems.

We Face Risks Trying to Attract and Retain Qualified Employees to Support Our Operations.

Our success depends to a significant extent upon the continued service of our key senior management, sales and technical personnel, any of whom may 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, including senior management, as a result of competition or for any other reason. We do not have employment agreements with our key employees, including senior management or other contracts that would prevent our key employees from working for our competitors in the event they cease working for us. We cannot assure you that we will be successful in our efforts to retain key employees 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.

Difficulties Consolidating and Integrating Our Operations - We Face Challenges as We Integrate Diverse Operations.

We have experienced, and expect to continue to experience, change in the scope and complexity of our operations resulting primarily from existing and future facility consolidations, strategic acquisitions, joint ventures and other partnering arrangements. Some of the risks from these activities include those associated with the following:

- increasing the scope, geographic diversity and complexity of our operations;
- conforming an acquired company's standards, practices, systems and controls with our operations;
- increasing complexity from combining recent acquisitions of an acquired business;
- unexpected losses of key employees or customers of an acquired business; other difficulties in the assimilation of acquired operations, technologies or products and
- diversion of management and other resources from other parts of our operations and adverse effects on existing business relationships with customers.

In connection with these activities, we may:

- use a significant portion of our available cash;
- issue equity securities, which may dilute the ownership of current stockholders;
- incur substantial debt;
- incur or assume known or unknown contingent liabilities and
- incur large, immediate accounting write offs and face antitrust or other regulatory inquiries or actions.

For example, the businesses we have acquired had, at the time of acquisition, multiple systems for managing their own production, sales, inventory and other operations. Migrating these businesses to our systems typically is a slow, expensive process requiring us to divert significant resources from other parts of our operations. We may continue to face these challenges in the future. For example, on July 31, 2013, we completed the purchase of Amkor Technology Malaysia Sdn. Bhd. We have also exercised our option to increase our ownership interest in J-Devices from 30% to 60% in 2013 and from 60% to 65.7% in 2015, and we have an additional option to increase our ownership to 80% in 2016. We anticipate that in the future we will need to integrate J-Devices with our existing operations. In addition, J-Devices continues to integrate the acquisitions it has recently completed with its operations. Furthermore, the governance provisions applicable to J-Devices restrict our ability to cause J-Devices to take certain actions without the consent of the other investors. As a result of the risks discussed above, the anticipated benefits of the increase in our investment in J-Devices or other future acquisitions, consolidations and partnering arrangements may not be fully realized, if at all, and these activities could have a material adverse effect on our business, financial condition and results of operations.

Dependence on Materials and Equipment Suppliers - Our Business May Suffer If the Cost, Quality or Supply of Materials or Equipment Changes Adversely Including Any Disruption that May Occur in the Supply of Certain Metals due to New Regulations Regarding the Supply of Minerals from Conflict Zones.

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. A disruption to the operations of one or more of our suppliers could have a negative impact on our business. For example, the severe earthquake and tsunami in Japan in 2011 had a significant adverse effect on the electronics industry supply chain by impacting the supply of specialty chemicals, substrates, silicon wafers, equipment and other supplies to the electronics industry. In addition, we purchase the majority of our materials on a purchase order basis. Our business may be harmed if we cannot obtain materials and other supplies from our vendors in a timely manner, in sufficient quantities, at acceptable quality or at competitive prices. Some of our customers are also dependent on a limited number of suppliers for certain materials and silicon wafers. Shortages or disruptions in our customers' supply channels could have a material adverse effect on our business, financial condition, results of operations and cash flows. For example, the shortage in the supply of 28 nanometer wafers to some of our customers in 2012 delayed or otherwise adversely impacted the demand for certain of our advanced packaging and test services.

Rules adopted by the Securities and Exchange Commission implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act impose diligence and disclosure requirements regarding the use of certain minerals originating from the conflict zones of the Democratic Republic of Congo and adjoining countries in our products. Industry associations and some of our customers are also implementing initiatives to improve transparency and accountability concerning the supply of these materials and, in some cases, requiring us to certify that the covered materials we use in our packages do not come from the conflict areas. We may incur additional costs associated with complying with these requirements and customer initiatives. These requirements and customer initiatives could affect the pricing, sourcing and availability of metals used in the manufacture of semiconductor devices, and we cannot assure you that we will be able to obtain conflict-free materials in sufficient quantities and at competitive prices or that we will be able to verify the origin of all of the metals we use in our manufacturing process. If we are unable to certify that the metals we use in our packages are conflict-free, it could adversely affect our business as some customers may move their business to other suppliers. Our reputation could also be adversely affected.

We purchase new packaging and test equipment to maintain and expand our operations. From time to time, increased demand for new equipment may cause lead times to extend beyond those normally required by equipment vendors. For example, in the past, increased demand for equipment caused some equipment suppliers to only partially satisfy our equipment orders in the normal time frame or to increase prices during market upturns for the semiconductor industry. The unavailability of equipment or failures to deliver equipment on a timely basis could delay or impair our ability to meet customer orders. If we are unable to meet customer orders, we could lose potential and existing customers. Generally, we acquire our equipment on a purchase order basis and do not enter into long-term equipment agreements. As a result, we could experience adverse changes in pricing, currency risk and potential shortages in equipment in a strong market, which could have a material adverse effect on our results of operations.

We are a large buyer of gold and other commodity materials including substrates and copper. The prices of gold and other commodities used in our business fluctuate. Historically, we have been able to partially offset the effect of commodity price increases through price adjustments to some customers and changes in our product designs that reduce the material content and cost, such as the use of shorter, thinner, gold wire and migration to copper wire. However, we typically do not have long-term contracts that permit us to impose price adjustments, and market conditions may limit our ability to do so. Significant price increases may adversely impact our gross margin in future periods to the extent we are unable to pass along past or future commodity price increases to our customers.

Customer Concentration and Loss of Customers - The Loss of Certain Customers or Reduced Orders or Pricing from Existing Customers May Have a Significant Adverse Effect on Our Operations and Financial Results.

We have derived and expect to continue to derive a large portion of our revenues from a small group of customers during any particular period due in part to the concentration of market share in the semiconductor industry. Our ten largest customers together accounted for 60.9% of our net sales for the year ended December 31, 2014, and two customers each accounted for more than 10% of our consolidated net sales during the period. In addition, we have significant customer concentration within our end markets, particularly mobile communications. The loss of a significant customer, a reduction in orders or decrease in price from a significant customer or disruption in any of our significant strategic partnerships or other commercial arrangements may result in a decline in our sales and profitability and could have a material adverse effect on our business, liquidity, results of operations, financial condition and cash flows.

