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, 2009

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)*

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 30, 2009 was 183,035,405.

QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended March 31, 2009

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PART I. FINANCIAL INFORMATION

Item 1. *Financial Statements*

AMKOR TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31, 2009	For the Three Months Ended March 31, 2008
	(In thousands, except per share data)	
Net sales	$388,776	$699,483
Cost of sales	340,737	523,331
Gross profit	48,039	176,152
Operating expenses:		
Selling, general and administrative	50,068	65,449
Research and development	10,147	13,856
Total operating expenses	60,215	79,305
Operating (loss) income	(12,176)	96,847
Other expense (income):		
Interest expense, net	26,145	27,433
Interest expense, related party	1,562	1,563
Foreign currency gain	(12,068)	(9,477)
Gain on debt retirement, net	(8,996)	—
Other expense (income), net	59	(806)
Total other expense, net	6,702	18,713
(Loss) income before income taxes	(18,878)	78,134
Income tax expense	3,081	5,940
Net (loss) income	(21,959)	72,194
Net income attributable to noncontrolling interests	133	198
Net (loss) income attributable to Amkor	$ (22,092)	$ 71,996
Net (loss) income attributable to Amkor per common share:		
Basic	$ (0.12)	$ 0.40
Diluted	$ (0.12)	$ 0.36
Shares used in computing per common share amounts:		
Basic	183,035	182,134
Diluted	183,035	209,396

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2009	December 31, 2008
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 291,479	$ 424,316
Restricted cash	2,677	4,880
Accounts receivable:		
Trade, net of allowances	214,475	259,630
Other	17,755	14,183
Inventories	110,377	134,045
Other current assets	30,463	23,862
Total current assets	667,226	860,916
Property, plant and equipment, net	1,415,144	1,473,763
Intangibles, net	14,433	11,546
Restricted cash	1,657	1,696
Other assets	37,593	36,072
Total assets	$ 2,136,053	$ 2,383,993
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	$ 69,364	$ 54,609
Trade accounts payable	176,939	241,684
Accrued expenses	138,790	258,449
Total current liabilities	385,093	554,742
Long-term debt	1,294,656	1,338,751
Long-term debt, related party	100,000	100,000
Pension and severance obligations	116,903	116,789
Other non-current liabilities	29,283	30,548
Total liabilities	1,925,935	2,140,830
Commitments and contingencies (see Note 13)		
Equity:		
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, issued and outstanding of 183,035 in 2009 and 2008	183	183
Additional paid-in capital	1,497,755	1,496,976
Accumulated deficit	(1,300,313)	(1,278,221)
Accumulated other comprehensive income	6,518	18,201
Total Amkor stockholders' equity	204,143	237,139
Noncontrolling interests in subsidiaries	5,975	6,024
Total equity	210,118	243,163
Total liabilities and equity	$ 2,136,053	$ 2,383,993

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, 2009	For the Three Months Ended March 31, 2008
	(In thousands)	
Cash flows from operating activities:		
Net (loss) income	$ (21,959)	$ 72,194
Depreciation and amortization	79,949	73,517
Gain on debt retirement, net	(8,996)	—
Other operating activities and non-cash items	2,943	3,600
Changes in assets and liabilities	(115,131)	31,905
Net cash (used in) provided by operating activities	(63,194)	181,216
Cash flows from investing activities:		
Purchases of property, plant and equipment	(42,821)	(88,839)
Proceeds from the sale of property, plant and equipment	144	339
Other investing activities	(3,635)	(277)
Net cash used in investing activities	(46,312)	(88,777)
Cash flows from financing activities:		
Borrowings under revolving credit facilities	—	619
Proceeds from issuance of short-term debt	15,000	—
Payments of long-term debt, net of discount	(34,725)	(101,086)
Payments for debt issuance costs	(2,572)	—
Proceeds from issuance of stock through stock compensation plans	—	6,088
Net cash used in financing activities	(22,297)	(94,379)
Effect of exchange rate fluctuations on cash and cash equivalents	(1,034)	3,583
Net (decrease) increase in cash and cash equivalents	(132,837)	1,643
Cash and cash equivalents, beginning of period	424,316	410,070
Cash and cash equivalents, end of period	$ 291,479	$ 411,713
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 15,888	$ 18,125
Income taxes	$ 1,422	$ 2,945

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, 2009 and for the three months ended March 31, 2009 and 2008 are unaudited, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The December 31, 2008 Consolidated Balance Sheet data was derived from audited financial statements, (other than as it relates to the impact of the adoption of Statement of Financial Accounting Standard ("SFAS") No. 160 as described below), 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, 2008 filed on Form 10-K with the SEC on February 24, 2009. The results of operations for the three months ended March 31, 2009 are not necessarily indicative of the results to be expected for the full year. All references to "Amkor," "we," "us," "our" or the "company" are to Amkor Technology, Inc. and its subsidiaries.

Effective at the beginning of the first quarter of 2009, we adopted SFAS No. 160 as described in Note 2. As required by this Standard, the presentation of noncontrolling interests, previously referred to as minority interest, has been changed on the Consolidated Balance Sheets to be reflected as a component of total stockholders' equity and on the Consolidated Statements of Operations to be a specific allocation of net income (loss). Note 6 also allocates comprehensive (loss) income between Amkor and noncontrolling interests. Amounts reported or included in prior periods have not changed but have been reclassified to conform with the current period presentation. Earnings per share continue to be based on earnings attributable to Amkor.

Use of Estimates. The Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the U.S., 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 Adopted Standards

In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. APB 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)* ("FSP No. APB 14-1"). FSP No. APB 14-1 applies to certain convertible debt instruments that, by their stated terms, may be settled in cash (or other assets) upon conversion, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative. Issuers of convertible debt instruments subject to the provisions of FSP No. APB 14-1 should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. FSP No. APB 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Our convertible debt instruments do not contain the features of the instruments covered by this FSP and will continue to be accounted for under Accounting Principles Board Opinion No. 14, *Accounting for Convertible Debt and Debt Issued with Stock Warrants (as amended)*. Accordingly, our adoption of the provisions of FSP No. APB 14-1 on January 1, 2009, did not have an impact on our financial statements.

In April 2008, the FASB issued FSP FAS 142-3, *Determination of Useful Life of Intangible Assets* ("FSP FAS 142-3"). FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142. FSP FAS 142-3 also requires expanded disclosures related to the determination of intangible asset useful lives. This standard applies prospectively to intangible assets acquired and/or recognized on or after January 1, 2009. Our adoption of the provisions of FSP FAS 142-3 on January 1, 2009, did not have an impact on our financial statements.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements an amendment of Accounting Research Bulletin ("ARB") No. 51, Consolidated Financial Statements* ("SFAS No. 160"). SFAS No. 160 requires (1) that noncontrolling (minority) interests be reported as a component of stockholders' equity, (2) that net income attributable to the parent and to the noncontrolling interest be separately identified in the consolidated statement of operations, (3) that changes in a parent's ownership interest while the parent retains its controlling interest be accounted for as equity transactions, (4) that any retained noncontrolling equity investment upon the deconsolidation of a subsidiary be initially measured at fair value and (5) that sufficient disclosures are provided that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. We adopted the provisions of SFAS No. 160 on January 1, 2009 and, as required, we have adjusted the prior periods for comparative purposes. Minority interests reported in our December 31, 2008 Consolidated Balance Sheet were retrospectively adjusted to comply with SFAS No. 160 and are now reported as a component of equity identified as noncontrolling interests. The caption "Net (loss) income" in our Consolidated Statements of Operations represents the consolidated operating results for Amkor including the noncontrolling interests. In addition, earnings or losses attributable to the minority interests are separately disclosed on the face of the Consolidated Statements of Operations for all periods presented in the manner prescribed by SFAS No. 160.

In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations,* as amended by FSP 141(R)-1, *Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies* (collectively "SFAS No. 141(R)"). SFAS No. 141(R) has significantly changed the accounting for business combinations. Under SFAS 141(R), an acquiring entity is required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. SFAS No. 141(R) changes the accounting treatment for certain specific acquisition related items including: (1) expensing acquisition related costs as incurred; (2) valuing noncontrolling interests at fair value at the acquisition date of a controlling interest; and (3) expensing restructuring costs associated with an acquired business. SFAS No. 141(R) also includes a substantial number of new disclosure requirements. SFAS No. 141(R) is to be applied prospectively to business combinations for which the acquisition date is on or after January 1, 2009.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"), and in February 2008, the FASB amended SFAS No. 157 by issuing FSP FAS 157-1, *Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13,* and FSP FAS 157-2, *Effective Date of FASB Statement No. 157* (collectively "SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. SFAS No. 157 was effective for financial assets and liabilities in fiscal years beginning after November 15, 2007, and for non-financial assets and liabilities in fiscal years beginning after November 15, 2008 except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The adoption of the provisions of SFAS No. 157 on January 1, 2008, with respect to financial assets and liabilities measured at fair value did not have a material impact on our financial statements. The adoption of the provisions of SFAS No. 157 on January 1, 2009 with respect to non-financial assets and liabilities measured or disclosed at fair value on a non-recurring basis, did not have an adoption date impact on our consolidated financial statements but will apply to measurements of fair value of non-financial assets and liabilities when a fair value measurement is required. See Note 15 for additional SFAS No. 157 information and disclosure for financial assets and liabilities.

In April 2009, the FASB issued three FSPs related to fair value measurements, disclosures and other-than-temporary impairments. FSP FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* ("FSP FAS 157-4"), provides additional guidance for estimating fair value in accordance with SFAS No. 157 when the volume and level of activity for an asset or liability have significantly decreased. FSP FAS 157-4 also includes guidance on identifying circumstances that indicate a transaction is not orderly. FSP FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments* ("FSP FAS 115-2"), amends the other-than-temporary impairment guidance in U.S. GAAP to make the guidance more operational and to improve the presentation of other-than-temporary impairments in the financial statements. Finally, FSP FAS 107-1 and APB 28-1, *Interim Disclosures About Fair Value of Financial Instruments* ("FSP FAS 107-1"), amends SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, to require disclosures about fair value of financial instruments in interim financial statements as well as in annual financial statements and also amends APB Opinion No. 28, *Interim Financial Reporting*, to require those disclosures in all interim financial statements. The three FSPs are effective for periods ending after June 15, 2009 with early adoption permitted. We elected to early adopt all three FSPs for our March 31, 2009 interim financial statements. The adoption of FSP FAS 157-4 and FSP FAS 115-2 did not have any impact on our consolidated financial statements. The adoption of FSP FAS 107-1 is disclosure-only in nature (see Note 15).

Recently Issued Standards

In December 2008, the FASB issued FSP FAS No. 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets* ("FSP FAS No. 132(R)-1"). FSP FAS No. 132(R)-1 amends SFAS No. 132(R), *Employers' Disclosures about Pensions and Other Postretirement Benefits an amendment of FASB Statements No. 87, 88, and 106*, to enhance the required disclosures regarding plan assets in an employer's defined benefit pension or other postretirement plan, including investment allocation decisions, inputs and valuation techniques used to measure the fair value of plan assets and significant concentrations of risks within plan assets. The disclosure requirement under FSP FAS No. 132(R)-1 is effective for fiscal years ending after December 15, 2009. The adoption of FSP FAS No. 132(R)-1 will require additional disclosures in the financial statements related to the assets of our foreign defined benefit pension plans and will not impact our financial results.

3. Stock Compensation Plans

We account for our stock option plans in accordance with SFAS No. 123(R), *Share-Based Payments* ("SFAS No. 123(R)"). SFAS No. 123(R) requires that all share-based payments to employees, including grants of employee stock options, be measured at fair value and expensed over the service period (generally the vesting period).

The following table presents stock-based compensation expense included in the Consolidated Statements of Operations:

	For the Three Months Ended March 31,	
	2009	2008
	(In thousands)	
Cost of sales	$ 56	$ 296
Selling, general, and administrative	607	867
Research and development	116	190
Stock-based compensation expense	$ 779	$ 1,353

The following is a summary of all common stock option activity for the three months ended March 31, 2009:

	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, 2008	9,282	$ 10.39		
Granted	20	1.90		
Exercised	—	—		
Forfeited or expired	(137)	10.16		
Outstanding at March 31, 2009	9,165	10.38	4.76	$ 18
Exercisable at March 31, 2009	7,584	10.56	3.97	$ 2
Fully vested and expected to vest at March 31, 2009	8,975	10.40	4.68	$ 16

The following assumptions were used in the Black-Scholes option pricing model to calculate weighted average fair values of the options granted for the three months ended March 31, 2009 and 2008.

	For the Three Months Ended March 31, 2009	2008
Expected life (in years)	5.9	6.3
Risk-free interest rate	2.3%	3.3%
Volatility	84%	80%
Dividend yield	—	—
Weighted average grant date fair value per option granted	$ 1.36	$ 8.06

The intrinsic value of options exercised for the three months ended March 31, 2008 was $3.0 million. There were no options exercised during the three months ended March 31, 2009.

Total unrecognized compensation expense from stock options, excluding any forfeiture estimate, was $9.6 million as of March 31, 2009, which is expected to be recognized over a weighted-average period of 3.2 years beginning April 1, 2009.

For the three months ended March 31, 2008, we received $6.1 million in cash under all share-based payment arrangements, while no cash was received in the three months ended March 31, 2009. There was no tax benefit realized. The 2008 cash receipts are included in financing activities in the accompanying Condensed Consolidated Statements of Cash Flows.

4. Income Taxes

Our income tax expense of $3.1 million reflects income taxes at certain of our profitable foreign operations, foreign withholding taxes, minimum taxes at certain of our operations, and valuation allowances, all of which offset the tax benefits generated on the net losses incurred for the three months ended March 31, 2009. At March 31, 2009, we had U.S. net operating loss carryforwards totaling $291.5 million, which expire at various times through 2028. Additionally, at March 31, 2009, we had $105.7 million of non-U.S. net operating loss carryforwards, which expire at various times through 2019.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

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. We will release such valuation allowances as the related tax benefits are realized on our tax returns or when sufficient net positive evidence exists to conclude that it is more likely than not that the deferred tax assets will be realized.

Our liability for gross unrecognized tax benefits increased from $20.9 million at December 31, 2008 to $21.5 million as of March 31, 2009 primarily because of changes to estimates related to tax positions taken in prior years. Of the March 31, 2009 balance, $8.2 million, if recognized, would affect the effective tax rate. It is reasonably possible that the total amount of unrecognized tax benefits will decrease within twelve months due to statutes of limitations expiring in certain jurisdictions which would decrease our unrecognized tax benefits related to revenue attribution by up to $1.6 million.

Our unrecognized tax benefits are subject to change as examinations of tax years are completed. We believe that any change in taxes or any related interest and penalties, over the amounts accrued, will not have a material effect on our financial condition, results of operations or cash flows. However, tax return examinations involve uncertainties and there can be no assurances regarding the outcome of examinations.

