

FORM 8-K

JANUARY 29, 2003
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

000-29472 23-1722724
COMMISSION FILE NUMBER (I.R.S. EMPLOYER IDENTIFICATION NUMBER)

ITEM 5. OTHER EVENTS.

On January 29, 2003 we issued a press release (attached hereto as Exhibit 99.1) announcing our financial results for the quarter ended December 31, 2002 and that we entered into an agreement to sell our wafer fabrication services business.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

99.1 Text of Press Release dated January 29, 2003

SIGNATURES

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

AMKOR TECHNOLOGY, INC.

By: /s/ KENNETH T. JOYCE

Kenneth T. Joyce
Chief Financial Officer

Dated: January 31, 2003

[AMKOR LOGO]

News Release

AMKOR REPORTS FOURTH QUARTER AND FULL YEAR 2002 RESULTS AND
REACHES AGREEMENT TO SELL ITS WAFER FABRICATION SERVICES BUSINESS

CHANDLER, AZ. -- January 29, 2003 -- Amkor Technology, Inc. (Nasdaq: AMKR) reported fourth quarter sales of \$426 million and a net loss of \$196 million, or (\$1.19) per share. The net loss for the fourth quarter includes \$172 million in non-cash charges incurred in the quarter as detailed below:

- a non-cash charge of \$129 million, or \$0.78 per share, recorded to establish a valuation allowance against its deferred tax asset consisting primarily of U.S. net operating loss carryforwards, as part of its income tax provision. Generally accepted accounting principles require companies to weigh both positive and negative evidence in determining the need for a valuation allowance. In light of the Company's three years of cumulative losses, an unprecedented industry downturn and continued poor visibility of customer demand, Amkor determined in the fourth quarter that a valuation allowance representing substantially all of its deferred tax assets was appropriate. These negative factors outweighed Amkor's forecasted future profitability and expectation that it will be able to utilize its Net Operating Loss carryforwards (NOL);
- a non-cash impairment charge of \$33 million, or \$0.20 per share, to reduce the carrying value of Amkor's investment in Anam Semiconductor, Inc. (ASI) to ASI's market value of \$2.90 per share based on ASI's closing share price on December 31, 2002; and
- a non-cash special charge of \$10 million, or \$0.06 per share, in connection with a consolidation of two Korean factories as part of an ongoing program designed to increase operational efficiency and reduce costs. Amkor will transfer most of the assembly operations at its 271,000 sq. ft. K2 site in Bucheon, South Korea into its one million square foot, state-of-the-art K4 factory in Kwangju, South Korea. Amkor expects to complete the closing of the K2 facility during the second quarter of 2003.

Excluding these charges, Amkor's fourth quarter net loss was \$24 million, or (\$0.15) per share. For the fourth quarter of 2001, Amkor's net loss, excluding goodwill amortization, was \$108 million, or (\$0.67) per share.

Fourth quarter 2002 revenue was in line with guidance provided in the company's third quarter earnings release, and gross margin exceeded the company's expectations. Assembly & test revenue was \$373 million, up 26% over the year-ago period and down 5% from the third quarter. Wafer fab revenue was \$53 million compared with \$60 million in the third quarter. Total revenue was \$426 million, up 21% from the year-ago period and down 6% from the third quarter. Fourth quarter gross margin increased to 15.6% from 11.5% in the third quarter and

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negative 2.4% in the year-ago period, due in part to lower levels of depreciation, ongoing cost efficiency programs, and higher capacity utilization. The reduced depreciation reflects the impact of the fixed asset impairment recorded in the second quarter and the change in estimated useful lives of certain assembly equipment from four years to seven years effective with the fourth quarter.

For the full year, revenue was \$1.6 billion, an 8% increase over 2001. Amkor's net loss was \$827 million, or (\$5.04) per share, compared to a net loss, excluding goodwill amortization, of \$335 million, or (\$2.13) per share in 2001.