The demand for our services from each customer is directly dependent upon that customer's level of business activity and purchasing decisions, the quality and price of our services, our cycle time and delivery performance, the customer's qualification of additional competitors on products we package or test and a number of other factors. Each of these factors could vary significantly from year to year resulting in the loss or reduction of customer orders. Our business is likely to remain subject to this variability in order levels, and we cannot assure you that our key customers or any other customers will continue to place orders with us in the future at the same levels as in past periods.

For example, if a key customer decides to purchase wafers from a semiconductor foundry that provides packaging and test services, our business could be reduced if the customer also engages that foundry for related packaging and test services. We cannot assure that customer decisions regarding the purchase of semiconductor wafers will not significantly and adversely impact customer demand for our packaging and test services.

In addition, from time to time we may acquire or build new facilities, such as our new factory and research and development center in Korea, or migrate existing business among our facilities. In connection with these facility changes, our customers require us to re-qualify the new facilities even though we have already qualified to perform the services at our other facilities. We cannot assure that we will successfully re-qualify or that our customers will not qualify our competitors and move the business for such services.

Capital Expenditures - We Make Substantial Investments in Equipment and Facilities To Support the Demand Of Our Customers, Which May Adversely Affect Our Business If the Demand Of Our Customers Does Not Develop As We Expect or Is Adversely Affected.

We make significant investments in equipment and facilities in order to service the demand of our customers. For example, we expect that our 2015 capital expenditures will be approximately $600 million. The amount of our capital expenditures depends on several factors, including the performance of our business, our assessment of future industry and customer demand, our capacity utilization levels and availability, our liquidity position and the availability of financing. Our ongoing capital expenditure requirements may strain our cash and short-term asset balances, and, in periods when we are expanding our capital base, we expect that depreciation expense and factory operating expenses associated with our capital expenditures to increase production capacity will put downward pressure on our gross margin, at least over the near term. From time to time, we also make significant capital expenditures based on specific business opportunities with one or a few key customers, and the additional equipment purchased may not be readily usable to support other customers. If demand is insufficient to fill our capacity, or we are unable to efficiently redeploy such equipment, our capacity utilization and gross margin could be negatively impacted. Our capital expenditures may increase as we transition to new packaging and test technologies because, among other things, new equipment used for these technologies is generally more expensive and often our existing equipment cannot be redeployed in whole or part for these technologies.

Furthermore, if we cannot generate or raise additional funds to pay for capital expenditures, particularly in some of the advanced packaging and bumping areas, as well as research and development activities, our growth and future profitability may be adversely affected. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including:

- our future financial condition, results of operations and cash flows;
- general market conditions for financing;
- volatility in fixed income, credit and equity markets and
- economic, political and other global conditions.

The lead time needed to order, install and put into service various capital investments is often significant, and, as a result, we often need to commit to capital expenditures in advance of our receipt of firm orders or advance deposits based on our view of anticipated future demand with only very limited visibility. Although we seek to limit our exposure in this regard, in the past we have from time to time expended significant capital for additional equipment or facilities for which the anticipated demand did not materialize for a variety of reasons, many of which were outside of our control. To the extent this occurs in the future, our business, liquidity, results of operations, financial condition and cash flows could be materially adversely affected.

In addition, during periods where customer demand exceeds our capacity, customers may transfer some or all of their business to other suppliers who are able to support their needs. To the extent this occurs, our business, liquidity, results of operations, financial condition and cash flows could be materially adversely affected.

In September 2014, we started the construction of our new K5 facility in Korea. We plan to spend approximately $375 million for the construction of the facility in 2015 and 2016, including capitalized interest of $25 million. The land purchase agreement includes various construction, investment, hiring, regulatory and other compliance obligations. There can be no assurance that the new facility will be completed, or that the actual scope, costs, timeline or benefits of the project will be consistent with our current expectations.

Impairment Charges - Any Impairment Charges Required Under U.S. GAAP May Have a Material Adverse Effect on Our Net Income.

Under U.S. GAAP, we review our long-lived assets including property, plant and equipment, intellectual property and other intangibles for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Factors we consider include significant under-performance relative to expected historical or projected future operating results, significant negative industry or economic trends and our market capitalization relative to net book value. We may be required in the future to record a significant charge to earnings in our financial statements during the period in which any impairment of our long-lived assets is determined. Such charges have had and could have a significant adverse impact on our results of operations and our operating flexibility under our debt covenants.

Litigation Incident to Our Business Could Adversely Affect Us.

We have been a party to various legal proceedings, including those described in Note 17 to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, and may be a party to legal proceedings in the future. These proceedings could require significant management time and resources and, if an unfavorable ruling or outcome were to occur in these legal proceedings, there could be a material adverse impact on our business, liquidity, results of operations, financial condition, cash flows and the trading price of our securities.

We Could Suffer Adverse Tax and Other Financial Consequences if There Are Changes in Tax Laws or Taxing Authorities Do Not Agree with Our Interpretation of Applicable Tax Laws, Including Whether We Continue to Qualify for Our Tax Holidays.

Our operations are subject to tax in multiple jurisdictions with complicated and varied tax regimes. Tax laws and income tax rates in these jurisdictions are subject to change due to economic and political conditions. Changes in U.S. or foreign tax laws could have a material adverse impact on our liquidity, results of operations, financial condition and cash flows. For example, there have been proposals to change U.S. tax laws that would significantly impact how U.S. corporations are taxed on foreign earnings. We earn a substantial portion of our income in foreign countries. Although we cannot predict whether or in what form any of these proposals might be enacted into law, if adopted they could have a material adverse impact.

Our corporate structure and operations are based, in part, on interpretations of various U.S. and foreign tax laws, including withholding tax, compliance with tax holiday requirements, application of changes in tax law to our operations and other relevant laws of applicable taxing jurisdictions. From time to time, the taxing authorities of the relevant jurisdictions may conduct examinations of our income tax returns and other regulatory filings. We cannot assure you that the taxing authorities will agree with our interpretations, including whether we continue to qualify for our tax holidays. To the extent they do not agree, we may seek to enter into settlements with the taxing authorities which require significant payments or otherwise adversely affect our results of operations or financial condition. We may also appeal the taxing authorities' determinations to the appropriate governmental authorities, but we cannot be sure we will prevail. If we do not prevail, we may have to make significant payments or otherwise record charges (or reduce tax assets) that adversely affect our results of operations, financial condition and cash flows. Additionally, certain of our subsidiaries operate under tax holidays, which will expire in whole or in part at various dates in the future. As those tax holidays expire, our tax expense will increase as income from those jurisdictions becomes subject to higher statutory income tax rates, thereby reducing our liquidity and cash flow.