5. Earnings Per Share

Basic earnings (loss) per share (“EPS”) is computed by dividing net (loss) income attributable to Amkor by the weighted average number of common shares outstanding during the period. 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 employee stock options and convertible debt. The following table summarizes the computation of basic and diluted EPS:

	For the Three Months Ended March 31,	
	2009	2008
	(In thousands)	
Net (loss) income attributable to Amkor — basic	$ (22,092)	$ 71,996
Adjustment for dilutive securities on net income:		
Interest on 2.5% convertible notes due 2011, net of tax	—	1,491
Interest on 6.25% convertible notes due 2013, net of tax	—	1,592
Net (loss) income attributable to Amkor — diluted	$ (22,092)	$ 75,079
Weighted average shares outstanding — basic	183,035	182,134
Effect of dilutive securities:		
Stock options	—	888
2.5% convertible notes due 2011	—	13,023
6.25% convertible notes due 2013	—	13,351
Weighted average shares outstanding — diluted	183,035	209,396
Net (loss) income attributable to Amkor per common share:		
Basic	$ (0.12)	$ 0.40
Diluted	(0.12)	0.36

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,	
	2009	2008
	(In thousands)	
Stock options	9,165	8,840
6.25% convertible notes due 2013	13,351	—
2.5% convertible notes due 2011	7,589	—
Total potentially dilutive shares	30,105	8,840
Stock options excluded from diluted EPS because the exercise price was greater than the average market price of the common shares	9,163	8,840

In April 2009, we issued $250.0 million of our 6.0% Convertible Senior Subordinated Notes due April 2014. The conversion rate for each $1,000 aggregate principal amount of notes is initially 330.6332 shares of our common stock or approximately $3.02 per share. The potential dilutive effect of this convertible note will be 82.8 million shares of common stock. The corresponding interest expense, net of tax, would also be an adjustment to net income for dilutive EPS.

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6. Equity and Comprehensive (Loss) Income

The following table reflects the changes in equity and comprehensive (loss) income attributable to both Amkor and the noncontrolling interests.

	Attributable to Amkor	Attributable to Noncontrolling Interests	Total
Equity at December 31, 2008	$ 237,139	$ 6,024	$ 243,163
Comprehensive (loss) income:			
Net (loss) income	(22,092)	133	(21,959)
Other comprehensive loss:			
Pension liablility adjustment, net of tax	(4,434)	—	(4,434)
Cumulative translation adjustment	(7,249)	(182)	(7,431)
Total other comprehensive loss	(11,683)	(182)	(11,865)
Comprehensive loss	(33,775)	(49)	(33,824)
Stock compensation expense	779	—	779
Equity at March 31, 2009	$ 204,143	$ 5,975	$ 210,118
Equity at December 31, 2007	$ 654,619	$ 7,022	$661,641
Comprehensive (loss) income:			
Net income	71,996	198	72,194
Other comprehensive income (loss):			
Unrealized loss on available for sale investments, net of tax	(80)	—	(80)
Pension liablility adjustment, net of tax	203	—	203
Cumulative translation adjustment	30,491	725	31,216
Total other comprehensive income	30,614	725	31,339
Comprehensive income	102,610	923	103,533
Issuance of stock through stock options	6,088	—	6,088
Stock compensation expense	1,353	—	1,353
Equity at March 31, 2008	$ 764,670	$ 7,945	$772,615

7. Inventories

Inventories consist of the following:

	March 31, 2009	December 31, 2008
	(In thousands)	
Raw materials and purchased components	$ 88,233	$ 110,713
Work-in-process	22,144	23,332
Total inventories	$110,377	$ 134,045

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

8. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	March 31, 2009	December 31, 2008
	(In thousands)	
Land	$ 106,009	$ 104,887
Land use rights	19,945	19,945
Buildings and improvements	833,758	828,108
Machinery and equipment	2,380,068	2,384,342
Software and computer equipment	152,696	150,349
Furniture, fixtures and other equipment	27,598	28,385
Construction in progress	7,194	29,503
	3,527,268	3,545,519
Less accumulated depreciation and amortization	(2,112,124)	(2,071,756)
Total property, plant and equipment, net	$ 1,415,144	$ 1,473,763

The following table reconciles our activity related to property, plant and equipment purchases as presented on the Condensed Consolidated Statements of Cash Flows to property, plant and equipment additions reflected on the Consolidated Balance Sheets:

	For the Three Months Ended March 31, 2009	2008
Purchases of property, plant and equipment	$ 42,821	$ 88,839
Net change in related accounts payable and deposits	(18,529)	6,324
Property, plant and equipment additions	$ 24,292	$95,163

9. Intangible Assets

Acquired intangibles as of March 31, 2009 consist of the following:

	Gross	Accumulated Amortization	Net
		(In thousands)	
Patents and technology rights	$76,461	$ (69,534)	$6,927
Supply agreements	14,483	(6,977)	7,506
Total intangibles	$ 90,944	$ (76,511)	$ 14,433

In January 2009, we purchased from a customer certain machinery and equipment and entered into a three year supply agreement in exchange for $9.9 million in cash. The fair value assigned to the supply agreement was $5.6 million.

Acquired intangibles as of December 31, 2008 consist of the following:

	Gross	Accumulated Amortization	Net
		(In thousands)	
Patents and technology rights	$76,246	$ (67,304)	$ 8,942
Supply agreements	8,858	(6,254)	2,604
Total intangibles	$ 85,104	$ (73,558)	$11,546

Amortization of identifiable intangible assets for the three months ended March 31, 2009 and 2008 was $2.8 million and $2.4 million, respectively. Based on the amortizing assets recognized in our balance sheet at March 31, 2009, amortization for each of the next five years is estimated as follows:

	(In thousands)
2009 Remaining	$ 4,076
2010	4,567
2011	2,934
2012	1,071
2013	785
Thereafter	1,000
Total amortization	$ 14,433

10. Accrued Expenses

Accrued expenses consist of the following:

	March 31, 2009	December 31, 2008
	(In thousands)	
Payroll and benefits	$ 33,550	$ 70,897
Accrued interest	31,651	17,033
Customer advances and deferred revenue	22,841	28,672
Income taxes payable	11,336	9,287
Accrual for patent license dispute, including interest (Note 13)	—	64,702
Accrued severance plan obligations (Note 12)	—	31,584
Other accrued expenses	39,412	36,274
Total accrued expenses	$138,790	$ 258,449

In accordance with Korean severance plan regulations, employers may pay employees earned benefits prior to terminating their employment. As a result of a weakening global economy, we have made reductions in labor costs by lowering compensation and shortening work weeks. To mitigate the impact on our employees in Korea and reduce our long-term commitments, we paid $31.6 million of interim benefits in January 2009 using cash on hand (see Note 12).

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

11. Debt

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

	March 31, 2009	December 31, 2008
	(In thousands)	
Debt of Amkor		
Senior secured credit facilities:		
$100 million revolving credit facility, LIBOR plus 1.5% — 2.25%, due November 2009	$ —	$ —
Senior notes:		
7.125% Senior notes due March 2011	177,674	209,641
7.75% Senior notes due May 2013	422,000	422,000
9.25% Senior notes due June 2016	390,000	390,000
Senior subordinated notes:		
2.5% Convertible senior subordinated notes due May 2011	110,566	111,566
Subordinated notes:		
6.25% Convertible subordinated notes due December 2013, related party	100,000	100,000
Debt of subsidiaries:		
Secured term loans:		
Working capital term loan, LIBOR + 1.7%, due February-March 2010	15,000	—
Term loan, Taiwan 90-Day Commercial Paper primary market rate plus 1.2%, due November 2010	21,796	22,310
Term loan, bank base rate plus 0.5% due April 2014	224,994	235,708
Secured equipment and property financing	1,990	2,135
	1,464,020	1,493,360
Less: Short-term borrowings and current portion of long-term debt	(69,364)	(54,609)
Long-term debt (including related party)	$1,394,656	$ 1,438,751

In April 2009, we amended our $100.0 million first lien revolving credit facility and extended the term to April 2013. The facility has a letter of credit sub-limit of $25.0 million. Interest is charged under the credit facility at a floating rate based on the base rate in effect from time to time plus the applicable margins which range from 2.0% to 2.5% for base rate revolving loans, or LIBOR plus 3.5% to 4.0% for LIBOR revolving loans. The LIBOR-based interest rate effective in April 2009 was 3.9%. The borrowing base for the revolving credit facility is based on the amount of our eligible accounts receivable.

In April 2009, we issued $250.0 million of our 6.0% Convertible Senior Subordinated Notes due April 2014 (the “2014 Notes”). The 2014 Notes are convertible at any time prior to the maturity date into our common stock at a price of $3.02 per share, subject to adjustment. The 2014 Notes are subordinated to the prior payment in full of all of our senior debt. The 2014 Notes were purchased by certain qualified institutional buyers and Mr. James J. Kim, Amkor’s Chairman and Chief Executive Officer and largest shareholder, and an entity controlled by Mr. Kim. Mr. Kim and his affiliate purchased $150.0 million of the 2014 Notes. We received approximately $244.5 million in net proceeds which we expect to use to reduce debt and for general corporate purposes. We incurred $2.6 million of debt issuance costs in connection with the issuance of the 2014 Notes in the three months ended March 31, 2009, and we expect to record approximately $3 million of additional debt issuance costs in the three months ended June 30, 2009.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

In the three months ended March 31, 2009, we repurchased in open market transactions $32.1 million in aggregate principal amount of our 7.125% senior notes due March 2011, and $1.0 million in aggregate principal amount of our 2.5% convertible senior subordinated notes due May 2011 using $23.9 million of cash on hand. We recorded a gain on extinguishment of $9.2 million offset by the write-off of a proportionate amount of our deferred debt issuance costs of $0.2 million. In April 2009, we repurchased in an open market transaction $35.0 million principal amount of our 2.5% convertible senior subordinated notes due May 2011 using $29.1 million of the proceeds from the issuance of the 2014 Notes. We expect to record a gain on extinguishment in the three months ending June 30, 2009 of $5.9 million. This gain is expected to be partially offset by the write-off of a proportionate amount of our deferred debt issuance costs of approximately $0.5 million.

In January 2009, Amkor Assembly & Test (Shanghai) Co, Ltd., a Chinese subsidiary, entered into a $50.0 million U.S. dollar denominated working capital facility agreement with a Chinese bank maturing in January 2011. Principal amounts borrowed must be repaid within twelve months of the drawdown date and may be prepaid at any time without penalty. All principal and interest must be repaid by January 2011. Amounts borrowed under the facility during the three months ended March 31, 2009, were $15.0 million. The working capital facility bears interest at LIBOR plus 1.7% (3.43% as of March 31, 2009), which is payable in semi-annual payments. The facility is collateralized with certain real property and buildings in China.

Interest expense related to short-term borrowings and long-term debt is presented net of interest income in the accompanying Consolidated Statements of Operations. Interest income for the three months ended March 31, 2009 and 2008 was $0.4 million and $2.8 million, respectively.

12. Pension and Severance Plans

Our Philippine, Taiwanese and Japanese subsidiaries sponsor defined benefit 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,	
	2009	2008
	(In thousands)	
Components of net periodic pension cost:		
Service cost	$ 1,121	$ 1,954
Interest cost	774	1,176
Expected return on plan assets	(379)	(779)
Amortization of transitional obligation	17	18
Amortization of prior service cost	16	17
Recognized actuarial (gain) loss	(23)	183
Net periodic pension cost	1,526	2,569
Curtailment gain	(1,109)	—
Total pension expense	$ 417	$ 2,569

During the three months ended March 31, 2009, we recognized a curtailment gain of $1.1 million related to the remeasurement of two defined benefit plans due to reductions in force programs (see Note 16). Due to the reduction in our workforce, our service cost and interest cost recognized in the three months ended March 31, 2009 has decreased when compared to the three months ended March 31, 2008.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

For the three months ended March 31, 2009, we contributed $0.1 million to the pension plans, and we expect to contribute an additional $6.9 million during 2009.

Our Korean subsidiary participates in an accrued severance plan that covers employees and directors with at least one year of service. Eligible employees are entitled to receive a lump-sum payment upon termination of employment, based on their length of service, seniority and average monthly wages at the time of termination. In addition and in accordance with Korean severance plan regulations, employers may pay employees earned benefits prior to terminating their employment. Accrued severance benefits are estimated assuming all eligible employees were to terminate their employment at the balance sheet date. The provision recorded for severance benefits for the three months ended March 31, 2009 and 2008 was $2.3 million and $3.5 million, respectively. The balance recorded in pension and severance obligations for accrued severance at our Korean subsidiary was $95.5 million and $99.6 million at March 31, 2009 and December 31, 2008, respectively. In December 2008, we reclassified $31.6 million to current liabilities for voluntary interim accrued severance plan benefits that were paid out in January 2009 to approximately 750 eligible employees. As a result of a weakening global economy, we have made reductions in labor costs by lowering compensation and shortening work weeks. The interim accrued severance plan benefit payments were intended to help mitigate the impact of reduced compensation on our employees and lower our long-term commitments.

13. Commitments and Contingencies

We have a $100.0 million first lien revolving credit facility, which was amended in April 2009, with a letter of credit sub-limit of $25.0 million. As of March 31, 2009, we have outstanding $0.5 million of standby letters of credit and have available an additional $24.5 million for letters of credit. 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 we 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. Except as indicated below, we currently believe that the ultimate outcome of these claims and proceedings, individually and in the aggregate, will not have a material adverse impact on 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. We currently are party to the legal proceedings described below. Attorney fees related to legal matters are expensed as incurred.

Tessera, Inc. v. Amkor Technology, Inc.

On March 2, 2006, Tessera, Inc. filed a Request for Arbitration with the International Court of Arbitration of the International Chamber of Commerce, captioned *Tessera, Inc. v. Amkor Technology, Inc.* The subject matter of the arbitration was a license agreement ("the Agreement") entered into between Tessera and our predecessor in 1996.

On January 9, 2009, the Arbitration Panel issued the final damage award in this matter. The final award, plus interest, of $64.7 million was paid when due, in February 2009. Amkor remains a licensee under the Agreement with the rights and benefits of a licensee along with ongoing obligations to pay royalties for packages subject to the patent royalty provisions.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

Securities Class Action Litigation

On January 23, 2006, a purported securities class action suit entitled *Nathan Weiss et al. v. Amkor Technology,Inc.* et al., was filed in U.S. District Court for the Eastern District of Pennsylvania against Amkor and certain of its current and former officers. Subsequently, other law firms filed two similar cases, which were consolidated with the initial complaint. The plaintiffs amended the complaint to add additional officer, director and former director defendants and alleged improprieties in certain option grants. The amended complaint further alleged that defendants improperly recorded and accounted for the options in violation of generally accepted accounting principles and made materially false and misleading statements and omissions in its disclosures in violation of the federal securities laws, during the period from July 2001 to July 2006. The amended complaint seeks certification as a class action pursuant to Fed. R. Civ. Proc. 23, compensatory damages, costs and expenses, and such other further relief as the court deems just and proper. On December 28, 2006, pursuant to motion by defendants, the U.S. District Court for the Eastern District of Pennsylvania transferred this action to the U.S. District Court for the District of Arizona.

On September 25, 2007, the U.S. District Court for the District of Arizona dismissed this case with prejudice. On October 23, 2007, plaintiffs filed an appeal from the dismissal to the U.S. Court of Appeals for the Ninth Circuit.