"We have completed a challenging, but productive year in which we've successfully addressed several key strategic initiatives," said James Kim, Amkor's chairman and chief executive officer. "For the past two and a half years we've undertaken a lengthy process of restructuring our interest in ASI. We achieved important progress this year by selling 20 million ASI shares for \$95

million; we also negotiated the sale of our wafer fabrication services business for \$62 million. This divestiture will allow Amkor to focus totally on our core competency of assembly and test."

"During this same period we've undertaken a continuous program of streamlining our assembly and test business to reduce costs and enhance operating efficiency, while also positioning Amkor for long-term growth. We've kept a sharp focus on improving our cash flow and overall liquidity in the face of the industry's worst-ever downturn," said Kim. Our cash balance has been steadily building, and we intend to continue to monetize our interest in ASI to further increase liquidity. We are making progress towards our goal of returning to bottom line profitability and are committed to enhancing shareholder value."

"Semiconductor technology continues to advance in a downturn, and we have invested heavily in the development of new package and test technology, including MicroLeadFrame(TM), flip chip, system-in-package, stacked packaging, VisionPak(TM) and strip test. We have reduced overall capital expenditures in the face of significant industry overcapacity, but have been adding capacity to support the growth areas of our business," said Kim. "For the past 34 years we have provided capacity to meet the growing needs of our customers, and that commitment will not change."

"Over the past two years we have positioned Amkor for the next phase of our growth by expanding into China, Japan and Taiwan. Each of these new markets offers exciting growth opportunities for Amkor."

"During 2002 our business recovered nicely from the trough level reached in late 2001, and our core assembly and test revenue growth rate outpaced the semiconductor industry, reflecting the strength of the outsourcing trend," said John Boruch, Amkor's president and chief operating officer. "The global economy remains sluggish, and we believe the semiconductor industry is in the midst of a pause that should last through at least the first quarter of 2003."

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Fourth quarter EBITDA was \$74 million compared with \$71 million in the third quarter and \$27 million in Q4 of 2001. Amkor calculates EBITDA as earnings before income taxes; special charges; equity in income (loss) of affiliates; minority interest; foreign currency gain or loss; interest expense, net; depreciation and amortization; loss on disposal of assets; and loss on impairment of equity investment. EBITDA is a common measure used by investors to evaluate a company's ability to service debt. EBITDA is not defined by generally accepted accounting principles, and Amkor's definition of EBITDA may not be comparable to similar companies.

Capital expenditures were \$13 million for the fourth quarter and \$95 million for the year. Depreciation and amortization totaled \$60 million for the fourth quarter and \$325 million for the year.

"We ended the year with improved financial liquidity," said Ken Joyce, Amkor's chief financial officer. "During the year we extended our existing financial covenant framework under our bank agreement through December 31, 2003 and achieved positive cash flow for the second half of the year. We have \$311 million in cash at December 31, compared with \$235 million at September 30, 2002. The fourth quarter cash increase includes \$26 million in processing fees payable to ASI under the foundry agreement, which Amkor has retained in anticipation of completing the sale of our wafer foundry business to ASI. This \$26 million, along with other current payables owed to ASI, is expected to fully satisfy the \$62 million purchase price that will be owed to Amkor for the sale of our wafer fabrication services business."

AGREEMENT TO SELL WAFER FABRICATION SERVICES BUSINESS; TRANSACTIONS WITH ASI AND DONGBU

As part of its strategy to monetize its investment in ASI and to divest its wafer fabrication services business, Amkor entered into a series of transactions beginning in the second half of 2002:

- In September 2002, Amkor sold 20 million shares of ASI common stock to Dongbu Group for \$58 million in net cash proceeds and 42 billion Korean Won (approximately \$35 million at a current exchange rate) of interest bearing notes from Dongbu payable

in two equal principal payments in September 2003 and February 2004. Additionally, Amkor transferred an additional one million shares of ASI common stock to its financial advisors for payment of fees in connection with this transaction.