Intellectual Property - Our Business Will Suffer if We Are Not Able to Develop New Proprietary Technology, Protect Our Proprietary Technology and Operate Without Infringing the Proprietary Rights of Others.

The complexity and breadth of semiconductor packaging and test services are rapidly increasing. As a result, we expect that we will need to develop, acquire and implement new manufacturing processes and packaging technologies and tools in order to respond to competitive industry conditions and customer requirements. Technological advances also typically lead to rapid and significant price erosion and may make our existing packages less competitive or our existing inventories obsolete. If we cannot achieve advances in packaging design or obtain access to advanced packaging designs developed by others, our business could suffer.

The need to develop and maintain advanced packaging capabilities and equipment could require significant research and development, capital expenditures and acquisitions in future years. In addition, converting to new packaging designs or process methodologies could result in delays in producing new package types, which could adversely affect our ability to meet customer orders and adversely impact our business.

The process of seeking patent protection takes a long time and is expensive. There can be no assurance that patents will issue from pending or future applications or that, if patents are issued, the rights granted under the patents will provide us with meaningful protection or any commercial advantage. Any patents we do obtain will eventually expire, may be challenged, invalidated or circumvented and may not provide meaningful protection or other commercial advantage to us.
Some of our technologies are not covered by any patent or patent application. The confidentiality agreements on which we rely to protect these technologies may be breached and may not be adequate to protect our proprietary technologies. There can be no assurance that other countries in which we market our services will protect our intellectual property rights to the same extent as the U.S.

Our competitors may develop, patent or gain access to know-how and technology similar or superior to our own. In addition, many of our patents are subject to cross licenses, several of which are with our competitors. The semiconductor industry is characterized by frequent claims regarding the infringement of patent and other intellectual property rights. If any third party makes an enforceable infringement claim against us or our customers, we could be required to:

- discontinue the use of certain processes or cease to provide the services at issue, which could curtail our business;
- pay substantial damages;
- develop non-infringing technologies, which may not be feasible or
- acquire licenses to such technology, which may not be available on commercially reasonable terms or at all.

We may need to enforce our patents or other intellectual property rights, including our rights under patent and intellectual property licenses with third parties, or defend ourselves against claimed infringement of the rights of others through litigation, which could result in substantial cost and diversion of our resources. Furthermore, if we fail to obtain necessary licenses, our business could suffer, and we could be exposed to claims for damages and injunctions from third parties, as well as claims from our customers for indemnification. We have been involved in legal proceedings involving the acquisition and license of intellectual property rights, the enforcement of our existing intellectual property rights or the enforcement of the intellectual property rights of others, including the recently settled legal proceedings with Tessera, Inc., which is described in more detail in Note 17 to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q. Unfavorable outcomes in any legal proceedings involving intellectual property could result in significant liabilities and could have a material adverse effect on our business, liquidity, results of operations, financial condition and cash flows. The potential impact from the legal proceedings referred to in this Quarterly Report on our results of operations, financial condition and cash flows could change in the future.

Packaging and Test Processes Are Complex and Our Production Yields and Customer Relationships May Suffer from Defects in the Services We Provide or if We do Not Successfully Implement New Technologies.

Semiconductor packaging and test services are complex processes that require significant technological and process expertise. Defective packages primarily result from:

- contaminants in the manufacturing environment;
- human error;
- equipment malfunction;
- changing processes to address environmental requirements;

- defective raw materials or
- defective plating services.

Test is also complex and involves sophisticated equipment and software. Similar to many software programs, these software programs are complex and may contain programming errors or “bugs.” The test equipment is also subject to malfunction. In addition, the test process is subject to operator error.

These and other factors have, from time to time, contributed to lower production yields. They may also do so in the future, particularly as we adjust our capacity, change our processing steps or ramp new technologies. In addition, we must continue to develop and implement new packaging and test technologies, and expand our offering of packages to be competitive. Our production yields on new packages, particularly those packages which are based on new technologies, typically are significantly lower than our production yields on our more established packages.

Our failure to maintain quality standards or acceptable production yields, if significant and prolonged, could result in loss of customers, increased costs of production, delays, substantial amounts of returned goods and claims by customers relating thereto. Any of these problems could have a material adverse effect on our business, liquidity, results of operations, financial condition and cash flows.

In addition, in line with industry practice, new customers usually require us to pass a lengthy and rigorous qualification process that may take several months. If we fail to qualify packages with potential customers or existing customers, such failure could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Competition - We Compete Against Established Competitors in the Packaging and Test Business as Well as Internal Customer Capabilities and May Face Competition from New Competitors.

The outsourced semiconductor packaging and test market is very competitive. We face substantial competition from established and emerging packaging and test service providers primarily located in Asia, including companies with significant processing capacity, financial resources, local presence, research and development operations, marketing, technology and other capabilities. These companies may also have established relationships with many large semiconductor companies that are our current or potential customers. Consolidation among our competitors could also strengthen their competitive position.

We also face competition from the internal capabilities and capacity of many of our current and potential IDM customers. In addition, we compete with companies (including semiconductor foundries) that provide wafer bumping and other advanced packaging solutions that compete with our packaging and test services. For example, one of the major semiconductor foundries, which is substantially larger and has greater financial resources than we do, has expanded, and may continue to expand its operations to include packaging and test services.

We cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our customers will not rely on internal sources for packaging and test services, or that our business, liquidity, results of operations, financial condition and cash flows will not be adversely affected by such increased competition.

Environmental, Health & Safety Laws and Initiatives - Future Environmental, Health & Safety Laws and Initiatives Could Place Additional Burdens on Our Manufacturing Operations.

The semiconductor packaging process generates by-products that are subject to extensive governmental regulations. For example, at our foreign facilities we produce liquid waste when semiconductor wafers are diced into chips with the aid of diamond saws, then cooled with running water. In addition, semiconductor packages have historically utilized metallic alloys containing lead (Pb) within the interconnect terminals typically referred to as leads, pins or balls. Environmental, health and safety laws and regulations in places we do business, impose various controls on the use, storage, handling, discharge and disposal of chemicals used in our production processes and on the factories we occupy and are increasingly imposing restrictions on the materials contained in semiconductor products. We may become liable under these environmental, health and safety laws and regulations for the cost of compliance and cleanup of any disposal or release of hazardous materials arising out of our former or current operations, or otherwise as a result of the existence of hazardous materials on our properties. In such an event, we could be held liable for damages, including fines, penalties and the cost of investigations and remedial actions, and could also be subject to revocation of permits negatively affecting our operations.