On December 10, 2008, the parties entered into a memorandum of understanding to settle this case. Under the terms of the proposed settlement, Amkor and the other defendants will receive a full and complete release of all claims in the litigation in exchange for payment of an aggregate amount of $11.3 million. Our directors and officers liability insurance carrier will pay $9.0 million of the settlement amount and we will pay $2.3 million. The full amounts of the proposed settlement and insurance recovery were accrued as of December 31, 2008. The parties are in the process of finalizing formal settlement documentation. The settlement is subject to review and approval by the court.

We do not expect the outcome in this case to have a material adverse affect on our liquidity, results of operations, financial condition or cash flows. We caution, however, that due to the inherent uncertainty of any litigation, if the court does not approve the settlement, an adverse outcome in this matter could result in material liabilities and could have a material adverse effect on our liquidity, results of operations, financial condition and cash flows.

Securities and Exchange Commission Investigation

In August 2005, the SEC issued a formal order of investigation regarding certain activities with respect to Amkor securities. The investigation related initially to transactions in our securities and was later expanded to include our historical stock option practices. In April 2007, the SEC filed a civil action against our former general counsel based on substantially the same allegations that had been charged in a criminal case against him with respect to trading Amkor securities based on material non-public information. The SEC's civil action against the former general counsel has been settled. While the SEC's investigation continues and we cannot predict the outcome, we believe that the investigation is now limited to certain securities trading by a former non-executive employee. We have fully cooperated with the SEC throughout this investigation, and intend to continue to do so.

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

In November 2003, we filed a complaint against Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd, and Carsem Inc. (collectively "Carsem") with the International Trade Commission ("ITC") in Washington, D.C., alleging infringement of our United States Patent Nos. 6,433,277; 6,455,356 and 6,630,728 (collectively the "Amkor Patents") and seeking an exclusionary order barring the importation by Carsem of infringing products. We allege that by making, using, selling, offering for sale, or importing into the U.S. the Carsem Dual and Quad Flat No-Lead Package, Carsem has infringed on one or more of our *Micro*LeadFrame packaging technology claims in the Amkor Patents.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

The ITC Administrative Law Judge ("ALJ") conducted an evidentiary hearing during July and August of 2004 in Washington D.C. and issued an Initial Determination that Carsem infringed some of our patent claims relating to our *Micro*LeadFrame package technology, that some of our 21 asserted patent claims are valid, that we have a domestic industry in our patents, and that all of our asserted patent claims are enforceable. However, the ALJ did not find a statutory violation of the Tariff Act.

We filed a petition in November 2004 to have the ALJ's ruling reviewed by the full International Trade Commission. The ITC ordered a new claims construction related to various disputed claim terms and remanded the case to the ALJ for further proceedings. On November 9, 2005, the ALJ issued an Initial Determination on remand finding that Carsem infringed some of our patent claims, and that Carsem had violated Section 337 of the Tariff Act.

On remand, the ITC had also authorized the ALJ to reopen the record on certain discovery issues related to a subpoena of documents from a third party. Following findings by the ALJ, on November 17, 2005, the Commission filed a second petition in the United Sates District Court for the District of Columbia to enforce the subpoena issued to the third party. On February 9, 2006, the ITC ordered a delay in issuance of the Final Determination pending resolution of that enforcement action. An order by the District Court enforcing the subpoena became final on January 9, 2009, and the third party has now produced documents pursuant to the subpoena.

On January 28, 2009 the Commission extended the target date for completion of the investigation to May 1, 2009. On April 20, 2009, Carsem filed a renewed motion to extend the target date and to remand the investigation. On April 28, 2009 the Commission extended the target date to July 1, 2009 for completion of the investigation.

In November 2003, we filed a complaint in the Northern District of California, alleging infringement of the Amkor Patents and seeking an injunction enjoining Carsem from further infringing the Amkor Patents, compensatory damages, treble damages due to willful infringement plus interest, costs and attorney's fees. This District Court action has been stayed pending resolution of the ITC case.

14. Business Segments

In accordance with SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information* , we have determined we have two reportable segments, packaging and test. Packaging and test are integral parts of the process of manufacturing semiconductor devices and our customers will engage with us for both packaging and test services, or just packaging or test services. The packaging process creates an electrical interconnect between the semiconductor chip and the system board. In packaging, fabricated semiconductor wafers are separated into individual chips. These chips are typically attached through wire bond or wafer bump technologies to a substrate or leadframe and then encased in a protective material. In the case of an advanced wafer level package, the package is assembled on the surface of a wafer. The packaged chips are then tested using sophisticated equipment to ensure that each packaged chip meets its design and performance specifications.

AMKOR TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

The accounting policies for segment reporting are the same as those for our Consolidated Financial Statements. We evaluate our operating segments based on gross margin and gross property, plant and equipment. We do not specifically identify and allocate total assets by operating segment. Summarized financial information concerning reportable segments is shown in the following table. The "other" column reflects other corporate adjustments to net sales and gross profit and the property, plant and equipment of our sales and corporate offices.

	Packaging	Test	Other	Total
		(In thousands)		
Three Months Ended Months March 31, 2009				
Net sales	$ 338,939	49,875	(38)	$ 388,776
Gross profit	$ 43,869	4,381	(211)	$ 48,039
Three Months Ended Months March 31, 2008				
Net sales	$ 617,944	81,255	284	$ 699,483
Gross profit	$ 149,336	26,679	137	$ 176,152
Gross Property, Plant and Equipment				
March 31, 2009	$2,663,619	725,726	137,923	$3,527,268
December 31, 2008	$ 2,664,712	741,860	138,947	$3,545,519

15. Fair Value of Financial Instruments

SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP, and expands disclosure about fair value measurements which enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. SFAS No. 157 requires assets and liabilities carried at fair value to be classified and disclosed in a three-tier fair value hierarchy. These tiers include: 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.

Our financial assets and liabilities recorded at fair value on a recurring basis include cash and cash equivalents and restricted cash. Cash and cash equivalents and restricted cash 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 and 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 and restricted cash are fair valued at quoted market prices in active markets for identical assets as summarized in the following table:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
		(In thousands)		
Cash equivalent money market funds	$ 46,414	$ —	$ —	$46,414
Restricted cash	2,677	—	—	2,677

The carrying values of long term debt reported in our Consolidated Balance Sheets as of March 31, 2009 and December 31, 2008 along with the related fair value amounts are as follows:

	March 31, 2009	December 31, 2008
	(In thousands)	
Carrying value	$ 1,464,020	$ 1,493,360
Fair value:		
Publicly quoted trading prices	$ 885,768	$ 730,175
Market based assumptions	337,405	176,483
Total fair value	$ 1,223,173	$ 906,658

Market based assumptions include current borrowing rates for similar types of borrowing arrangements adjusted for duration, optionality, and risk profile.

16. Reduction in Force

As part of our on going efforts to improve factory performance and manage costs, we regularly evaluate our staffing levels compared to current business needs. During the three months ended March 31, 2009, we reduced our headcount through reductions-in-force programs by 1,750 employees in certain foreign locations. We recorded a charge for special and contractual termination benefits related to our reductions-in-force of $7.4 million, of which $6.8 million and $0.6 million were charged to cost of sales and selling, general and administrative expenses, respectively. All amounts were paid prior to March 31, 2009.

During 2007 and 2008, we commenced a phased transition of all wafer level processing production from our wafer bumping facility in North Carolina to our facility in Taiwan. All wafer level processing production will cease at our North Carolina facility by June 2009 and the North Carolina facility will focus on research and development activities after the transition is complete. The costs associated with these activities are accounted for in accordance with SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities (as amended)*. We recorded charges for termination benefits during 2008 and 2007 of $1.0 million and $0.9 million, respectively. During the three months ended March 31, 2009, we recorded charges for termination benefits of $0.6 million, of which $0.5 million and $0.1 million were charged to cost of sales and selling, general, and administrative expenses, respectively. The amount recorded in accrued expenses for termination benefits was $0.8 million as of March 31, 2009 and December 31, 2008. We currently anticipate that an additional $0.4 million related to termination benefits will be expensed over the remaining employment service period through June 2009, of which $0.3 million and $0.1 million is expected to be recognized in cost of sales and selling, general and administrative expenses, respectively. We anticipate total termination benefits of $2.9 million will be paid through June 2009.

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

This report contains forward-looking statements within the meaning of the federal securities laws, including but not limited to statements regarding: (1) our expectations regarding demand for our services and customer inventory levels, (2) the focus and level of our expected capital investments, (3) investments in technology advancements and cost reduction programs, (4) our expected gain on debt extinguishment, (5) our ability to fund our operating activities, working capital, capital expenditures and debt service requirements for the next twelve months, (6) the payment of dividends and expected use of cash flows, if any in the future, (7) compliance with our covenants, (8) the effect of foreign currency exchange rate exposure on our financial results, (9) the release of valuation allowances related to taxes in the future, (10) the repurchase of outstanding debt, (11) expected labor cost reductions, workforce reductions and related severance charges and the impact on quarterly cost of sales and operating expenses, and (12) other statements that are not historical facts. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," "intend" or the negative of these terms or other comparable terminology. Because such statements include risks and uncertainties, actual results may differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in the following discussion as well as in Part II, Item 1A "Risk Factors" of this Quarterly Report. The following discussion provides information and analysis of our results of operations for the three months ended March 31, 2009 and our liquidity and capital resources. You should read the following discussion in conjunction with Item 1, "Financial Statements" in this Quarterly Report as well as other reports we file with the Securities and Exchange Commission.

Overview

Amkor is one of the world's leading subcontractors of semiconductor packaging and test services. Packaging and test are integral steps in the process of manufacturing semiconductor devices. The manufacturing process begins with silicon wafers and involves the fabrication of electronic circuitry into complex patterns, thus creating large numbers of individual chips on the wafers. The fabricated wafers are then probe tested to ensure the individual devices meet electrical specifications. The packaging process creates an electrical interconnect between the semiconductor chip and the system board. In packaging, fabricated semiconductor wafers are separated into individual chips. These chips are typically attached through wire bond or wafer bump technologies to a substrate or leadframe and then encased in a protective material. In the case of an advanced wafer level package, the package is assembled on the surface of a wafer.

Our packages are designed for application specific body size and electrical connection requirements to provide optimal electrical connectivity and thermal performance. The packaged chips are then tested using sophisticated equipment to ensure that each packaged chip meets its design and performance specifications. Increasingly, packages are custom designed for specific chips and specific end-market applications. We are able to provide turnkey assembly and test solutions including semiconductor wafer bump, wafer probe, wafer backgrind, package design, assembly, test and drop shipment services.

The recent credit crisis and global decline in consumer demand has resulted in a deteriorating macro-economic environment. As a result, the semiconductor industry is experiencing a significant cyclical downturn. Such a downturn is characterized by decreases in product demand and excess customer inventories. During the three months ended March 31, 2009, we experienced a significant slowdown in orders. For the three months ended March 31, 2009, our net sales were $388.8 million compared to $699.5 million in the prior year comparable period due to the broad-based decline in demand across our packaging and test businesses. Gross margin for the three months ended March 31, 2009 was 12.4%, down from 25.2% in the prior year comparable period. The recent downturn in demand has resulted in significant declines in our operating results and cash flows as our capacity utilization rates have declined.

As part of our focus on generating cash flow and driving greater factory and administrative efficiencies, beginning in 2008 and continuing into 2009, we have implemented cost reduction measures that include lowering executive and other employee compensation, reducing employee and contractor headcount, and shortening work weeks. We have also significantly reduced our expected capital investment levels in 2009 to an estimated $100 million, well below our 2008 levels. We were free cash flow negative in the three months ended March 31, 2009 primarily as a result of approximately $103.7 million of payments relating to the resolution of a patent license dispute and employee benefit and separation payments. Cash used in operating activities was $63.2 million for the three months ended March 31, 2009, as compared with cash provided by operating activities of $181.2 million for the three months ended March 31, 2008. We define free cash flow as net cash provided by operating activities less investing activities related to the acquisition of property, plant and equipment. Free cash flow is not defined by U.S. generally accepted accounting principles ("U.S. GAAP") and a reconciliation of free cash flow to net cash provided by operating activities is set forth under the caption "Cash Flows" below. Please see "Liquidity and Capital Resources" and "Cash Flows" below for a further analysis of the change in our balance sheet and cash flows during the first three months of 2009.

We believe our financial position and liquidity are sufficient to fund our operating activities for at least the next twelve months. In April 2009, we amended our $100.0 million first lien revolving credit facility which, among other things, extended the maturity date from November 2009 to April 2013. Also, in April 2009, we issued $250.0 million of our 6.0% convertible senior subordinated notes due April 2014 (the "2014 Notes"). In the three months ended March 31, 2009, we repurchased in open market transactions $32.1 million in aggregate principal amount of our 7.125% senior notes due March 2011, and $1.0 million in aggregate principal amount of our 2.5% convertible senior subordinated notes due May 2011 using $23.9 million of cash on hand. In April 2009, we repurchased in an open market transaction $35.0 million principal amount of our 2.5% convertible senior subordinated notes due May 2011 using $29.1 million of the proceeds from the issuance of the 2014 Notes. At April 30, 2009, our cash and cash equivalents totaled approximately $500 million with an aggregate of $112.9 million of debt due through the end of 2010. In 2011, the remaining $253.6 million aggregate amount of our 2.5% convertible senior subordinated notes and 7.125% senior notes mature.

Our net sales for the three months ended March 31, 2009 and 2008 were $388.8 million and $699.5 million, respectively. In the three months ended March 31, 2009, sales decreased $310.7 million, or 44.4%, from the three months ended March 31, 2008 primarily due to the general decline in demand and inventory management efforts by our customers as a result of the global economic downturn described above and continued weakness in consumer spending experienced during the three months ended March 31, 2009. We experienced a broad based decline in product demand across our packaging and test businesses during the three months ended March 31, 2009.

Gross margin for the three months ended March 31, 2009 and 2008 was 12.4% and 25.2%, respectively. We experienced a decline in gross margin for the three months ended March 31, 2009 primarily due to the lower levels of demand, which have significantly decreased our capacity utilization rates. In addition, cost of sales for the three months ended March 31, 2009 included a charge of $6.8 million for special termination benefits. This charge was partially offset by a pension curtailment gain of $1.0 million relating to workforce reductions. Gross margin for the three months ended March 31, 2009 benefitted from cost reduction initiatives and the strength of the U.S. dollar against certain foreign currencies.

Amkor's net loss for the three months ended March 31, 2009 was $22.1 million, or $0.12 loss per share, compared with Amkor's net income of $72.0 million, or $0.36 per diluted share, for the three months ended March 31, 2008. The net loss for the three months ended March 31, 2009 includes a $12.1 million net foreign currency gain primarily due to the depreciation of the Korean won against the U.S. dollar and the remeasurement of our Korean won denominated severance plan obligation, and a gain of $9.0 million related to the repurchase of an aggregate $32.1 million principal amount of our 7.125% senior notes and $1.0 million principal amount of our 2.5% convertible senior subordinated notes due in 2011. Also included in the net loss for the three months ended March 31, 2009 is a $7.4 million charge for termination benefits that was partially offset by a $1.1 million pension curtailment gain relating to our workforce reduction programs.

Our capital additions totaled $24.3 million in the three months ended March 31, 2009. Because of the significantly reduced level of consumer demand, capital additions are focused on specific customer requirements, technology advancements and cost reduction programs.