- In January 2003, Amkor reached a definitive agreement to sell its wafer fabrication services business to ASI for total consideration of \$62 million.
- In separate transactions designed to facilitate a future merger between ASI and Dongbu, (i) Amkor acquired a 10% interest in Acqutek from ASI for \$2 million; (ii) Amkor acquired the Precision Machine Division (PMD) of Anam Instruments, a related party to Amkor, for \$8 million; and (iii) Anam Instruments, which had been partially owned by ASI, utilized the proceeds from the sale of PMD to Amkor to buy back all of the Anam Instruments shares owned by ASI. Acqutek supplies materials to the semiconductor industry and is publicly traded in Korea. Amkor has historically purchased and continues

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to purchase leadframes from Acqutek. PMD supplies sophisticated die mold systems and tooling to the semiconductor industry and historically over 90% of its sales were to Amkor.

Each of the transactions with Dongbu, ASI and Anam Instruments are interrelated and it is possible that if each of the transactions were viewed on a stand-alone basis without regard to the other transaction, Amkor could have had different conclusions as to fair value.

In January 2003, Amkor reached final agreement with ASI to sell Amkor's wafer fabrication services business to ASI, subject to foreign regulatory approval. Additionally, Amkor is structuring a release from ASI's largest customer regarding Amkor's contractual obligations with respect to its wafer fabrication services. The sale of the wafer fabrication services business is expected to close during the first quarter of 2003, at which time Amkor expects to reflect its wafer fabrication services segment as a discontinued operation. In connection with the disposition of its wafer fabrication business, Amkor expects to incur an estimated \$4 million in severance and other exit costs to close its operations in Boise, Idaho and Lyon, France. Amkor estimates that in the first quarter of 2003 it will recognize a net gain on the disposition of its wafer fabrication services business in excess of \$50 million based on its current estimates of the carrying value of the net assets associated with the business and the severance and other exit costs.

At January 1, 2002 Amkor owned 47.7 million shares or 42% of ASI's voting stock and at December 31, 2002 Amkor owned 26.7 million shares of ASI or 21%. The carrying value of Amkor's remaining investment in ASI at December 31, 2002 was \$77 million and could be subject to additional impairment charges if ASI's share price continues to decline. Although Amkor intends to monetize its remaining investment in ASI, the ultimate level of proceeds could be less than the current carrying value.

BUSINESS OUTLOOK

The first calendar quarter is typically a seasonally down quarter for Amkor. On the basis of customers' forecasts, we currently expect first quarter 2003 assembly & test revenue to be around 10% lower than the fourth quarter. We expect first quarter 2003 gross margin to be around 11%. As noted above, we anticipate that the wafer fabrication services business will be treated as a discontinued operation in the first quarter.

We will resume the recognition of deferred tax assets when Amkor returns to profitability. Additionally, until we utilize our NOLs, the income tax provision will reflect modest levels of foreign taxation. At December 31, 2002, our company has U.S. net operating losses totaling \$408 million expiring between 2021 and 2022. We expect to utilize a portion of the NOLs to offset the tax associated with the gain on sale of the wafer foundry business. Additionally, at December 31, 2002, our company has non-U.S. net operating losses totaling \$51

million expiring between 2003 and 2012.

Amkor will be holding a conference call on January 29 at 5:00 p.m. eastern time to discuss the results of its fourth quarter in more detail and to provide additional guidance for the first quarter

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of 2003. The call will be webcast and can be accessed through our web site: www.amkor.com, and through CCBN's website, www.companyboardroom.com.

Amkor Technology, Inc. is the world's largest provider of contract semiconductor assembly and test services. The company offers semiconductor companies and electronics OEMs a complete set of microelectronic design and manufacturing services. More information on Amkor is available from the company's SEC filings and on Amkor's web site: www.amkor.com.