Public attention has focused on the environmental impact of semiconductor operations and the risk to neighbors of chemical releases from such operations and to the materials contained in semiconductor products. For example, the European Union's Restriction of Use of Certain Hazardous Substances in Electrical and Electronic Equipment Directive and similar laws in other jurisdictions impose strict restrictions on the use of lead and other hazardous substances in electrical and electronic equipment. In addition, increasing climate change and environmental concerns could result in our customers requesting that we exceed regulatory standards. Complying with existing and possible future environmental, health and safety laws or related customer requests may impose upon us the need for additional equipment or other process requirements, restrict our ability to expand our operations, disrupt our operations, increase costs, subject us to liability or cause us to curtail our operations. Furthermore, energy costs in general could increase significantly due to climate change and other regulations.

Our Business and Financial Condition Could be Adversely Affected by Natural Disasters and Other Calamities.

We have significant packaging and test and other operations in locations which are subject to natural disasters, such as earthquakes, tsunamis, typhoons, floods, droughts, volcanoes and other severe weather and geological events, and other calamities, such as fire; the outbreak of infectious diseases (such as Ebola, SARs or flu); industrial strikes; breakdowns of equipment; difficulties or delays in obtaining materials, equipment, utilities and services; political events; acts of war and terrorist incidents; industrial accidents and other events, that could disrupt or even shutdown our operations. In addition, our suppliers and customers also have significant operations in such locations. In the event of such a disruption or shutdown, we may be unable to reallocate production to other facilities in a timely or cost-effective manner (if at all) and we may not have sufficient capacity to service customer demands in our other facilities. A natural disaster or other calamity that results in a prolonged disruption to our operations, or the operations of our customers or suppliers, could have a material adverse effect on our business, financial condition, results of operations and cash flows. For example, Japan experienced a severe earthquake and tsunami in 2011 that resulted in significant disruption in the electronics industry supply chain and adversely affected Japan's economy and consumer spending. In addition, in October 2011, Thailand experienced substantial flooding which affected the facilities and operations of customers and suppliers in our industry. In addition, some of the processes that we utilize in our operations place us at risk of fire and other damage. For example, highly flammable gases are used in the preparation of wafers holding semiconductor devices for flip chip packaging. Although we maintain insurance policies for various types of property, casualty and other risks, we do not carry insurance for all the above referred risks and with regard to the insurance we do maintain, we cannot assure you that it would be sufficient to cover all of our potential losses. As a result, our business, financial condition, results of operations and cash flows could be adversely affected by natural disasters and other calamities.

Mr. James J. Kim and Members of His Family Can Effectively Determine or Substantially Influence The Outcome of All Matters Requiring Stockholder Approval.

As of March 31, 2015, Mr. James J. Kim, the Executive Chairman of our Board of Directors, members of Mr. Kim's immediate family and affiliates owned approximately 137.6 million shares, or approximately 58%, of our outstanding common stock. The Kim Family also has options to acquire approximately 0.5 million shares. If the options are exercised, the Kim family's total ownership would be an aggregate of approximately 138.0 million shares of our outstanding common stock or approximately 58% of our outstanding common stock.

In June 2013, the Kim family exchanged their 2014 Notes for approximately 49.6 million shares of common stock (the “2014 Convert Shares”). The 2014 Convert Shares are subject to a voting agreement. The agreement requires the Kim family to vote these shares in a “neutral manner” on all matters submitted to our stockholders for a vote, so that such 2014 Convert Shares are voted in the same proportion as all of the other outstanding securities (excluding the other shares owned by the Kim family) that are actually voted on a proposal submitted to Amkor's stockholders for approval. The Kim family is not required to vote in a “neutral manner” any 2014 Convert Shares that, when aggregated with all other voting shares held by the Kim family, represent 41.6% or less of the total then-outstanding voting shares of our common stock. The voting agreement for the 2014 Convert Shares terminates upon the earliest of (i) such time as the Kim family no longer beneficially owns any of the 2014 Convert Shares, (ii) consummation of a change of control (as defined in the voting agreement) or (iii) the mutual agreement of the Kim family and Amkor.

Mr. James J. Kim and his family and affiliates, acting together, have the ability to effectively determine or substantially influence matters submitted for approval by our stockholders by voting their shares or otherwise acting by written consent, including the election of our Board of Directors. There is also the potential, through the election of members of our Board of Directors, that the Kim family could substantially influence matters decided upon by our Board of Directors. This concentration of ownership may also have the effect of impeding a merger, consolidation, takeover or other business consolidation involving us, or discouraging a potential acquirer from making a tender offer for our shares, and could also negatively affect our stock's market price or decrease any premium over market price that an acquirer might otherwise pay. Additionally, the sale or the prospect of the sale of a substantial number of these shares may have an adverse effect on the market price of our stock. Concentration of ownership also reduces the public float of our common stock. There may be less liquidity and higher price volatility for the stock of companies with a smaller public float compared to companies with broader public ownership.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Issuer Repurchase of Equity Securities

The following table provides information regarding repurchases of our common stock during the three months ended March 31, 2015.

Period	Total Number of Shares Purchased (a)	Average Price Paid Per Share ($)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ($) (b)
January 1 - January 31	—	$ —	—	$ 91,586,032
February 1 - February 28	30,994	7.44	—	91,586,032
March 1 - March 31	—		—	91,586,032
Total	30,994	$ 7.44	—	

(a) Represents shares of common stock surrendered to us to satisfy tax withholding obligations associated with the vesting of restricted shares issued to employees.

(b) Our Board of Directors previously authorized the repurchase of up to $300 million of our common stock, $150 million in August 2011 and $150 million in February 2012, exclusive of any fees, commissions or other expenses. For the three months ended March 31, 2015, we made no common stock purchases, and at March 31, 2015, approximately $91.6 million was available pursuant to the stock repurchase program.

Item 3. ***Defaults Upon Senior Securities***

None.

Item 4. ***Mine Safety Disclosures***

Not applicable.

Item 5. ***Other Information***

None.

Item 6. ***Exhibits***

The exhibits required by Item 601 of Regulation S-K which are filed with this report are set forth in the Exhibit Index.

SIGNATURES

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

AMKOR TECHNOLOGY, INC.