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,	
	2009	2008
Net sales	100.0 %	100.0%
Gross profit	12.4 %	25.2%
Depreciation and amortization	20.6 %	10.5%
Operating (loss) income	(3.1)%	13.8%
(Loss) income before income taxes	(4.9)%	11.2%
Net (loss) income	(5.6)%	10.3%
Net (loss) income attributable to Amkor	(5.7)%	10.3%

Three Months Ended March 31, 2009 Compared to Three Months Ended March 31, 2008

Net Sales. Net sales decreased $310.7 million, or 44.4%, to $388.8 million in the three months ended March 31, 2009 from $699.5 million in the three months ended March 31, 2008. This decline in net sales was due to the general decline in demand and inventory management efforts by our customers as a result of the global economic downturn and continued weakness in consumer spending experienced during the three months ended March 31, 2009. As a result, we experienced a broad-based decline in product demand across our packaging and test businesses.

Packaging Net Sales. Packaging net sales decreased $279.0 million, or 45.2%, to $338.9 million in the three months ended March 31, 2009 from $617.9 million in the three months ended March 31, 2008 because of the broad-based decline in product demand across our package offerings. Packaging unit volume decreased in the three months ended March 31, 2009 to 1.2 billion units compared to 2.2 billion units in the three months ended March 31, 2008.

Test Net Sales. Test net sales decreased $31.4 million, or 38.6%, to $49.9 million in the three months ended March 31, 2009 from $81.3 million in the three months ended March 31, 2008 due to the overall decline in demand due to the global economic downturn.

Cost of Sales. 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 our capacity utilization rates can have a significant effect on our gross margin.

Material costs as a percentage of net sales increased from 37.1% for the three months ended March 31, 2008 to 39.2% for the three months ended March 31, 2009 due to a change in product mix to packages with higher material content as a percentage of net sales.

As a percentage of net sales, labor costs increased to 16.5% in the three months ended March 31, 2009 compared to 15.8% in the three months ended March 31, 2008. The increase in labor costs includes $6.8 million of termination benefits incurred in the three months ended March 31, 2009 due to workforce reductions, which is partially offset by a pension curtailment gain of $1.0 million. Labor costs benefitted by a favorable foreign currency effect on labor costs resulting from the depreciation of the Korean won and other currencies and savings realized from our workforce reduction and other cost savings initiatives.

As a percentage of net sales, other manufacturing costs increased to 31.9% in the three months ended March 31, 2009 from 22.0% in the three months ended March 31, 2008. Other manufacturing costs in absolute dollars increased due to higher depreciation costs as a result of our capital expenditures, which are focused on increasing our wafer bump and flip chip packaging capacity, advanced laminate packaging services and test services. These costs increases were offset by reduced costs associated with lower volumes, including utilities and supplies.

Gross Profit. Gross profit decreased $128.2 million to $48.0 million, or 12.4% of net sales, in the three months ended March 31, 2009 from $176.2 million, or 25.2% of net sales, in the three months ended March 31, 2008. We experienced a decline in gross margin in the three months ended March 31, 2009 primarily due to the lower levels of demand, which have significantly decreased our capacity utilization rates. In addition, included in our cost of sales in the three months ended March 31, 2009 is a charge of $6.8 million for special termination benefits that was partially offset by a pension curtailment gain of $1.0 million relating to workforce reductions. The decrease in gross profit and gross margin was partially offset by improved factory performance due to cost reduction initiatives and the favorable foreign currency effect on labor costs due to the depreciation of the Korean won.

Packaging Gross Profit. Gross profit for packaging decreased $105.4 million to $43.9 million, or 13.0% of packaging net sales, in the three months ended March 31, 2009 from $149.3 million, or 24.2% of packaging net sales, in the three months ended March 31, 2008. The decrease in gross margin is primarily attributable to lower capacity utilization rates. In addition, cost of sales for the three months ended March 31, 2009 included a charge for termination benefits that was partially offset by a pension curtailment gain. The decrease was partially offset by improved factory performance due to cost reduction initiatives and a favorable foreign currency effect on labor costs due to the depreciation of the Korean won.

Test Gross Profit. Gross profit for test in the three months ended March 31, 2009 decreased $22.3 million to $4.4 million, or 8.8% of test net sales, from $26.7 million, or 32.8% of test net sales, in the three months ended March 31, 2008. The decrease in gross margin is primarily attributable to lower capacity utilization rates and higher depreciation costs as a result of our capital investments. In addition, we recorded a charge in the three months ended March 31, 2009 for termination benefits which was partially offset by a pension curtailment gain attributable to our test business.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased $15.3 million, or 23.5%, to $50.1 million in the three months ended March 31,2009, from $65.4 million in the three months ended March 31, 2008. The decrease was primarily due to lower salaries and benefits in our corporate and sales offices and professional fees. These reductions were partially offset by enterprise resource planning implementation costs and termination benefits.

Research and Development. Despite the global economic downturn, during the three months ended March 31, 2009 we continued to invest in research and development activities, focusing on advanced laminate, flip chip and wafer level packaging services. Research and development expenses decreased $3.8 million to $10.1 million, or 2.6% of net sales in the three months ended March 31, 2009 from $13.9 million, or 2.0% of net sales in the three months ended March 31, 2008. The decrease in our research and development expenses was primarily due to lower salaries and benefits.

Other Expense (Income), Net. Other expense, net decreased $12.0 million to $6.7 million, or 1.7% of net sales, in the three months ended March 31, 2009 from $18.7 million, or 2.7% of net sales in the three months ended March 31, 2008. This decrease was driven by a net gain of $9.0 million related to the repurchase of an aggregate $33.1 million principal amount of our 7.125% senior notes and 2.5% convertible senior subordinated notes due in 2011. In addition, there was a $1.3 million reduction in net interest expense due to reduced debt, and an increase of $2.6 million in net foreign currency gains primarily due to the depreciation of the Korean won and the remeasurement of the Korean won denominated severance plan obligation.

Income Tax Expense. In the three months ended March 31, 2009, we recorded an income tax expense of $3.1 million as compared to an income tax expense of $5.9 million in the three months ended March 31, 2008. The decrease in income tax expense is primarily attributable to a decline in profits in our taxable foreign jurisdictions. Our income tax expense for the three months ended March 31, 2009 is attributable to income taxes in certain profitable foreign jurisdictions, foreign withholding taxes, minimum taxes of our operations incurring losses, and valuation allowances, all of which offset the tax benefits generated on the net losses incurred for the period.

At March 31, 2009, we had U.S. net operating loss carryforwards totaling $291.5 million, which expire at various times through 2028. Additionally, at March 31, 2009, we had $105.7 million of non-U.S. net operating loss carryforwards, which expire at various times through 2019. 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. We will release such valuation allowances as the related tax benefits are realized on our tax returns or when sufficient net positive evidence exists to conclude that it is more likely than not that the deferred tax assets will be realized.

Liquidity and Capital Resources

The recent credit crisis and global decline in consumer demand has resulted in a deteriorating macro-economic environment. As a result, the semiconductor industry is experiencing a significant cyclical downturn. During the three months ended March 31, 2009, we experienced a significant slowdown in orders. For the three months ended March 31, 2009, our net sales were $388.8 million compared to $699.5 million in the prior year comparable period due to the broad-based decline in demand across our packaging and test businesses. Gross margin for the three months ended March 31, 2009 was 12.4% down from 25.2% in the prior year comparable period. The downturn in demand has resulted in significant declines in our operating results and cash flows as our capacity utilization rates have declined. We were free cash flow negative by $106.0 million primarily as a result of the $64.7 million payment made in February 2009 in connection with the resolution of a patent license dispute and $39.0 million in other employee benefit and separation payments.

As part of our focus on generating cash flow and driving greater factory and administrative efficiencies, we have implemented cost reduction measures that include lowering executive and other employee compensation, reducing employee and contractor headcount, and shortening work weeks. In the three months ended March 31, 2009, we reduced our work force by approximately 1,750 employees and recorded a severance charge, net of a pension curtailment gain, of $6.3 million. As part of our ongoing efforts to improve performance and manage costs, we continue to evaluate our staffing levels compared to current business needs.

In response to the lower levels of demand and to preserve cash, we have also significantly reduced our expected capital investment levels in 2009 to an estimated $100 million, compared to our 2008 capital additions of $341.7 million. During the first three months of 2009, we had capital additions of $24.3 million compared to $95.2 million in the three months ended March 31, 2008. We operate in a capital intensive industry. Servicing our current and future customers requires that we incur significant operating expenses and make significant capital expenditures, which are generally made in advance of the related revenues and without any firm customer commitments. Because of the significantly reduced level of consumer demand, 2009 capital additions are focused on specific customer requirements, technology advancements and cost reduction programs.

We have a significant level of debt, with $1,464.0 million outstanding at March 31, 2009, of which $69.4 million is current. In April 2009, we issued $250.0 million of our 6.0% convertible senior subordinated notes due April 2014. We expect to use the $244.5 million of net proceeds to reduce other indebtedness and for general corporate purposes.

In the three months ended March 31, 2009, we repurchased in open market transactions $32.1 million in aggregate principal amount of our 7.125% senior notes due March 2011, and $1.0 million in aggregate principal amount of our 2.5% convertible senior subordinated notes due May 2011 using $23.9 million of cash on hand. In April 2009, we repurchased in an open market transaction $35.0 million principal amount of our 2.5% convertible senior subordinated notes due May 2011 using $29.1 million of the proceeds from the issuance of the 2014 Notes. Subsequent to the April 2009 repurchase transactions described above, we have an aggregate of $112.9 million of debt coming due through the end of 2010, and in 2011 the remaining $253.6 million 2.5% convertible senior subordinated notes and 7.125% senior notes mature.

In order to reduce leverage 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 transactions are subject to the terms of our indentures and other debt agreements, market conditions and other factors.

The interest payments required on our debt are substantial. For example, we paid $15.9 million of interest in the three months ended March 31, 2009. (See “Capital Additions and Contractual Obligations” below for a summary of principal and interest payments.)

The source of funds for our operations, including making capital expenditures and servicing principal and interest obligations with respect to our debt, are cash flows from our operations, current cash and cash equivalents, borrowings under available debt facilities, or proceeds from any additional debt or equity financings. As of March 31, 2009, we had cash and cash equivalents of $291.5 million and availability of $99.5 million under our $100.0 million first lien senior secured revolving credit facility.

We assess our liquidity based on our current expectations regarding sales, operating expenses, capital spending and debt service requirements. Based on this assessment, we believe that our cash flow from operating activities together with existing cash and cash equivalents will be sufficient to fund our working capital, capital expenditure and debt service requirements for at least the next twelve months. Thereafter, our liquidity will continue to be affected by, among other things, volatility in the global economy and credit markets, the performance of our business, our capital expenditure levels and our ability to either repay debt out of operating cash flow or refinance debt at or prior to maturity with the proceeds of debt or equity offerings.

There is no assurance that we will generate the necessary net income or operating cash flows 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 the other factors discussed in Part II, Item 1A “Risk Factors.”

Many of our debt agreements restrict our ability to pay dividends. The $671.1 million write-off of our goodwill at December 31, 2008 has significantly reduced our ability to pay dividends and repurchase stock and subordinated securities, including our convertible notes. We have never paid a dividend to our stockholders and we do not currently anticipate doing so. We expect cash flows to be used in the operation and expansion of our business, the repayment or repurchase of debt and for other corporate purposes.

We were in compliance with all debt covenants at March 31, 2009 and expect to remain in compliance with these covenants for at least the next twelve months.

Cash Flows

Cash used in operating activities was $63.2 million for the three months ended March 31, 2009 compared to cash provided by operating activities of $181.2 million for the three months ended March 31, 2008. We were free cash flow negative for the three months ended March 31, 2009. Free cash flow decreased by $198.4 million to $(106.0) million for the three months ended March 31, 2009 compared to $92.4 million for the three months ended March 31, 2008.

Net cash (used in) provided by operating, investing and financing activities for the three months ended March 31, 2009 and 2008 were as follows:

	For the Three Months Ended March 31,	
	2009	2008
	(In thousands)	
Operating activities	$ (63,194)	$ 181,216
Investing activities	(46,312)	(88,777)
Financing activities	(22,297)	(94,379)

Operating activities: Our cash flow from operating activities for the three months ended March 31, 2009 decreased by $244.4 million. Operating income for the three months ended March 31, 2009 adjusted for depreciation and amortization, other operating activities and non-cash items decreased $103.2 million which is largely attributable to decreased net sales. Net interest expense for the three months ended March 31, 2009 decreased by $1.3 million, as compared with the three months ended March 31, 2008 as a result of reduced debt levels.

Changes in assets and liabilities decreased operating cash flow principally due to the $64.7 million payment made in February 2009 in connection with the resolution of a patent license dispute and $39.0 million in other employee benefit and separation payments for the three months ended March 31, 2009. Inventory and accounts payable have decreased more in the three months ended March 31, 2009 compared to the comparable period in 2008 reflecting lower demand due to the economic downturn.

Investing activities: Our cash flows used in investing activities for the three months ended March 31, 2009 decreased by $42.5 million. This decrease was primarily due to a $46.0 million decrease in payments for property, plant and equipment from $88.8 million in the three months ended March 31, 2008 to $42.8 million in the three months ended March 31, 2009. Investing activities during the three months ended March 31, 2009 includes the purchase of certain equipment and a three year supply agreement from a customer in exchange for $9.9 million in cash. Investing activities were higher in 2008 principally as a result of our higher level of capital expenditures driven in part by our increased investments in wafer bump equipment.

Financing activities: Our net cash used in financing activities for the three months ended March 31, 2009 was $22.3 million, compared with $94.4 million for the three months ended March 31, 2008. The net cash used in financing activities for the three months ended March 31, 2009 was primarily driven by the repurchase of an aggregate $33.1 million principal amount due of our 7.125% senior notes and 2.5% convertible senior subordinated notes due 2011 using $23.9 million of our cash on hand partially offset by proceeds of $15.0 million received from our working capital facility in China. In the three months ended March 31, 2009 we also incurred $2.6 million in debt issuance costs related to the April 2009 issuance of the $250.0 million 6.0% convertible senior subordinated notes due April 2014. In February 2008, we repaid the remaining $88.2 million of our 9.25% senior notes at maturity. We received $6.1 million in proceeds from the issuance of stock through our stock compensation plans in the three months ended March 31, 2008.

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 investing activities related to the acquisition of property, plant and equipment. Free cash flow is not defined by U.S. GAAP and our definition of free cash flow may not be comparable to similar companies and should not be considered a substitute for cash flow measures in accordance with U.S. GAAP. We believe free cash flow provides our investors and analysts useful information to analyze our liquidity and capital resources.