The statements by James Kim, John Boruch and Ken Joyce, and the above statements contained in our Business Outlook, are forward-looking statements that involve a number of risks and uncertainties. Factors that could affect future operating results and cause actual results to vary materially from historical and expected results include, but are not limited to: the highly unpredictable nature of the semiconductor industry; volatility of consumer demand for products incorporating our semiconductor packages; worldwide economic effects of the recent terrorist attacks on the United States, potential military conflicts in the Middle East and Asia and the United States military actions in response; competitive pricing and declines in average selling prices; dependence on our relationship with ASI for all of our wafer fabrication output; reliance on a small group of principal customers; timing and volume of orders relative to the production capacity; availability of manufacturing capacity and fluctuations in manufacturing yields; availability of financing; competition; dependence on international operations and sales; dependence on raw material and equipment suppliers; exchange rate fluctuations; dependence on key personnel; difficulties in managing growth; enforcement of intellectual property rights; environmental regulations; and the results of ASI through the equity method of accounting.

Further information on risk factors that could affect the outcome of the events set forth in these statements and that would affect the company's operating results and financial condition is detailed in the company's filings with the Securities and Exchange Commission, including the Report on Form 10-Q for the three months ended September 30, 2002.

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(tables to follow)

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AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended December 31
(in thousands, except per share data)

	2002	2001	Pro Forma (1) 2001
Net revenues			
Assembly and Test	\$ 373,189	\$ 297,309	\$ 297,309
Wafer Fab	53,065	55,045	55,045
	-----	-----	-----
Total	426,254	352,354	352,354
Cost of revenues--including purchases from ASI	359,717	360,713	360,713
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Gross profit (loss)	66,537	(8,359)	(8,359)
Operating expenses:			
Selling, general and administrative	44,170	47,012	47,012
Research and development	6,654	10,365	10,365
(Gain)/Loss on disposal of assets	(416)	9,861	9,861
Special charges (2)	9,985	0	0
Amortization of goodwill & other acquired intangibles	1,997	21,263	1,207
Total operating expenses	62,390	88,501	68,445
Operating income (loss)	4,147	(96,860)	(76,804)
Other (income) expense:			
Interest expense, net	36,487	40,954	40,954
Foreign currency (gain) loss	(975)	878	878
Other income, net	(965)	(745)	(745)
Total other expense	34,547	41,087	41,087
Loss before income taxes and equity in income of investees	(30,400)	(137,947)	(117,891)
Provision (benefit) for income taxes	123,897	(26,210)	(26,210)
Equity in loss of investees	(9,128)	(15,653)	(15,653)
Amortization of equity method goodwill	0	(8,799)	0
Loss on impairment/Sale of equity investment	(32,997)	0	0
Minority Interest	306	(423)	(423)
Net loss	\$ (196,116)	\$ (136,612)	\$ (107,757)
Per Share Data:			
Basic net loss per common share	\$ (1.19)	\$ (0.85)	\$ (0.67)
Diluted net loss per common share	\$ (1.19)	\$ (0.85)	\$ (0.67)
Shares used in computing basic net loss per common share	164,927	161,600	161,600
Shares used in computing diluted net loss per common share	164,927	161,600	161,600

- (1) The Pro Forma results exclude the effects of the amortization of goodwill and the amortization of the difference between the cost of our equity investments and our share of the underlying net assets.
- (2) Special charges include the following:

Loss on FAS 142 Impairment	\$ -
Loss on FAS 144 Impairment	-
Loss on facility shutdowns	9,985

	\$9,985

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AMKOR TECHNOLOGY, INC. CONSOLIDATED STATEMENTS OF INCOME For the Twelve Months Ended December 31 (in thousands, except per share data)

	2002	2001	Pro Forma (1) 2001
Net revenues			
Assembly and Test	\$ 1,406,178	\$ 1,336,674	\$ 1,336,674
Wafer Fab	233,529	181,188	181,188
Total	1,639,707	1,517,862	1,517,862
Cost of revenues--including purchases from ASI	1,521,887	1,448,064	1,448,064