By: /s/ Joanne Solomon

Joanne Solomon
Executive Vice President and
Chief Financial Officer, Chief
Accounting Officer and Duly
Authorized Officer

Date: April 30, 2015

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
10.1	Form of Stock Option Award Agreement under the Amended and Restated 2007 Equity Incentive Plan
10.2	Form of Outside Director Stock Option Award Agreement under the Amended and Restated 2007 Equity Incentive Plan
10.3	Separation Agreement and Release, dated February 11, 2015, between Amkor Technology, Inc. and JooHo Kim
31.1	Certification of Stephen D. Kelley, President and Chief Executive Officer of Amkor Technology, Inc., pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Joanne Solomon, Executive Vice President and Chief Financial Officer of Amkor Technology, Inc., pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
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.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

Exhibit 10.1

AMKOR TECHNOLOGY, INC.

AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN

STOCK OPTION AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Amkor Technology, Inc. Amended and Restated 2007 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Stock Option Award Agreement (the "Award Agreement").

Participant Name:

Address:

You have been granted an Option to purchase Common Stock of Amkor Technology, Inc. (the "Company"), subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number

Date of Grant

Vesting Commencement Date   See Vesting Schedule Below

Exercise Price per Share

Total Number of Shares Granted

Type of Option: _____ Incentive Stock Option _____ Nonstatutory Stock Option

Term/Expiration Date:

1. Grant of Option. The Company hereby grants to the individual named in this Award Agreement (the "Participant") an option (the "Option") to purchase the number of Shares, as set forth in this Award Agreement, at the exercise price per Share set forth in this Award Agreement (the "Exercise

Price”), subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail.

If designated in the Award 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 Nonstatutory Stock Option (“NSO”).

2. Vesting Schedule. Except as provided in Section 4 and subject to any acceleration provisions contained in the Plan or set forth below, this Option will become vested and exercisable in accordance with the following schedule. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting is scheduled to occur:

3. Termination Period. In the event that Participant ceases to be a Service Provider, the portion of the Option that is not vested as of such date shall be immediately forfeited with no consideration due Participant and the portion of the Option that is vested and exercisable as of the date of such cessation shall remain exercisable (except as otherwise provided below): (x) if Participant ceases to be a Service Provider due to Participant’s resignation for any reason (other than Retirement (as defined in the Plan)) or due to his termination by the Company for any reason, for **three (3) months** after Participant ceases to be a Service Provider; (y) if Participant ceases to be a Service Provider due to his death or Disability, for **twenty-four (24) months** after Participant ceases to be a Service Provider; and (z) if Participant ceases to be a Service Provider due to Retirement, for **twenty-four (24) months** following Participant’s Retirement. If the exercise of the Option following the termination of Participant’s status as a Service Provider (other than upon Participant’s death or Disability) would result in liability under Section 16(b), then the vested portion of the Option will terminate on the earlier of (A) the Term/Expiration Date or (B) the tenth (10^{th}) day after the last date on which such exercise would result in such liability under Section 16(b). If the exercise of the Option following the termination of Participant’s status as a Service Provider (other than upon Participant’s death or Disability) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements

under the Securities Act, then the vested portion of the Option will terminate on the earlier of (A) the Term/Expiration Date or (B) three (3) months after the last day on which the exercise of the Option would be in violation of such registration requirements. Notwithstanding anything contained herein to the contrary, in no event shall this Option be exercised later than the Term/Expiration Date as provided above. In addition, the Option may be subject to earlier termination as provided in Section 16(c) of the Plan.

4. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

5. Exercise of Option. This Option is exercisable during its term in accordance with the Vesting Schedule set out in the Award Agreement and the applicable provisions of the Plan and this Award Agreement. This Option is exercisable by completing the transaction through the Company's captive broker assisted transactions via voice response system or the Internet secured transaction system.

The Option shall be deemed to be exercised upon receipt by the Company of a fully executed exercise notice or other form as may be required by the Company (the "Exercise Notice"). The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to the number of Shares in respect of which the Option is being exercised (the "Exercised Shares"), together with any applicable tax withholding. No Shares shall be issued pursuant to the exercise of this Option unless such issuance and exercise complies with Applicable Laws.

6. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of Participant:

(a) Cash;

(b) Check;

(c) Consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan;

(d) Surrender of other Shares which have a Fair Market Value on the date of exercise equal to the aggregate Exercise Price of the Exercised Shares, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company; or

(e) Retention by the Company of a number of the Shares otherwise deliverable to the Participant on exercise of the Option having an aggregate Fair Market Value (determined on the date of exercise) equal to the aggregate Exercise Price of the Exercised Shares, unless, in the case of Participants who are not subject to the reporting requirements of Section 16 of the Exchange Act, such right is revoked by the Administrator prior to the time of exercise.

In all events, the aggregate Exercise Price must be paid to the Company within three days after the date of exercise.

7. Tax Obligations.

(a) Withholding Taxes. Notwithstanding any contrary provision of this Award Agreement, no certificate representing the Shares will be issued to Participant, unless and until satisfactory arrangements (as determined by the Administrator) have been made by Participant with respect to the payment of income, employment and other taxes which the Company determines must be withheld with respect to such exercise. If Participant fails to make satisfactory arrangements for the payment of any required tax withholding obligations hereunder at the time of the Option exercise, Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver Shares if such withholding amounts are not delivered at the time of exercise. A Participant may satisfy his or her tax withholding obligations by directing the Company to retain a number of the Shares otherwise deliverable to the Participant upon exercise of the Option having an aggregate Fair Market Value (determined on the date of exercise) equal to the minimum withholding taxes due, unless, in the case of Participants who are not subject to the reporting requirements of Section 16 of the Exchange Act, such right is revoked by the Administrator prior to the time of exercise.

(b) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant or (ii) the date one (1) year after the date of exercise, Participant will immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant as a result of such disposition.

(c) Code Section 409A. The Option is intended to comply with, or be exempt from, Code Section 409A and all regulations, guidance, compliance programs and other interpretative authority thereunder, and shall be interpreted in a manner consistent therewith. Notwithstanding anything contained herein to the contrary, in the event the Option is subject to Code Section 409A, the Company may, in its sole discretion and without Participant's prior consent, amend the Plan and/or the Award Agreement, adopt policies and procedures, or take any other actions as deemed appropriate by the Company to (i) exempt the Option from the application of Code Section 409A, (ii) preserve the intended tax treatment of the Option or (iii) comply with the requirements of Code Section 409A. Notwithstanding anything contained herein to the contrary, in no event shall the Company or any Subsidiary have any liability or obligation to Participant or any other person in the event that the Plan or the Option is not exempt from, or compliant with, Code Section 409A.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to such Shares, including voting and receipt of dividends and distributions on such Shares.

9. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE OPTION PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING

SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD 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 WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

10. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company, in care of its Stock Plan Administrator at Amkor Technology, Inc., 2045 East Innovation Circle, Tempe, Arizona, 85284, or at such other address as the Company may hereafter designate in writing.

11. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

12. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto (provided that neither the Option nor this Award Agreement may be assigned by Participant).

13. Additional Conditions to Issuance of Stock. If at any time the Company determines, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Company. Assuming such compliance, for income tax purposes the Exercised Shares will be considered transferred to Participant on the date the Option is exercised with respect to such Exercised Shares.

14. Administrator Authority. The Administrator has the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan and this Award Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

15. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Option or the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

16. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

17. Agreement Severable. In the event that any provision in this Award Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

18. Modifications to the Award Agreement. The Plan and this Award Agreement constitute the entire understanding of the parties on the subjects covered herein. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Except as otherwise provided herein or in the Plan, modifications to this Award Agreement can be made only in an express written contract executed by Participant and a duly authorized officer of the Company.

19. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read and understands the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

20. Governing Law. This Award Agreement will be governed by the laws of the State of Delaware without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Option or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Arizona, and agree that such litigation will be conducted solely in the courts of Maricopa County, Arizona, or the federal courts for the United States for the District of Arizona.

21. Agreement. Participant's receipt of the Option and this Award Agreement constitutes Participant's agreement to be bound by the terms and conditions of this Award

Agreement and the Plan. Participant's signature is not required in order to make this Award Agreement effective.

Optionee: Amkor Technology, Inc.

____________________________ By: _________________________
(Name)

____________________________ ___________________________
Date: Date:

Exhibit 10.2

AMKOR TECHNOLOGY, INC.
AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN
OUTSIDE DIRECTOR STOCK OPTION AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Amkor Technology, Inc. Amended and Restated 2007 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Stock Option Award Agreement (the "Award Agreement").

Participant Name:

Address:

You have been granted an Option to purchase Common Stock of Amkor Technology, Inc. (the "Company"), subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number

Date of Grant

Vesting Commencement Date See Vesting Schedule Below

Exercise Price per Share

Total Number of Shares Granted

Type of Option: Nonstatutory Stock Option

Term/Expiration Date:

1. Grant of Option. The Company hereby grants to the individual named in this Award Agreement (the "Participant") an option (the "Option") to purchase the number of Shares, as set forth in this Award Agreement, at the exercise price per Share set forth in this Award Agreement (the "Exercise Price"), subject to all of the terms and conditions in this Award Agreement and the Plan, which is

incorporated herein by reference. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Vesting Schedule. Except as provided in Section 4 and subject to any acceleration provisions contained in the Plan or set forth below, this Option will become vested and exercisable in accordance with this section. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting is scheduled to occur.

> The Option will become vested and exercisable with respect to 100% of the Shares subject to the Option on the first anniversary of the Date of Grant. 100% of the Shares subject to this Award also shall vest upon the Participant's death or Disability. In the event of a Change in Control (as defined in the Plan), the Award will be treated as the plan administrator determines in accordance with the Plan, including, without limitation, assumption or grant of a substitute award by the successor or acquiring company. If the successor or acquiring company does not assume or provide a substitute for the Award, the Award will fully vest in connection with such Change in Control.

3. Termination Period. In the event that Participant ceases to be a Service Provider for any reason, the portion of the Option that is not vested as of such date shall be immediately forfeited with no consideration due Participant and the portion of the Option that is vested and exercisable as of the date of such cessation shall remain exercisable (except as otherwise provided below) for **twenty-four (24) months** after Participant ceases to be a Service Provider. If the exercise of the Option following the termination of Participant's status as a Service Provider (other than upon Participant's death or Disability) would result in liability under Section 16(b), then the vested portion of the Option will terminate on the earlier of (A) the Term/Expiration Date or (B) the later of (i) twenty-four (24) months after the termination of the Participant's status as a Service Provider or (ii) the tenth (10^{th}) day after the last date on which such exercise would result in such liability under Section 16(b). If the exercise of the Option following the termination of Participant's status as a Service Provider (other than upon Participant's death or Disability) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act, then the vested portion of the Option will terminate on the earlier of (A) the Term/Expiration Date or (B) the later of (i) twenty-four (24) months after the termination of the Participant's status as a Service Provider or (ii) three (3) months after the last day on which the exercise of the Option would be in violation of such registration

requirements. Notwithstanding anything contained herein to the contrary, in no event shall this Option be exercised later than the Term/Expiration Date as provided above. In addition, the Option may be subject to earlier termination as provided in Section 16(c) of the Plan.

4. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

5. Exercise of Option. This Option is exercisable during its term in accordance with the Vesting Schedule set out in the Award Agreement and the applicable provisions of the Plan and this Award Agreement. This Option is exercisable by completing the transaction through the Company's captive broker assisted transactions via voice response system or the Internet secured transaction system.

The Option shall be deemed to be exercised upon receipt by the Company of a fully executed exercise notice or other form as may be required by the Company (the “Exercise Notice”). The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to the number of Shares in respect of which the Option is being exercised (the “Exercised Shares”), together with any applicable tax withholding. No Shares shall be issued pursuant to the exercise of this Option unless such issuance and exercise complies with Applicable Laws.

6. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of Participant:

(a) Cash;

(b) Check;

(c) Consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan;

(d) Surrender of other Shares which have a Fair Market Value on the date of exercise equal to the aggregate Exercise Price of the Exercised Shares, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company; or

(e) Retention by the Company of a number of the Shares otherwise deliverable to the Participant on exercise of the Option having an aggregate Fair Market Value (determined on the date of exercise) equal to the aggregate Exercise Price of the Exercised Shares, unless, in the case of Participants who are not subject to the reporting requirements of Section 16 of the Exchange Act, such right is revoked by the Administrator prior to the time of exercise.

In all events, the aggregate Exercise Price must be paid to the Company within three days after the date of exercise.

7. Tax Obligations.

(a) Withholding Taxes. Notwithstanding any contrary provision of this Award Agreement, no certificate representing the Shares will be issued to Participant, unless and until satisfactory arrangements (as determined by the Administrator) have been made by Participant with respect to the payment of income, employment and other taxes which the Company determines must be withheld with respect to such exercise. If Participant fails to make satisfactory arrangements for the payment of any required tax withholding obligations hereunder at the time of the Option exercise, Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver Shares if such withholding amounts are not delivered at the time of exercise. A Participant may satisfy his or her tax withholding obligations by directing the Company to retain a number of the Shares otherwise deliverable to the Participant upon exercise of the Option having an aggregate Fair Market Value (determined on the date of exercise) equal to the minimum withholding taxes due, unless, in the case of Participants who are not subject to the reporting requirements of Section 16 of the Exchange Act, such right is revoked by the Administrator prior to the time of exercise.