	For the Three Months Ended March 31,	
	2009	**2008**
	(In thousands)	
Net cash (used in) provided by operating activities	$ (63,194)	$181,216
Purchases of property, plant and equipment	(42,821)	(88,839)
Free cash flow	$(106,015)	$ 92,377

Capital Additions and Contractual Obligations

Our capital additions for the three months ended March 31, 2009 were $24.3 million. We expect that our full year 2009 capital additions will be approximately $100 million, as discussed above in the "Overview." Ultimately, the amount of our 2009 capital additions will depend on several factors including, among others, the performance of our business, the need for additional capacity to service anticipated customer demand and the availability of suitable cash flow from operations or financing. The following table reconciles our activity related to property, plant and equipment purchases as presented on the Condensed Consolidated Statements of Cash Flows to property, plant and equipment additions reflected on the Consolidated Balance Sheets:

	For the Three Months Ended March 31,	
	2009	2008
	(In thousands)	
Purchases of property, plant, and equipment	$ 42,821	$ 88,839
Net change in related accounts payable and deposits	(18,529)	6,324
Property, plant and equipment additions	$ 24,292	$95,163

The following table summarizes our contractual obligations at March 31, 2009, 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	2009-Remaining	2010	2011	2012	2013	Thereafter
			(In thousands)				
Total debt(1)	$ 1,464,020	$ 43,493	$ 69,403	$ 331,799	$ 43,041	$564,856	$ 411,428
Scheduled interest payment obligations(2)	519,366	105,718	102,205	87,303	80,843	55,775	87,522
Purchase obligations(3)	17,627	17,627	—	—	—	—	—
Operating lease obligations	50,566	8,011	8,702	6,996	5,582	5,402	15,873
Severance obligations(4)	95,529	5,962	6,916	7,054	7,195	7,339	61,063
Total contractual obligations	$2,147,108	$ 180,811	$187,226	$433,152	$136,661	$ 633,372	$575,886

(1) The decrease in our total debt from the Annual Report on Form 10-K as of December 31, 2008, is due to the repurchase of an aggregate $33.1 million principal amount due of our 7.125% senior notes and 2.5% convertible senior subordinated notes due 2011 using $23.9 million of our cash on hand and the repayment of $10.9 million of annual amortizing debt. The total debt and related interest do not include amounts related to the issuance of $250.0 million of our 6.0% convertible senior subordinated notes in April 2009, or the repurchase in April 2009 of $35.0 million principal amount of our 2.5% convertible senior subordinated notes due May 2011.

(2) Scheduled interest payment obligations were calculated using stated coupon rates for fixed rate debt and interest rates applicable at March 31, 2009 for variable rate debt.

(3) Represents capital-related purchase obligations in addition to accounts payable outstanding at March 31, 2009 for capital additions.

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

In addition to the obligations identified in the table above, other non-current liabilities recorded in our Consolidated Balance Sheet at March 31, 2009 include:

- $21.4 million of foreign pension plan obligations for which the timing and actual amount of funding required is uncertain. We expect to contribute $6.9 million to the defined benefit pension plans during the remainder of 2009.
- $14.5 million of customer advances which relate to supply agreements with customers that commit to capacity in exchange for customer prepayment of services. Generally, customers forfeit the prepayment if our capacity is not utilized per contract terms.

- $21.5 million of unrecognized tax benefits. At March 31, 2009, the amount of our liability for unrecognized tax benefits was approximately $10.4 million, which does not generally represent future cash payments because of the interaction with other available tax attributes, such as net operating loss or tax credit carryforwards. Due to the high degree of 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. Because we expect cash outflows to occur over an indeterminate number of future years, we believe it is unlikely that the payment of existing liabilities would have a material adverse affect on liquidity in any future period.

Off-Balance Sheet Arrangements

We had no off-balance sheet guarantees or other off-balance sheet arrangements as of March 31, 2009. Operating lease commitments are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2008. During the three months ended March 31, 2009, there have been no significant changes in our lease commitments as reported in our 2008 Annual Report on Form 10-K.

Contingencies, Indemnifications and Guarantees

We refer you to Note 13 “Commitments and Contingencies” to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report for a discussion of our contingencies related to our securities litigation and other litigation and 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 the 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, 2008. During the three months ended March 31, 2009, there have been no significant changes in our critical accounting policies as reported in our 2008 Annual Report on Form 10-K.

New Accounting Pronouncements

For information regarding recent accounting pronouncements, see Note 2 to the Consolidated Financial Statements included within Part I, Item 1 of this Quarterly Report.

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 hedge instruments to manage market risk. We have not entered into any derivative transactions in the three months ended March 31, 2009 and have no outstanding contracts as of March 31, 2009.

Foreign Currency Risks

We currently do not have forward contracts or other instruments to reduce our exposure to foreign currency gains and losses. To the extent possible, we have managed our foreign currency exposures by using natural hedging techniques to minimize the foreign currency rate risk.

The U.S. dollar is our reporting currency and the functional currency for the majority of our foreign subsidiaries including our largest subsidiaries in Korea and the Philippines and also our subsidiaries in China and Singapore. For our subsidiaries in Japan and Taiwan, the local currency is the functional currency. We have foreign currency exchange rate risk associated with the remeasurement of monetary assets and monetary liabilities on our Consolidated Balance Sheet that are denominated in currencies other than the functional currency. The most significant foreign denominated monetary asset or liability is our Korean severance obligation which represents approximately 73% of the net monetary exposure. For the three months ended March 31, 2009, $6.1 million of the $12.1 million net foreign currency gain reported in our Consolidated Statements of Operations was related to remeasurement of this severance obligation. We performed a sensitivity analysis of our foreign currency exposure as of March 31, 2009, 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, 2009, our loss before income taxes would have been approximately $14.5 million higher.

In addition, we have foreign currency exchange rate exposure on our results of operations. For the three months ended March 31, 2009, approximately 76% of our net sales were denominated in U.S. dollars. Our remaining net sales were principally denominated in Japanese yen, Korean won and Taiwanese dollars for local country sales. For the three months ended March 31, 2009, approximately 55% of our cost of sales and operating expenses were denominated in U.S. dollars and were largely for raw materials and factory supplies. The remaining portion of our cost of sales and operating expenses was principally denominated in the Asian currency where our production facilities are located and was largely for 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 and higher operating expenses. Similarly, our 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, 2009 to assess the potential impact of fluctuations in exchange rates for all foreign denominated sales and expenses. Assuming a 10% adverse movement from the three months ended March 31, 2009 exchange rates of the U.S. dollar compared to all of these Asian-based currencies as of March 31, 2009, our operating loss would have been approximately $12.2 million higher.

We have foreign currency exchange rate exposure on our stockholders' equity as a result of the translation of our subsidiaries in Japan and Taiwan where the local currency is the functional currency. To the extent the U.S. dollar strengthens against the Japanese yen and the Taiwanese dollar, the translation of these foreign currency denominated transactions will result in reduced sales, operating expenses, assets and liabilities. Similarly, our sales, operating expenses, assets and liabilities will increase if the U.S. dollar weakens against the Japanese yen and the Taiwanese dollar. The effect of foreign exchange rate translation on our Consolidated Balance Sheet for the three months ended March 31, 2009 and 2008 was a net foreign translation loss of $7.2 million and a gain of $30.5 million, respectively, and was recognized as an adjustment to equity through other comprehensive (loss) income.

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.

Interest Rate Risks

We have interest rate risk with respect to our long-term debt. As of March 31, 2009, we had a total of $1,464.0 million of debt of which 82.0% was fixed rate debt and 18.0% was variable rate debt. Our variable rate debt principally relates to our foreign borrowings and any amounts outstanding under our $100.0 million revolving line of credit, of which no amounts were drawn as of March 31, 2009. The fixed rate debt consists of senior notes, senior subordinated notes and subordinated notes. As of December 31, 2008, we had a total of $1,493.4 million of debt of which 82.6% was fixed rate debt and 17.4% was variable rate debt.

The table below presents the interest rates and maturities of our fixed and variable rate debt as of March 31, 2009.

	2009-Remaining	2010	2011	2012	2013	Thereafter	Total	Fair Value
Long term debt:								
Fixed rate debt (In thousands)	$ —	$ —	$288,240	$ —	$522,000	$390,000	$1,200,240	$966,768
Average interest rate	0.0%	0.0%	5.4%	0.0%	7.5%	9.3%	7.5%	
Variable rate debt (In thousands)	$43,493	$69,403	$ 43,559	$43,041	$42,856	$21,428	$ 263,780	$ 256,405
Average interest rate	5.5%	5.2%	6.4%	6.4%	6.4%	6.4%	5.9%	

For information regarding the fair value of our long-term debt, see Note 15 to the Consolidated Financial Statements included within Part I, Item 1 of this Quarterly Report.

Equity Price Risks

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

Further, the trading price of our common stock has been and is likely to continue to be highly volatile and could be subject to wide fluctuations. Such fluctuations could impact our decision or ability to utilize the equity markets as a potential source of our funding needs in the future.

Item 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 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, 2009 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, 2009 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

As previously reported, we are implementing a new enterprise resource planning ("ERP") system in a multi-year program on a company-wide basis. We do not expect to have any changes in our internal control over financial reporting with respect to this ERP implementation until 2010 when the next phase of modules will be implemented.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

Information about legal proceedings is set forth in Note 13 to the Consolidated Financial Statements included in this Quarterly Report.

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 introductory paragraph to Part I, Item 2 of this Quarterly Report. You should carefully consider the risks and uncertainties described below, together with all of the other information included in this report, in considering our business and prospects. The risks and uncertainties described below are not the only ones facing Amkor. Additional risks and uncertainties not presently known to us also may impair our business operations. The occurrence of any of the following risks could affect our business, liquidity, results of operations, financial condition or cash flows.

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

Our business reflects the market conditions in the semiconductor industry, which is cyclical by nature. The semiconductor industry has experienced significant and sometimes prolonged downturns in the past, and the recent financial crisis and declining conditions in the global economy have resulted in a downturn in the semiconductor industry. Reduced economic activity due to the global recession and decreased consumer spending, reduced corporate profits and capital spending, adverse business conditions and liquidity and concerns about inflation and deflation are negatively impacting demand for our services, creating downward pressure on prices and have made it difficult for us to accurately forecast and plan future business activities.

As a result of the deteriorating global economic conditions and tightening of the credit markets, our customers and suppliers may face issues gaining timely access to sufficient credit, which could impair our customers' ability to make timely payments to us and could cause key suppliers to delay shipments and face serious risks of insolvency.

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

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

Many factors, including the impact of current adverse economic conditions, could materially and adversely affect our net sales, gross profit, operating results and cash flows, or lead to significant variability of quarterly or annual operating results. Our profitability and ability to generate cash from operations is principally dependent upon demand for semiconductors, the utilization of our capacity, semiconductor package mix, the average selling price of our services, our ability to manage our capital expenditures in response to market conditions and control our costs including labor, material, overhead and financing costs. The recent downturn in demand for semiconductors has resulted in significant declines in our operating results and cash flows as our capacity utilization rates have declined.

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

- fluctuation in demand for semiconductors and conditions in the semiconductor industry;
- changes in our capacity utilization rates;
- changes in average selling prices;
- changes in the mix of semiconductor packages;
- evolving package and test technology;
- absence of backlog and the short-term nature of our customers' commitments and the impact of these factors on the timing and volume of orders relative to our production capacity;
- changes in costs, availability and delivery times of raw materials and components;
- changes in labor costs to perform our services;
- wage and commodity price inflation;
- the timing of expenditures in anticipation of future orders;
- changes in effective tax rates;
- the availability and cost of financing;
- intellectual property transactions and disputes;
- high leverage and restrictive covenants;
- warranty and product liability claims and the impact of quality excursions and customer disputes and returns;
- costs associated with litigation judgments, indemnification claims and settlements;
- international events, political instability, civil disturbances or environmental or natural events, such as earthquakes, that impact our operations;
- difficulties integrating acquisitions;
- our ability to attract and retain qualified employees to support our global operations and loss of key personnel or the shortage of available skilled workers;
- fluctuations in foreign exchange rates;
- delay, rescheduling and cancellation of large orders; and
- fluctuations in our manufacturing yields.

It is often difficult to predict the impact of these factors upon our results for a particular period. The recent downturn in the global economy and the semiconductor industry has increased the risks associated with the foregoing factors as customer forecasts have become more volatile, and there is less visibility regarding future demand and significantly increased uncertainty regarding the economy, credit markets, and consumer demand. These factors may materially and adversely affect 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.

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 utilization rates for our packaging and test equipment, commonly referred to as "capacity utilization rates." In particular, increases or decreases in our capacity utilization rates can significantly affect gross margins since the unit cost of packaging and test services generally decreases as fixed costs are allocated over a larger number of units. In periods of low demand, we experience relatively low capacity utilization rates in our operations, which lead to reduced margins during those periods. We are currently experiencing lower than optimum utilization rates in our operations due to a decline in world-wide demand for our packaging and test services, which have significantly reduced our gross margin during the period. Although our capacity utilization rates at times have been strong, we cannot assure that we will be able to achieve consistently high capacity utilization rates, and if we fail to do so, our gross margins may decrease. If our gross margin continues at low levels or decreases further, our business, liquidity, results of operations, financial condition and cash flows could be materially and adversely affected. The recent declines in demand have significantly reduced our gross margin and we have experienced lower utilization rates in our manufacturing operations.

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 additions. Forecasted customer demand for which we have made capital investments may not materialize during the downturn. As a result, our sales may not adequately cover our substantial fixed costs resulting in reduced profit levels or causing significant losses, both of which may adversely impact our liquidity, results of operations, financial condition and cash flows. Additionally, we could suffer significant losses if current industry conditions continue to deteriorate further, which could materially and adversely impact our business, liquidity, results of operations, financial position 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. Recent downward volatility in customer forecasts and reduced visibility caused by economic uncertainty and declining global consumer demand has made 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, the analysts and investors may not react favorably, and the trading prices of our securities may be adversely impacted.

Declining Average Selling Prices — The Semiconductor Industry Places Downward Pressure on the Prices of Our Packaging and Test Services.

Prices for packaging and test services have generally declined over time. Historically, we have been able to partially offset the effect of price declines by successfully developing and marketing new packages with higher prices, such as advanced leadframe and laminate packages, by negotiating lower prices with our material vendors, recovering material cost increases from our customers, and by driving engineering and technological changes in our packaging and test processes which resulted in reduced manufacturing costs. We expect general downward pressure on average selling prices for our packaging and test services in the future and these pricing pressures can be expected to increase during a downturn in the semiconductor industry. If we are unable to offset a decline in average selling prices, including 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 and adversely affected.

Decisions by Our IDM 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 integrated device manufacturers ("IDM"). Our IDM customers continually evaluate the 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 internal capacity include:

- their desire to realize higher utilization of their existing test and packaging 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.

Furthermore, to the extent we limit capacity commitments for certain customers, these customers may begin to increase their level of in-house packaging and test capabilities, which could adversely impact our sales and profitability and make it more difficult for us to regain their business when we have available capacity. Any shift or a slowdown in this trend of outsourcing packaging and test services is likely to adversely affect our business, liquidity, results of operations, financial condition and cash flows.

In a downturn in the semiconductor industry, such as the downturn we are currently experiencing, IDMs have responded by shifting some outsourced packaging and test services to internally serviced capacity on a short term basis. If this trend continues, this may 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 now have, and for the foreseeable future will continue to have, a significant amount of indebtedness. As of March 31, 2009, our total debt balance was $1,464.0 million, of which $69.4 million was classified as a current liability. In April 2009, we increased our debt by issuing $250.0 million of our 2014 Notes. In addition, despite current debt levels, the terms of the indentures governing our indebtedness allow us or our subsidiaries to incur more debt, subject to certain limitations. If new debt is added to our consolidated debt level, the related risks that we now face could intensify.