Gross profit	117,820	69,798	69,798
Operating expenses:			
Selling, general and administrative	188,567	200,218	200,218
Research and development	31,189	38,786	38,786
Loss on disposal of assets	2,496	14,515	14,515
Special charges (2)	291,970	0	0
Amortization of goodwill & other acquired intangibles	6,992	84,962	4,730
Total operating expenses	521,214	338,481	258,249
Operating loss	(403,394)	(268,683)	(188,451)
Other (income) expense:			
Interest expense, net	147,497	164,064	164,064
Foreign currency loss	917	872	872
Other income, net	(961)	(3,669)	(3,669)
Total other expense	147,453	161,267	161,267
Loss before income taxes and equity in income of investees	(550,847)	(429,950)	(349,718)
Provision (benefit) for income taxes	65,815	(81,691)	(81,691)
Equity in loss of investees	(33,865)	(65,162)	(65,162)
Amortization of equity method goodwill	0	(35,544)	0
Loss on impairment/Sale of equity investment	(174,300)	0	0
Minority Interest	(1,932)	(1,896)	(1,896)
Net loss	\$ (826,759)	\$ (450,861)	\$ (335,085)
Per Share Data:			
Basic net loss per common share	\$ (5.04)	\$ (2.87)	\$ (2.13)
Diluted net loss per common share	\$ (5.04)	\$ (2.87)	\$ (2.13)
Shares used in computing basic net loss per common share	164,124	157,111	157,111
Shares used in computing diluted net loss per common share	164,124	157,111	157,111

- (1) The Pro Forma results exclude the effects of the amortization of goodwill and the amortization of the difference between the cost of our equity investments and our share of the underlying net assets.
- (2) Special charges include the following:

Loss on FAS 142 Impairment	\$ 73,080
Loss on FAS 144 Impairment	190,266
Loss on facility shutdowns	28,624

	\$291,970
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AMKOR TECHNOLOGY, INC. CONSOLIDATED BALANCE SHEETS (in thousands)

	December 31, 2002 (unaudited)	December 31, 2001
Assets		
Current assets:		
Cash and cash equivalents	\$ 311,249	\$ 200,057
Accounts receivable--		
Trade, net of allowance for doubtful accounts of \$7,378 and \$6,842	257,081	211,419
Due from affiliates	298	871
Other	8,234	8,953
Inventories	72,121	73,784
Other current assets	48,661	37,106
Total current assets	697,644	532,190
Property, plant and equipment, net	968,943	1,392,274
Investments	83,235	382,951
Other assets:		
Due from affiliates	20,852	20,518
Goodwill	628,099	659,130
Acquired Intangibles	45,033	37,050

Other	114,178	199,205
	-----	-----
Total other assets	808,162	915,903
	-----	-----
Total assets	\$ 2,557,984	\$ 3,223,318
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Bank overdraft	\$ 4,633	\$ 5,116
Short-term borrowings and current portion of long-term debt	71,023	54,815
Trade accounts payable	180,999	148,923
Due to affiliates	70,243	16,936
Accrued expenses	184,223	145,544
	-----	-----
Total current liabilities	511,121	371,334
Long-term debt	1,737,690	1,771,453
Other noncurrent liabilities	67,661	64,077
	-----	-----
Total liabilities	2,316,472	2,206,864
	-----	-----
Minority Interest	10,145	7,737
Stockholders' equity:		
Common stock	166	162
Additional paid-in capital	1,170,227	1,123,541
Accumulated deficit	(933,734)	(106,975)
Receivable from stockholder	(2,887)	(3,276)
Accumulated other comprehensive losses	(2,405)	(4,735)
	-----	-----
Total stockholders' equity	231,367	1,008,717
	-----	-----
Total liabilities and stockholders' equity	\$ 2,557,984	\$ 3,223,318
	=====	=====