(b) Code Section 409A. The Option is intended to comply with, or be exempt from, Code Section 409A and all regulations, guidance, compliance programs and other interpretative authority thereunder, and shall be interpreted in a manner consistent therewith. Notwithstanding anything contained herein to the contrary, in the event the Option is subject to Code Section 409A, the Company may, in its sole discretion and without Participant's prior consent, amend the Plan and/or the Award Agreement, adopt policies and procedures, or take any other actions as deemed appropriate by the Company to (i) exempt the Option from the application of Code Section 409A, (ii) preserve the intended tax treatment of the Option or (iii) comply with the requirements of Code Section 409A. Notwithstanding anything contained herein to the contrary, in no event shall the Company or any Subsidiary have any liability or obligation to Participant or any other person in the event that the Plan or the Option is not exempt from, or compliant with, Code Section 409A.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to such Shares, including voting and receipt of dividends and distributions on such Shares.

9. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE OPTION PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD 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 WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

10. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company, in care of its Stock Plan Administrator at Amkor Technology, Inc., 2045 E. Innovation Circle, Tempe, Arizona, 85284, or at such other address as the Company may hereafter designate in writing.

11. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

12. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto (provided that neither the Option nor this Award Agreement may be assigned by Participant).

13. Additional Conditions to Issuance of Stock. If at any time the Company determines, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Company. Assuming such compliance, for income tax purposes the Exercised Shares will be considered transferred to Participant on the date the Option is exercised with respect to such Exercised Shares.

14. Administrator Authority. The Administrator has the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan and this Award Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

15. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Option or the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

16. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

17. Agreement Severable. In the event that any provision in this Award Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

18. Modifications to the Award Agreement. The Plan and this Award Agreement constitute the entire understanding of the parties on the subjects covered herein. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Except as otherwise provided herein or in the Plan, modifications to this Award Agreement can be made only in an express written contract executed by Participant and a duly authorized officer of the Company.

19. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read and understands the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

20. Governing Law. This Award Agreement will be governed by the laws of the State of Delaware without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Option or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Arizona, and agree that such litigation will be conducted solely in the courts of Maricopa County, Arizona, or the federal courts for the United States for the District of Arizona.

21. Agreement. Participant's receipt of the Option and this Award Agreement constitutes Participant's agreement to be bound by the terms and conditions of this Award Agreement and the Plan. Participant's signature is not required in order to make this Award Agreement effective.

Optionee: Amkor Technology, Inc.

____________________________ By: _________________________
(Name)

____________________________ __________________________
Date: Date:

Exhibit 10.3

SEPARATION AGREEMENT AND RELEASE

This Separation of Employment and Release Agreement ("Agreement") is made by and between JooHo Kim ("Executive") and Amkor Technology Korea, Inc. ("Company"), which Company is an indirect wholly owned subsidiary of Amkor Technology, Inc., a Delaware Corporation ("Parent"), (jointly referred to as the "Parties"):

RECITALS

WHEREAS, Executive has served on the Company's Board of Directors as a registered director of the Company;

WHEREAS, the Company and Executive have agreed that Executive's service with the Company is being terminated effective on February 24, 2015 (the "Separation Date");

WHEREAS, the Executive and the Company desire to settle fully and finally all matters between them to date, including, but in no way limited to, any issues that might arise out of the Executive's service with or his resignation from the Company;

NOW THEREFORE, in consideration of the promises made herein, the Parties hereby agree as follows:

COVENANTS

1. Resignation. The Executive ceased to be Company's President and as of the Separation Date, and ceased all other positions and associations of any kind with the Company, Parent and their subsidiaries and affiliates. Additionally, effective on the Separation Date, the Executive resigned his membership on the Board of Directors (and all board of director committees) of the Company and its subsidiaries and affiliates.

2. Consideration.

(a) The Company agrees to pay Executive a lump sum of KRW, less applicable tax withholdings, consisting of (i) the amount of KRW payable under the Company's Severance Plan (calculated using Executive's years of service from 2009 through February 24, 2015), plus (ii) an amount in KRW equal to US$500,000.00(12 months base salary). This payment will be made to Executive on February 24, 2015.

(b) The Company agrees Executive will remain eligible to receive a 2014 Bonus under the Company's 2014 Executive Bonus Plan. The 2014 Bonus will be paid to Executive, less applicable tax withholdings, when payments are made to participants generally under the 2014 Executive Bonus Plan.

3. Stock. There will be no changes to terms of Executive's outstanding equity awards. As of the Separation Date, Executive has 31,250 vested and outstanding stock options ("Option"), with the remaining unvested being forfeited upon termination. The vested Options must be exercised within a specified period of time following the Separation Date, as set forth in the applicable Stock Option Award Agreement dated September 9, 2013. Options not exercised by the specified date are forfeit. The remaining 1,060 unvested shares of restricted stock granted pursuant to the Restricted Stock Award

Agreement dated February 14, 2011 will vest upon your termination of employment (which shall constitute your "Retirement" as defined in the Company's Amended and Restated 2007 Equity Incentive Plan) in accordance with the terms of the applicable award agreement. The 13,125 unvested shares of restricted stock granted pursuant to the Restricted Stock Award Agreement dated November 1, 2012 will be forfeited upon termination.

4. Benefits. Executive's participation in all benefits and incidents of service (including, but not limited to, the accrual of vacation and paid time off, use of Company car, and club memberships) ceased on the Separation Date. The Company will pay for or provide for continued coverage under existing healthcare plans through December 31, 2015. The Company will also provide Executive with tax return preparation and filing assistance for any year in which Executive served as a US ex-patriate, including 2014.

5. Payment of Salary. Executive acknowledges and represents that Executive has been paid all salary, wages, accrued vacation, paid time off, bonuses, commissions, and any and all other benefits and compensation due to Executive from Company, Parent and any of their affiliates.