Our substantial indebtedness could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness, including our obligations under our indentures to purchase notes tendered as a result of a change in control of Amkor;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to fund future working capital, capital expenditures, research and development and other general corporate requirements;
- require us to dedicate a substantial portion of our cash flow from operations to service payments on our debt;
- limit our flexibility to react to changes in our business and the industry in which we operate;
- place us at a competitive disadvantage to any of our competitors that have less debt; and
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds.

Ability to Fund Liquidity Needs.

We operate in a capital intensive industry. 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 any firm customer commitments. During the three months ended March 31, 2009, we had capital additions of $24.3 million and for the full year 2009 we expect to make capital additions of approximately $100 million, which is well below 2008 levels.

In addition, we have a significant level of debt, with $1,464.0 million outstanding at March 31, 2009, $69.4 million of which is current. The terms of such debt require significant scheduled principal payments in the coming years, including $43.5 million due during the remainder of 2009, $69.4 million due in 2010, $331.8 million due in 2011, $43.0 million due in 2012, $564.9 million due in 2013 and $411.4 million due thereafter. The interest payments required on our debt are also substantial. For example, in the three months ended March 31, 2009, we paid $15.9 million of interest. The source of funding for our operations, including making capital expenditures and servicing principal and interest obligations with respect to our debt, are cash flows from our operations, current cash and cash equivalents, borrowings under available debt facilities, or proceeds from any additional debt or equity financing. As of March 31, 2009, we had cash and cash equivalents of $291.5 million and $99.5 million available under our senior secured revolving credit facility.

In April 2009, we issued $250.0 million of 2014 Notes and received net proceeds of approximately $244.5 million. We expect to use the net proceeds to reduce other indebtedness and for general corporate purposes.

We assess our liquidity based on our current expectations regarding sales, operating expenses, capital spending and debt service requirements. Based on this assessment, we believe that our cash flow from operating activities together with existing cash and cash equivalents will be sufficient to fund our working capital, capital expenditure and debt service requirements for at least the next twelve months. Thereafter, our liquidity will continue to be affected by, among other things, the performance of our business, our capital expenditure levels and our ability to repay debt out of our operating cash flow or refinance the debt with the proceeds of debt or equity offerings at or prior to maturity. Moreover, the recent financial crisis affecting the worldwide banking system and financial markets and the going concern threats to investment banks and other financial institutions have resulted in a tightening in the credit markets, a low level of liquidity in many financial markets, and extreme volatility in fixed income, credit and equity markets which could make it much more difficult for us to maintain our existing credit facilities or refinance our debt. If our performance or access to the capital markets differs materially from our expectations, our liquidity may be adversely impacted.

In addition, if we fail to generate the necessary net income or operating cash flows 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, the current economic downturn and the other factors discussed in this "Risk Factors" section, our liquidity would be adversely affected.

Our Ability To Draw On Our Current Loan Facilities May Be Adversely Affected by Current Conditions in the U.S. and International Capital Markets.

If financial institutions that have extended credit commitments to us are adversely affected by the conditions of the U.S. and international capital markets, they may become unable to fund borrowings under their credit commitments to us. For example, we currently have a $100.0 million revolving credit facility with three banks in the U.S. and a $50.0 million working capital facility with a Chinese bank. If any of these banks are adversely affected by the current capital market conditions and are unable to make loans to us when requested, there could be a corresponding adverse impact on our financial condition and our ability to borrow additional funds, if needed, for working capital, capital expenditures, acquisitions, research and development and other corporate purposes.

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

The indentures and agreements governing our existing debt, and debt we may incur in the future, contain, or may contain, affirmative and negative covenants that materially limit our ability to take certain actions, including our ability to incur debt, pay dividends 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. The $671.1 million write-off of our goodwill at December 31, 2008 has significantly reduced our ability to pay dividends and repurchase stock and subordinated securities, including our convertible notes. In addition, our future debt agreements may contain financial covenants and ratios.

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

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 in our Korean subsidiary. Under the Korean plan, eligible employees are entitled to receive a lump sum payment upon termination of their employment based on their length of service, seniority and rate of pay at the time of termination. In addition, and in accordance with severance plan regulations in Korea, employers may pay employees earned benefits prior to terminating their employment with us. In January 2009, we paid $31.6 million of such interim benefits using cash on hand. Our severance plan obligation is significant and in the event of a reduction in force or other termination of employment in our Korean facilities, payments under the plan could have a material adverse effect on our liquidity, financial condition and cash flows. See Note 12 to our Consolidated Financial Statements included in this Quarterly Report.

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. Any inability to provide reliable financial reports or prevent fraud could harm our business. 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 auditors to assess the effectiveness of internal control over financial reporting. If we fail to remedy or maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, 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 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 product return and liability risks, the risk of economic damage claims and the risk of negative publicity if our packages fail.

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, suffer other economic losses and our credibility and the market’s acceptance of our packages could be harmed.

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, 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-related reasons. Since a large portion of our costs is fixed and our expense levels are based in part on our expectations of future revenues, we may not be able to adjust costs in a timely manner to compensate for any sales shortfall. If we are unable to do so, it would adversely affect our margins, operating results, financial condition and cash flows. If the decline in customer demand continues, our business, liquidity, results of operations, financial condition and cash flows will be materially and adversely affected.

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

We provide packaging and test services through our factories and other operations located in China, Japan, Korea, the Philippines, Singapore and Taiwan. Although we do not derive any revenue from, nor sell any packages in North Korea, any future increase in tensions between South Korea and North Korea which may occur, for example, an outbreak of military hostilities, could adversely affect our business, liquidity, results of operations, financial condition and cash flows. Moreover, many of our customers' and vendors' operations are located outside the U.S. The following are some of the risks inherent in doing business internationally:

- changes in consumer demand resulting from deteriorating conditions in local economies;
- regulatory limitations imposed by foreign governments, including limitations or taxes imposed on the payment of dividends and other payments by non-U.S. subsidiaries;
- fluctuations in currency exchange rates;
- political, military, civil unrest and terrorist risks;
- disruptions or delays in shipments caused by customs brokers or government agencies;
- changes in regulatory requirements, tariffs, customs, duties and other restrictive trade barriers or policies;
- difficulties in staffing and managing foreign operations; and
- potentially adverse tax consequences resulting from changes in tax laws.

Our Management Information Systems May Prove Inadequate — We face Risks in Connection With Our Current Project to Install a New Enterprise Resource Planning System For Our Business.

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. We are implementing a new enterprise resource planning system to replace many of our existing systems at significant locations. We face risks in connection with our current project to install a new enterprise resource system for our business. These risks include:

- we may face delays in the design and implementation of the system;
- the cost of the system may exceed our plans and expectations; and
- disruptions resulting from the implementation of the system may damage 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 improve, upgrade, integrate or expand upon our systems, particularly in light of our intention to continue to implement a new enterprise resource planning system over a multi-year program on a company-wide basis.

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 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 evaluate our management team and engage in long-term succession planning in order to ensure orderly replacement of key personnel. 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 these efforts or in hiring and properly training sufficient numbers of qualified personnel and in effectively managing our growth. Our inability to attract, retain, motivate and train qualified new personnel could have a material adverse effect on our business.

Difficulties Consolidating and Evolving Our Operational Capabilities — 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 primarily through facility consolidations, strategic acquisitions, joint ventures and other partnering arrangements and may continue to engage in such transactions in the future. For example, each business we have acquired had, at the time of acquisition, multiple systems for managing its own production, sales, inventory and other operations. Migrating these businesses to our systems typically is a slow, expensive process requiring us to divert significant amounts of resources from multiple aspects of our operations. These changes have strained our managerial, financial, plant operations and other resources. Future consolidations and expansions may result in inefficiencies as we integrate operations and manage geographically diverse operations.

Dependence on Materials and Equipment Suppliers — Our Business May Suffer If the Cost, Quality or Supply of Materials or Equipment Changes Adversely.

We obtain from various vendors the materials and equipment required for the packaging and test services performed by our factories. We source most of our materials, including critical materials such as leadframes, laminate substrates and gold wire, from a limited group of suppliers. Furthermore, we purchase the majority of our materials on a purchase order basis. From time to time, we enter into supply agreements, generally up to one year in duration, to guarantee supply to meet projected demand. Our business may be harmed if we cannot obtain materials and other supplies from our vendors in a timely manner, in sufficient quantities, in acceptable quality or at competitive prices.

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 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 do not enter into binding, long-term equipment purchase agreements and we acquire our equipment on a purchase order basis, which exposes us to substantial risks. For example, changes in foreign currency exchange rates could result in increased prices for equipment purchased by us, 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. Significant price increases may adversely impact our gross margin in future quarters to the extent we are unable to pass along past or future commodity price increases to our customers.

Loss of Customers — The Loss of Certain Customers or Reduced Orders From Certain Customers May Have a Significant Adverse Effect on Our Operations and Financial Results.

The loss of a large customer or disruption of our strategic partnerships or other commercial arrangements may result in a decline in our sales and profitability. Although we have over 200 customers, 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 approximately 50.9%, 49.8% and 47.0% of our net sales in the three months ended March 31, 2009, and the years ended December 31, 2008 and 2007, respectively.

The demand for our services from each customer is directly dependent upon that customer's level of business activity, which could vary significantly from year to year. Our key customers typically operate in the cyclical semiconductor business and, in the past, order levels have varied significantly from period to period based on a number of factors. Our business is likely to remain subject to this variability in order levels, and we cannot assure you that these key customers or any other customers will continue to place orders with us in the future at the same levels as in past periods.

The loss of one or more of our significant customers, or reduced orders by any one of them and our inability to replace these customers or make up for such orders could reduce our profitability. For example, our facility in Iwate, Japan, is primarily dedicated to a single customer, Toshiba Corporation. If we were to lose Toshiba as a customer or if it were to materially reduce its business with us, it could be difficult for us to find one or more new customers to utilize the capacity which could have a material adverse effect on our operations and financial results. In addition, we have a long term supply agreement that expires in December 2010 with IBM. If we were to lose IBM as a customer, this could have a material adverse effect on our business, liquidity, results of operations, financial condition and cash flows. Another example relates to the fact that some of our customers are suppliers to the automotive industry which is currently experiencing significant financial pressure resulting from dealer consolidations, closings and bankruptcies. Some of our customers may be impacted by reduced orders as a result of the automotive industry downturn, which could have a material adverse effect on our operations and financial results.

Capital Additions — We Make Substantial Capital Additions 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 capital additions in order to service the demand of our customers. The amount of capital additions will depend on several factors, including the performance of our business, our assessment of future industry and customer demand, our capacity utilization rates and availability, our liquidity position and the availability of financing. Our ongoing capital addition 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 additions to increase production capacity will put downward pressure on our gross margin, at least over the near term.

Furthermore, if we cannot generate or raise additional funds to pay for capital additions, particularly in some of the advanced packaging and bumping areas, as well as research and development activities, our growth prospects 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 activities by semiconductor companies;
- the current financial crisis affecting the worldwide banking system and financial markets and the going concern threats to investment banks and other financial institutions that have resulted in a tightening in the credit markets, a low level of liquidity in many financial markets, and extreme 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 additions is often significant, and as a result we often need to commit to capital additions 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 additions 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 and adversely affected.

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 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.

The Matters Relating to an SEC Investigation, Our Historical Stock Option Granting Practices and the Resultant Restatement of Our Consolidated Financial Statements Resulted in Litigation and Regulatory Proceedings Against Us, Which Could Have a Material Adverse Effect on Us.

In August 2005, the SEC issued a formal order of investigation regarding certain activities with respect to Amkor securities. The investigation related initially to transactions in our securities and later to our historical stock option practices. In April 2007, the SEC filed a civil action against our former general counsel based on substantially the same allegations that had been charged in a criminal case against him with respect to trading Amkor securities based on material non-public information. The SEC's civil action against the former general counsel has been settled. While the SEC's investigation continues and we cannot predict the ultimate scope or final outcome, we believe that the investigation is now limited to certain securities trading by a former non-executive employee. We intend to continue to cooperate with the SEC.

To correct certain accounting errors relating to our historical stock option granting practices, we amended our Annual Report on Form 10-K for the year ended December 31, 2005, and our Quarterly Report on Form 10-Q for the three months ended March 31, 2006, to restate our financial information from 1998 through March 31, 2006. The review of our historical stock option granting practices, related activities and the resulting restatements, required us to incur substantial expenses during 2006 for legal, accounting, tax and other professional services and diverted our management's attention from our business.

These matters have exposed us to greater risks associated with litigation and regulatory proceedings as described in Note 13 to our Consolidated Financial Statements in this Quarterly Report which, if adversely determined, could have a material adverse effect on our business, liquidity, results of operations, financial condition and cash flows.

Litigation Incident to Our Business Could Adversely Affect Us.

We have been a party to various legal proceedings, including those described in Note 13 to the Consolidated Financial Statements included in this Quarterly Report, and may be a party to litigation in the future. If an unfavorable ruling or outcome were to occur in this or future litigation, 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 Taxing Authorities Do Not Agree with Our Interpretation of Applicable Tax Laws.

Our corporate structure and operations are based, in part, on interpretations of various 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. 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 can not 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.

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

The complexity and breadth of semiconductor packaging and test services are rapidly increasing. As a result, we expect that we will need to offer more advanced package designs in order to respond to competitive industry conditions and customer requirements. Our success depends upon our ability to acquire, develop and implement new manufacturing processes and package design technologies and tools. The need to develop and maintain advanced packaging capabilities and equipment could require significant research and development and capital expenditures and acquisitions in future years. In addition, converting to new package designs or process methodologies could result in delays in producing new package types, which could adversely affect our ability to meet customer orders and adversely impact our business.

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 package design or obtain access to advanced package designs developed by others, our business could suffer.

Packaging and Test — Packaging and Test Processes Are Complex and Our Production Yields and Customer Relationships May Suffer from Defects in the Services We Provide.

Semiconductor packaging and test services are complex processes that require significant technological and process expertise. The packaging process is complex and involves a number of precise steps. 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.

Testing is also complex and involves sophisticated equipment and software. Similar to most software programs, these software programs are complex and may contain programming errors or "bugs." The testing equipment is also subject to malfunction. In addition, the testing 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 or change our processing steps. In addition, we must continue to expand our offering of packages to be competitive. Our production yields on new packages typically are significantly lower than our production yields on our more established packages.

Our failure to maintain high 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 customers, our business, results of operations, financial condition and cash flows could be adversely affected.

Competition — We Compete Against Established Competitors in the Packaging and Test Business as Well as Internal Customer Capabilities.

The subcontracted semiconductor packaging and test market is very competitive. We face substantial competition from established packaging and test service providers primarily located in Asia, including companies with significant processing capacity, financial resources, research and development operations, marketing and other capabilities. These companies also have established relationships with many large semiconductor companies that are our current or potential customers. We also face competition from the internal capabilities and capacity of many of our current and potential IDM customers. In addition, we may in the future have to compete with companies (including semiconductor foundries) that may enter the market or offer new or emerging technologies that compete with our packages and 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 Regulations — Future Environmental Regulations Could Place Additional Burdens on Our Manufacturing Operations.