6. Release of Claims. Executive agrees that the foregoing Consideration represents settlement in full of all outstanding obligations owed to Executive by the Company, Parent and their respective current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations and assigns (the "Releasees"). Executive, on his own behalf, and on behalf of his respective heirs, family members, executors, agents, and assigns, hereby fully and forever releases the Company, Parent and the other Releasees from, and agrees not to sue 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 Executive may possess arising from any cause, matter, omissions, acts or facts whatsoever including, without limitation:

(a) any and all claims relating to or arising from Executive's service with the Company, Executive's service as a director of the Company, or the resignation of that service;

(b) any and all claims under the law of any jurisdiction, including, but not limited to, wrongful termination of service; constructive termination from service; termination of the service in violation of public policy; discrimination; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; 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; and conversion;

(c) any and all claims arising out of any constitution, laws and regulations including, without limitation, any such constitution, laws or regulations relating to service;

(d) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

(e) any and all claims for attorneys' fees and costs.

The Company and Executive agree that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement.

7. Confidential Information. Executive recognizes that due to his service, Executive has had access to non-public proprietary information, confidential information and trade secrets. Consequently, at all times after the Separation Date Executive will not, without the prior express written consent of the Company, use for himself or for others or directly or indirectly divulge, disclose or make available or accessible any Confidential Information (as defined below) to any person, firm, partnership, corporation, trust or any other entity or third party (other than when required to do so by a lawful order of a court of competent jurisdiction, any governmental authority or agency, or any recognized subpoena power). For purposes of this Agreement, "Confidential Information" shall mean all information respecting the business and activities of the Company, Parent, or any of their affiliates, including, without limitation, the clients, customers, suppliers, employees, consultants, computer or other files, projects, products, computer disks or other media, computer hardware or computer software programs, marketing plans, financial information, methodologies, know-how, processes, practices, approaches, projections, forecasts, formats, systems, data gathering methods and/or strategies of the Company, Parent, or any of their affiliates. Notwithstanding the immediately preceding sentence, Confidential Information shall not include any information that is, or becomes, generally available to the public (unless such availability occurs as a result of the Executive's breach of any portion of this Section 7). Executive will use particular care to ensure that such Confidential Information does not become known to those who are engaged in activities competitive with those of the Company, Parent, or any of their affiliates. In addition, Executive represents, warrants and agrees that he is in compliance with the Parent's Code of Business Conduct.

8. Non-Competition. Until the first anniversary of the Separation Date, Executive shall not, without the prior written consent of the Company, engage in or carry on, directly or indirectly, whether as an advisor, principal, agent, partner, officer, director, employee, stockholder, associate or consultant to any person, partnership, corporation or any other business entity, the business of outsourced semiconductor packaging and test services; provided that ownership by Executive of securities of the Company or of less than a five percent equity interest in a publicly held company shall not be a breach of this paragraph.

9. Assistance. The Executive agrees to personally provide reasonable assistance and cooperation to the Company and Parent in activities related to the prosecution or defense of any pending or future lawsuits or claims involving the Company. Further, the Executive agrees to fully cooperate with the Company to, among other things, deregister him from the government registrations/permits of the Company including the court's corporate registry, including but not limited to, allowing the Company to use his seal for preparation of documentation related to such deregistration.

10. No Cooperation. Except as otherwise prohibited by law, Executive agrees that he will not knowingly 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 any of the Releasees, unless under a subpoena or other court order to do so. Executive agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or court order to the Company. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Executive shall state no more than that he cannot provide counsel or assistance.

11. Non-Solicitation. During the one-year period following the Separation Date, Executive shall not, without the express prior written consent of Company, which may be given or withheld by Company in its sole discretion, directly or indirectly, for himself or on behalf of or in conjunction with any other person, company, partnership, corporation, business, group, or other entity, employ, hire, solicit or encourage any employee or consultant of Company to leave the employment of or cease to perform services for Company.

12. Indemnification. The Executive shall fully indemnify and hold the Company harmless for any liability from any civil or criminal proceeding or litigation arising out of his acts or omissions not endorsed by the Company and shall fully cooperate with the Company and the relevant authorities in any investigation or inquiry in furtherance of such proceeding or litigation.

13. Costs. The Parties shall each bear their own costs, attorneys' fees and other fees incurred in connection with the preparation of this Agreement.

14. Arbitration; Injunctive Relief. 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 Seoul, Korea before the Korean Commercial Arbitration Board under its Arbitration Rules. 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 to the extent permissible under the Arbitration Rules. **The Parties hereby agree to waive their right to have any dispute between them resolved in a court of law.**

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 any agreements incorporated herein by reference.

Executive acknowledges that a breach by Executive of the obligations set forth in Sections 6, 7, 8, 10 and 11 above will result in irreparable harm, and no adequate remedy at law exists. Such breach will be deemed "material", entitling the Company to money damages and other appropriate relief including reimbursement of costs, reasonable attorneys' fees and an injunction to prevent any further breach of this Agreement.

15. Representations. Each party represents that it 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.

16. Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstances, will to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each term and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

17. Entire Agreement. This Agreement and any and all Stock Option and Restricted Stock Award Agreements represent the entire agreement and understanding between the Company and Executive concerning the subject matter of this Agreement and Executive's relationship with the Company, Parent and their affiliates, and supersede and replace any and all prior agreements and understandings between the Parties concerning the subject matter of this Agreement and Executive's relationship with the Company, Parent and their affiliates.

18. <u>No Oral Modification</u>. Any modification or amendment of this Agreement, or additional obligation assumed by either party in connection with this Agreement, shall be effective only if placed in writing and signed by both Parties or their respective authorized representatives.

19. <u>Governing Law</u>. This Agreement shall be governed by the laws of the Republic of Korea, without regard for choice of law provisions.

20. <u>Effective Date</u>. This Agreement is effective on February 11, 2015.

21. <u>Counterparts</u>. 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.

22. <u>Language</u>. This Agreement is made in the English Language and the Korean language, and the English version shall prevail over the Korean version if there are any discrepancies.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below.

Amkor Technology Korea, Inc.

Dated: February 11, 2015 By ______________________________

Dated: February 11, 2015 ______________________________
JooHo Kim, an individual

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Stephen D. Kelley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Amkor Technology, Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this 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 an 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.

/s/ Stephen D. Kelley

Stephen D. Kelley

President and Chief Executive Officer

April 30, 2015

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Joanne Solomon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Amkor Technology, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this 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 an 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.

/s/ Joanne Solomon

Joanne Solomon

Executive Vice President and

Chief Financial Officer

April 30, 2015

Exhibit 32

CERTIFICATIONS 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

In connection with the Quarterly Report of Amkor Technology, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen D. Kelley, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen D. Kelley

Stephen D. Kelley
President and Chief Executive Officer

April 30, 2015

In connection with the Quarterly Report of Amkor Technology, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Joanne Solomon, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joanne Solomon

Joanne Solomon

Executive Vice President and

Chief Financial Officer

April 30, 2015