The semiconductor packaging process uses chemicals, materials and gases and generates byproducts 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. Federal, state and local regulations in the U.S., as well as international environmental regulations, impose various controls on the storage, handling, discharge and disposal of chemicals used in our production processes and on the factories we occupy and are increasingly imposing restrictions on the materials contained in semiconductor products.

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 Directive (“RoHS”) imposes strict restrictions on the use of lead and other hazardous substances in electrical and electronic equipment. In response to this directive, and similar laws and developing legislation in countries like China, Japan and Korea, we have implemented changes in a number of our manufacturing processes in an effort to achieve compliance across all of our package types. Complying with existing and future environmental regulations may impose upon us the need for additional capital equipment or other process requirements, restrict our ability to expand our operations, disrupt our operations, subject us to liability or cause us to curtail our operations.

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

We maintain an active program to protect and derive value from our investment in technology and the associated intellectual property rights. Intellectual property rights that apply to our various packages and services include patents, copyrights, trade secrets and trademarks. We have filed and obtained a number of patents in the U.S. and abroad the duration of which varies depending on the jurisdiction in which the patent is filed. While our patents are an important element of our intellectual property strategy, as a whole, we are not materially dependent on any one patent or any one technology. 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 issue, the rights granted under the patents will provide us with meaningful protection or any commercial advantage. Any patents we do obtain may be challenged, invalidated or circumvented and may not provide meaningful protection or other commercial advantage to us.

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

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

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 to our own. In addition, many of our patents are subject to cross licenses, several of which are with our competitors.

We may need to enforce our patents or other intellectual property rights or defend ourselves against claimed infringement of the rights of others through litigation, which could result in substantial cost and diversion of our resources. Furthermore, if we fail to obtain necessary licenses, our business could suffer. We have been involved in legal proceedings involving the acquisition of intellectual property rights, the enforcement of our existing intellectual property rights or the enforcement of the intellectual property rights of others. Unfavorable outcomes in any litigation matters 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 report on our results of operations, financial condition and cash flows could change in the future.

Fire, Flood or Other Calamity — With Our Operations Conducted in a Limited Number of Facilities, a Fire, Flood or Other Calamity at one of Our Facilities Could Adversely Affect Us.

We conduct our packaging and test operations at a limited number of facilities. Significant damage or other impediments to any of these facilities, whether as a result of fire, weather, the outbreak of infectious diseases (such as SARS or the flu), civil strife, industrial strikes, breakdowns of equipment, difficulties or delays in obtaining materials and equipment, natural disasters, terrorist incidents, industrial accidents or other causes could temporarily disrupt or even shut down our operations, which would have a material adverse effect on our business, financial condition and results of operations. 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 may not have sufficient capacity to service customer demands in our other facilities. For example, our operations in Asia are vulnerable to regional typhoons that can bring with them destructive winds and torrential rains, which could in turn cause plant closures and transportation interruptions. 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. While 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.

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

As of April 1, 2009, Mr. James J. Kim, our Chief Executive Officer and Chairman of the Board, members of Mr. Kim's immediate family and affiliates beneficially owned approximately 56% of our outstanding common stock. This percentage includes beneficial ownership of the securities underlying $100.0 million of our 6.25% convertible subordinated notes due 2013 and $150 million of our 6.0% convertible senior subordinated notes due 2014. Subject to certain requirements imposed by voting agreements that the Kim family vote in a neutral manner any shares issued upon conversion of their convertible notes, Mr. James J. Kim and his family and affiliates, acting together, have the ability to effectively determine matters (other than interested party transactions) submitted for approval by our stockholders by voting their shares, including the election of all of the members of our Board of Directors. There is also the potential, through the election of members of our Board of Directors, that Mr. Kim's family could substantially influence matters decided upon by the 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.

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, 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
Corporate Vice President and
Chief Financial Officer
(Principal Financial Officer,
Chief Accounting Officer and Duly
Authorized Officer)

Date: May 6, 2009

EXHIBIT INDEX

Exhibit Number	
10.1	Working Capital Facility Agreement, dated January 20, 2009, between China Construction Bank Co., Ltd. And Amkor Assembly and Test (Shanghai) Co., Ltd.
10.2	Real Property Mortgage Agreement, dated January 20, 2009, between China Construction Bank Co., Ltd. and Amkor Assembly and Test (Shanghai) Co., Ltd.
31.1	Certification of James J. Kim, Chief Executive Officer of Amkor Technology, Inc., pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Joanne Solomon, Corporate 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.

Contract No: W57912302009001

AMKOR ASSEMBLY & TEST (SHANGHAI) CO, LTD.
(as Borrower)

and

CHINA CONSTRUCTION BANK CO., LTD
SHANGHAI WAIGAOQIAO FREE TRADE ZONE SUB-BRANCH
(as Lender)

US$50,000,000
Working Capital Facility Agreement

Dated 20th Jan, 2009

THIS US$50,000,000 WORKING CAPITAL FACILITY AGREEMENT ("this Agreement") is dated 20th Jan, 2009 in Shanghai BETWEEN:

(1) **AMKOR ASSEMBLY & TEST (SHANGHAI) CO., LTD**. (the "**Borrower**");

(2) China Construction Bank Co., Ltd

SHANGHAI WAIGAOQIAO FREE TRADE ZONE SUB-BRANCH (the "Lender")

WHEREAS:

(A) Due to the needs of its production and operation, the Borrower has applied to the Lender for a working capital loan facility in a maximum aggregate principal amount of US$50,000,000, from 20th Jan, 2009 to 19th Jan, 2011;

(B) After examination, the Lender has agreed to grant to the Borrower the said US$ working capital loan facility upon the terms and conditions set out herein.

After friendly mutual consultations, now the Lender and Borrower HEREBY AGREE as follows.

1. DEFINITIONS AND INTERPRETATION

1.1 **Terms Defined** Except as otherwise provided herein, capitalized terms used in this Agreement shall have the meanings ascribed to them as follows.

"Reference Banks" means 1. HSBC Bank, London Branch;

2. CITI Bank, London Branch

"Loan" means, save as otherwise provided herein, an advance made or to be made by the Lender under this Agreement;

"Facility" means the working capital loan facility in a maximum aggregate principal amount of US$50,000,000 to be made available to the Borrower by the Lender upon the terms and conditions of this Agreement;

"Loan Bill" means the bill regularly used by Lender in its lending business which is filled by Borrower and confirmed by Lender for the loan borrowing.

"Security" means any mortgage, pledge, guarantee, lien or any other arrangement or agreement with the effect of security, or any other statutory preferential rights as provided in laws or regulations ;

"Real Property Mortgage Agreement" means the Real Property Mortgage Agreement entered into between the Lender and Borrower on the date of this Agreement;

"Interest Payment Date" means the last day of each Interest Period;

"Repayment Date" As to each Loan, means the date falling twelve (12) months after the Drawdown Date of the Loan;

"**Spot Rate of Exchange**" means, on any date on which a rate of exchange is required, the selling rate of US Dollars for the conversion of RMB or other currencies into US Dollars as announced by the China Construction Bank, Shanghai Branch at or about 11.00 a.m. (Beijing time) on such date;

"LIBOR" means the London Interbank offered rate, that is:

(i) the rate per annum of the offered quotation for deposits in Dollars for a period of six(6) months which appears on the Telerate Page 3750 at or about 11:00 a.m.(London time) two business days before the first day of each relevant Interest Period;

(ii) if no such offered quotation appears on the Telerate Page 3750 at or about such time, the rate per annum of the offered quotation for deposits in Dollars for a period of six(6) months which appears on the relevant page of the Reuters Screen at or about 11:00 a.m.(London time) two business days before the first day of each relevant Interest Period; or

(iii) if no such offered quotation appears on the Telerate Page 3750 or on the relevant page of the Reuters Screen at or about such time, the rate determined by the Lender to be equal to the arithmetic mean (rounded, if necessary, to the nearest of one sixteenth per cent) of the rates per annum quoted to the leading banks by the Reference Banks in the London Interbank Market at or about 11:00 a.m.(London time) two business days before the first day of each relevant Interest Period for the offer of deposits in Dollars for a period of six(6) months.

"Interest Period" means, in relation to any Loan, each period determined pursuant to

Article 4.2 of this Agreement;

“Potential Event of Default” means any event that could become (with the passage of time, the giving of notice, the making of any determination hereunder or any combination thereof) an Event of Default in the reasonable determination of the Lender ;

“Finance Documents” means this Agreement, the Real Property Mortgage Agreement and any other document (if any) executed by the Lender and Borrower in relation to the US$ working capital facility provided under this Agreement;

“Availability Period” means period commencing from the date of this Agreement and ending on the earlier of the following dates:

(i) The first loan, the date which falls six (6) months after the date of the execution of this Agreement;

(ii) The other loan, the date which falls twelve (12) months after the date of the execution of this Agreement;

(iii) the date when all Facility has been utilized by means of drawdown or has been canceled.

“Drawdown Date” means, in relation to any Loan, the proposed date for the borrowing of such Loan as specified in the Drawdown Notice, or where such Loan has been made, the date on which it was made;

“Drawdown Notice” means a notice formally made by the Lender substantially in the form set out in Schedule 1 (Form of Drawdown Notice);

“Event of Default” means any of the circumstances described in Article 13 (Events of Default);

“Material Adverse Change” means any event or change occurred in the business, operations, properties or financial condition of the Borrower, which would, in the reasonable determination of the Lender, have a Material Adverse Effect. An event or circumstance shall be construed as having a **“Material Adverse Effect”** if it would result in the Borrower being unable to fully perform its obligations or discharge all or some of its liabilities under the Finance Documents or would affect the legality, validity, binding effect or enforceability of any of the Finance Documents.

1.2 **Interpretation** Unless otherwise provided in this Agreement, any reference in this Agreement to:

A **“business day”** shall be construed as a reference to a day (other than a Saturday or Sunday, or statutory holiday) on which banks generally are open for business in Shanghai and:

(i) in relation to a day on which a payment is to be made in Dollars, on which commercial banks are also open for business in New York;

(ii) in relation to a day on which LIBOR is to be determined, on which commercial banks are also open for business in London.

A **“month”** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month save that, where any such period would otherwise end on a day which is not a business day, it shall end on the next succeeding business day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the immediately preceding business day, provided that, if a period starts on the last business day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last business day in that later month (and references to “months” shall be construed accordingly).

“US$” and **“Dollar(s)”** denote lawful currency of United States of America;

“China” or **“PRC”** means the People’s Republic of China, but for the purpose of this Agreement only, excluding the Hong Kong, Macao and Taiwan area, all of which are respectively integral part of the People’s Republic of China;

a **“certified”** document or a **“certified”** copy means a document or a copy of the document affixed with the official chop of the provider thereof and certified by the provider to be true and complete;

the **“execution date”** of this Agreement means the date on which this Agreement has been signed by the legal representatives or the authorized representatives of both the Lender and the Borrower and has been affixed with the official chops of both the Lender and the Borrower.

the “**continuance**” or “**existence**” of an Event of Default means the circumstance under which an Event of Default has occurred, but it has not been remedied to the satisfaction of the Lender, nor has the Lender waived it.

1.3 **Headings** The headings of clause, article and schedule of this Agreement are for ease of reference only and shall be ignored in construing this Agreement.

2. The Loan

2.1 **Facility** Upon the terms and subject to the conditions of this Agreement, the Lenders agree to provide a US$50,000,000 working capital loan facility to the Borrower.

2.2 **Currency of Loan** All the Loans provided to the Borrower by the Lender under this Agreement shall be in US$.

2.3 **Cancellation** The Borrower may not cancel the Facility in whole or in part during the Availability Period without the prior written consent of the Lender. Any undrawn portion of the Facility will be automatically cancelled at the expiry of the Availability Period and will not thereafter available to the borrower for drawing unless the Lender has agreed otherwise.

2.4 **Purpose and Application** The Borrower shall apply all the proceeds of the Loans under the Finance Documents in or towards the financing of its general working capital requirements. The Lender shall have the right, but not be obliged, to monitor the application of any Loan by the Borrower, and failure to use the Facility in accordance with the purposes set out in Article 2.4 by the Borrower shall not prejudice the rights of the Lender under this Agreement.

2.5 **Term** As to each Loan, the term of a Loan is for a period commencing on the Drawdown Date of the Loan and ending on the date falling twelve (12) months after the Drawdown Date of the Loan. The last Repayment Date of this Agreement shall be no later than the date falling twenty-four (24) months after the execution day of this Agreement.

2.6 **Security** In relation to all the indebtedness of the Borrower owing to the Lender under this Agreement, the Borrower shall provide mortgage in favor of the Lender pursuant to the Real Proper Mortgage Agreement.

3. Conditions of Drawdown

3.1 **Conditions Precedent for Initial Drawdown** Subject to Article 3.3 of this Agreement, the first drawdown hereunder shall be conditional on the Borrower having satisfied all the conditions precedent referred to in this Article 3.2 *(Conditions Precedent for Each Drawdown)* and the following conditions, unless the said conditions are waived by the Lender with prior written consent:

(1) The Lender has confirmed in writing its receipt and acceptance of the certified copy of the following documents relating to the Borrower:

  (i) the latest and currently effective Business License;

  (ii) the approval documents issued by the relevant foreign investment authority on the establishment of the Borrower;

  (iii) the latest and currently effective Foreign Investment Enterprise Certificate of Approval issued by the relevant foreign investment authority;

  (iv) the latest and currently effective Articles of Association of the Borrower;

  (v) the Capital Verification Report issued by a China registered certified public accountant, certifying all fulfilled registered capital of the borrower.

  (vi) the Foreign Exchange Registration Certificate of the Borrower issued by State Administration of Foreign Exchange or its local branch;

  (vii) the resolution of its board of directors approving the execution and performance of each Finance Document and any other document and authorizing a person, on its behalf, to execute each Finance Document and any other document;

  (viii) the list of directors and the specimen(s) of the signature(s) of each director;

  (ix) the identity certificate of the legal representative;

  (x) the latest and currently effective Bank Credit Registration Consultation System Loan Card of the Borrower obtained from the People's Bank of China Shanghai Branch.

(2) The Real Property Mortgage has been duly executed and the real property mortgage registration certificate has been obtained pursuant to the Real Mortgage Agreement with the Lender as the only first priority mortgagee;

(3) The Borrower has opened a special US$ account with the Lender;

(4) The Borrower has duly paid all stamp duty and other fees, if any and to the extent payable by the Borrower, in respect of the Finance Documents; and

(5) All governmental approval and/or registration procedure (if any) necessary to the execution and performance of the Finance Documents has been obtained and completed.

3.2 **Conditions Precedent for Each Drawdown** Subject to Article 3.3 (Drawdown Requirements) of this Agreement and without prejudice to any additional conditions to borrowing as more specifically provided for herein, each drawdown hereunder shall be conditional on the Borrower having satisfied the following conditions, unless the said conditions are waived permanently or not required temporarily by the Lender with prior written consent:

(1) The Borrower has maintained the special US$ account opened with the Lender;

(2) The representations and warranties made by the Borrower in the Finance Documents remain true and correct on and as of the date for each Drawdown and the proposed Drawdown Date as specified in the Drawdown Notice;

(3) no Event of Default or Potential Event of Default has occurred and is continuing, or would result from the proposed drawdown;

(4) no Material Adverse Change has occurred from the date of execution of this Agreement till the relevant Drawdown Date, nor any change of law which would have a Material Adverse Effect on the transaction as contemplated in the Finance Documents has occurred;

(5) the Lender has received the Drawdown Notice timely delivered by the Borrower in accordance with the procedures set out in this Agreement.

3.3 **Drawdown Requirements** In addition to the conditions set out in Article 3.1 and Article 3.2 of this Agreement, each drawdown by the Borrower under this Agreement shall be further subject to the Borrower satisfying the following conditions:

(i) The Lender receives, not later than 10:00 a.m. (Beijing Time) on the second business day before the proposed Drawdown Date, a Drawdown Notice duly completed and signed by the Borrower;

(ii) the Drawdown Notice shall be irrevocable once delivered by the Borrower and the Borrower shall be obliged to borrow the amount as specified therein on the date as stated therein upon the terms and conditions provided in this Agreement;

(iii) The principal amount of the Loan to be drawn as requested in a Drawdown Notice shall be a minimum of US$1,000,000 and in an integral multiple of US$500,000, and no more than the undrawn Facility;

(iv) The Drawdown Date to be specified in the Drawdown Notice is a business day within the Drawdown Period;

(v) The Borrower shall further comply with other relevant requirements in customary banking practices of the Lender.

3.4 **Loan Transfer** The Lender will, no later than 10:00 (Beijing Time) on the Drawdown Date, transfer the amount as the Borrower requested in the Drawdown Notice it delivered in accordance with Article 3.3 to the US$ account the Borrower opened with the Lender.

4. Interest Rate and Interest

4.1 **Interest Rate** The interest rate applicable to any Loan during any Interest Period shall be a rate per annum certified by the Lender to be the aggregate of LIBOR in relation to that Interest Period and one point seventy per cent (1.7%). If no applicable LIBOR is able to be determined pursuant to this Agreement, the applicable rate shall be agreed upon by the Lender and the Borrower. Should no agreement on the applicable LIBOR be reached by the Parties within five (5) business days after occurrence of the above situation, the interest rate applicable to any Loan during any Interest Period shall be a rate per annum certified by the Lender to be the aggregate of the most recent available LIBOR to that Interest Period and one point seventy per cent (1.7%).

4.2 **Interest Period**

(i) the first Interest Period in relation to a Loan shall commence on the Drawdown Date for such Loan, and each Interest Period (other than the first Interest Period) in relation to the loan shall commence on the expiry date of its immediately preceding Interest Period;

(ii) Except as this Article 4.2 (Interest Period) provides otherwise, each Interest Period in relation to a Loan, shall be six(6) months provided that:

a. if any Interest Period shall end on a day which is not a business day, such period shall end on the next succeeding business day (if any) of the calendar month or, if such next succeeding business day falls in another month, on the immediately preceding Business Day;

b. if any Interest Period would extend beyond the Repayment Date, it shall be deemed to expire on the Repayment Date.

4.3 **Calculation of Interest** Interest shall accrue from day to day and be calculated on the basis of the actual number of days elapsed and a year of 360 days. Unless otherwise provided herein, the interest of any Loan in an Interest Period shall be calculated from the first date (inclusive) of the Interest Period to the last day (exclusive) of such Interest Period at the rate applicable thereto. The determination of a rate of interest by the Lender under this Agreement shall be conclusive and binding on the Borrower in the absence of error.

4.4 **Payment of Interest**

(i) **Payment on Interest Payment Date** The interest on each Loan shall be paid on each Interest Payment Date, provided that the last Interest Payment Date for each Loan shall be the Repayment Date or the prepayment date of such Loan;

(ii) **Interest Payment Notice** The Lender shall deliver a notice to the Borrower for interest payment five (5) business days before each Interest Payment Date. But any failure to deliver or delay in delivering such notice shall not affect the Borrower's obligation to pay the interest.

(iii) **Payment by Borrower** The Borrower shall make such interest payment by wire or intrabank transfer into its US$ loan account opened with the Lender prior to 10:00 a.m. (Beijing time) on the Interest Payment Date.

4.5 **Default Interest** If the Borrower fail to pay all or any part of the principal, interest or other amount due and payable or declared to be due and payable in relation to the Loans, the Borrower shall pay an overdue interest in addition to the above sums to the Lenders upon the demand by the Lender. The overdue interest rate shall be an annual rate which is certified by the Lender to be the aggregate from time of (i) LIBOR for six (6) months in relation to relevant interest period, (ii) one point seventy per cent (1.7%) and(iii) three percent (3%). The first overdue interest period of any due but unpaid amounts shall commence from the due date of such amount and end on the date falling six (6) months thereafter. The overdue interest period thereafter shall commence on the expiry date of its preceding overdue interest period and end on the date falling six (6) months thereafter, with the exception that the last overdue Interest Payment Date shall end on the date when all amounts due but unpaid are fully paid.

5. Repayment and Prepayment

5.1 **Repayment** Except as otherwise provided herein, the Borrower should repay the principal amount of each Loan due on the Repayment Date. The Borrower shall transfer the amount due and payable by wire or intrabank transfer to the USD loan account opened with the Lender prior to 10:00 a.m. (Beijing time), and shall provide to the Lender a copy of the repayment notice prior to 11:00 a.m. (Beijing time) on the same day.

5.2 **Prepayment** Upon ten (10) days (or such shorter time agreed by the Lender in writing) prior written notice to the Lender, the Borrower may prepay all or any of the Loans prior to the Repayment Date;

5.3 **Full Repayment** The Borrower shall fully repay all the principal amount of Loans due and payable, and shall repay all the interests and any other fees due and payable under this Agreement simultaneously on the last Repayment Date.

6. Payments

6.1 **Deduction by the Lender** Unless the Borrower has notified the Lender of any alternative payment arrangements in advance, the Borrower hereby authorizes the Lender to deduct on the date when any amount is due and payable any of the amounts on the USD account of the Borrower in satisfaction of the amount payable by the Borrower. If the funds in such account are not enough, the Borrower further authorizes the Lender to deduct any of the amounts on other accounts of the Borrower with the Lender in satisfaction of any amount due and payable by the Borrower. And the Lender shall notify the Borrower in writing of any deduction herein on the day such deduction occurs.

6.2 **Payment on Business Days** Any payment which is due to be made under any Finance Documents on a day that is not a business day shall be made on the next business day in the same calendar month (if there is one) or the preceding business day (if there is not). During any extension of the due date for payment of any principal under this Agreement, interest is payable on that principal at the rate under Clause 4.1 (Interest Rate).

6.3 **Currency of Account** Unless otherwise provided in this Agreement, US Dollar is the currency of payment for each and every sum at any time due from the Borrower under the Finance Documents provided that each payment in respect of tax, costs and expenses shall be made in the currency in which the same were incurred or in equivalent Renminbi.

6.4 **Currency Indemnity** If an amount is received by the Lender in another currency, pursuant to a judgment or order, in liquidation of the Borrower or deduction from the Borrower’s account of other currencies or otherwise, the Borrower’s obligations under this Agreement shall be discharged only to the extent that the Lender may purchase Dollars with such other currency in accordance with normal banking procedures upon receipt of such amount. If, upon receipt of the amount in another currency, the Lender converts the amount into Dollars at the Spot Rate of Exchange or at the rate as determined by the Lender according to its normal banking procedures (if there is no applicable Spot Rate of Exchange), and the amount in Dollars so converted is less than the sum payable by the borrower under this Agreement, the Borrower shall fully indemnify the Lender against the shortfall and any reasonable costs of such exchange and any other related costs. This indemnity shall be an obligation of the Borrower independent of and in addition to its other obligations under this Agreement.

6.5 **No Set-off** All payments required to be made by the Borrower under the Finance Documents shall be calculated without reference to any deduction (including deduction of tax), set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any tax, set-off or counterclaim.

6.6 **Partial Payments**

If the Lender receives a payment insufficient to discharge all the amounts then due and payable by the Borrower under the Finance Documents, the Lender shall apply that payment towards the obligations of the Borrower under the Finance Documents in the following order:

(a) first, in or towards payment of any unpaid fees, costs and expenses of the Lender under the Finance Documents;

(b) secondly, in or towards payment of any principal due but unpaid under the Finance Documents

(c) thirdly, in or towards payment of any accrued interest due but unpaid under the Finance Documents (including but without limitation any default interest); and

(d) fourthly, in or towards payment of any other sum due but unpaid under the Finance Documents.

7. Costs and Expenses

7.1 Transaction Expenses Unless otherwise agreed upon by the Lender and Borrower, the Lender and Borrower shall pay their own costs and expenses incurred from negotiation, preparation, draft and execution of the Finance Documents. But the Borrower agrees that it shall pay the reasonable expense of the Lender's legal counsel for execution of the Finance Documents and the reasonable evaluation fee of the Mortgaged assets in the Real Property Mortgage Agreement.

7.2 Preservation and Enforcement of Rights The Borrower shall, from time to time on demand of the Lender, reimburse the Lender for all reasonable costs and expenses (including legal fees and litigation fees) incurred in or in connection with the preservation and/or enforcement of any of the rights of the Lender under the Finance Documents.

7.3 Stamp Taxes, etc The Borrower shall pay all stamp duty, registration fee and other similar fees which shall be borne or payable by it in relation to any Finance Document and shall indemnify the Lender against any liabilities, costs and penalties paid by the Lender that result from any failure by the Borrower to pay or any delay in paying any such tax and fees.

8. Change of Law

If, at any time after the execution of this Agreement, it is or would become unlawful for the Lender to perform this Agreement or become impossible for the Lender to fund or allow to remain outstanding all or part of the Loans due to the promulgation or change of any applicable law, regulation or their interpretation, or due to the requirements by the People's Bank of China, other financial regulatory institutions or other governmental bodies which have jurisdiction over the lending under this Agreement, then the Lender shall, promptly after becoming aware of the same, deliver to the Borrower a written notice to state the reason of illegality and together with written proof or certificates for such changes in laws, rules and regulations:

(i) the undrawn part of the Facility committed by the Lender shall be immediately reduced to zero; and

(ii) upon the receipt of such notice, the Borrower shall on such date as the Lender shall have specified in the notice (which shall be sixty (60) days from the date of the notice or, if earlier, a date by which it is or would become unlawful for the Lender to make, fund or allow to remain outstanding all or part of the Loans, but in no event less than ten (10) business days) repay the Lender's Loan together with accrued interest thereon and all other amounts owing to the Lender under this Agreement and any repayment so made shall reduce ratably the obligations of the Borrower under Clause 5.1 (Repayment); and

(iii) the Lender has neither duty nor obligation to pay any penalty or fees.

9. Evidence of Debt

Borrower hereby acknowledges that in any legal action or proceeding arising out of or in connection with the Finance Documents, the entries made in the accounts maintained in accordance with the Lender's banking practice shall be evidence of the existence and amounts of the specified obligations of the Borrower except that undoubted adverse evidences can be provided by the Borrower.

10. Representations and Warranties

10.1 The Borrower makes the representations and warranties and acknowledges that the Lender has entered into the Finance Documents to which it is a party in reliance upon these representations and warranties:

(i) ***Status and Due Authorization*** It is a wholly foreign owned enterprise organized as a legal person under the laws of the PRC with power to enter into each Finance Document to which it is a party and to exercise its rights and perform its obligations thereunder and all corporate and other action required to authorize its execution of each Finance Document to which it is a party and the performance of its obligations thereunder has been duly taken.

(ii) **Execution of Finance Documents** Its execution of the Finance Documents to which it is a party and performance of its obligations thereunder does not and will not:

(a) conflict with agreements or other instruments to which it is a party or which is binding upon it or its assets to the extent that the Borrower's ability to perform its obligations under the Finance Documents has not been negatively affected;

(b) conflict with its Articles of Association or governmental approvals in relation to its establishment and other rules and regulations applicable to it;

(c) conflict with any applicable law, regulation, judgment or ruling in effect on the date hereof.

(iii) **Authorizations and Approvals** All authorizations and approvals from any governmental body and all third party consents required in connection with the entry into, performance, validity and enforceability of the Finance Documents and all authorizations and approvals from any governmental body to enable the Borrower to conduct its business in the ordinary course, have been obtained or effected (as appropriate) and are in full force and effect.

(iv) **No Material Proceedings** No action or administrative proceeding, to which the Borrower is a party, of or before any court, tribunal or any governmental or other agency has been started or, to the best of its knowledge, threatened which would reasonably be expected to have a Material Adverse Effect.

(v) **No Finance Document Defaults** No Event of Default and Potential Event of Default has occurred and is continuing.

(vi) **Claims Pari-Passu** Under the laws of the PRC in force at the date hereof, the claims of the Lender against the Borrower under the Finance Documents will rank at least pari passu with the claims of all its other unsecured, unsubordinated lenders.

(vii) **Financial Statements** The quarterly and yearly Financial Statements have been prepared in accordance with PRC Accounting Principles consistently applied and give a true and fair view of the financial condition of the Borrower in all important respects on the day of provision of the Financial Statements. The yearly financial statements provided by the Borrower are full versions.

(viii) **Full Disclosure** The information provided by the Borrower to the Lender is, to the best of the Borrower's knowledge, having made due enquiry, complete, true and correct in all important respects at the time it was provided.

(ix) **Immunity** Neither the Borrower nor any of its assets are entitled to immunity from suit, execution, attachment or other legal process.

(x) **Taxes** The Borrower has materially complied with all tax laws applicable to it.

(xi) **No Winding-up** No action nor any other steps have been taken or legal proceedings have been started for the winding-up, dissolution, administration or insolvent re-organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, trustee or similar officer of the Borrower or to any or all of the assets or revenues of the Borrower.

(xii) **Security** There is no Security negatively affecting the Borrower's repayment ability other than Security permitted by this agreement and those disclosed by the Borrower to the Lender in writing.

10.2 **Repetition** The Borrower shall be deemed to have repeated each of the representations and warranties set out in Clause 10.1 (Representations and Warranties) on each Drawdown Date with reference to the facts and circumstances then subsisting.

11. Positive Covenants

11.1 **Financial Statements** Throughout the term of this Agreement, the Borrower shall:

(a) within 30 days of the end of each month, deliver to the Lender its monthly financial statements for such month; and

(b) within 90 days of the end of each quarter, deliver to the Lender its quarterly financial statements for such quarter; and

(c) within 120 days of the end of each of its financial years, deliver to the Lender its annual financial statements audited by an internationally recognized registered certified public accounting firm for such financial year.

11.2 **General Information** The Borrower shall within five (5) business days after occurrence of any of the following supply to the Lender in writing:

(i) promptly upon becoming aware of the same, details of any litigation, arbitration or administrative proceedings which are current, threatened or pending, against the Borrower and which may, if adversely determined, have a Material Adverse Effect;

(ii) promptly any amendment, supplement or other change to the Borrower's Articles of Association, Business License; and

(iii) promptly on request, such further information regarding the financial conditions and operations of the Borrower as the Lender may reasonably request;

(iv) promptly inform the Lender any event or condition which have Material Adverse Effect on the Borrower's financial condition or operation.

11.3 **Maintenance of Business** Subject to the provisions of Clause 12.3(Disposals), the Borrower shall operate and maintain its business and operations in accordance with sound commercial practice.

11.4 **Environment** The Borrower shall at all times comply with applicable PRC environmental and safety standards in relation to its businesses and operations, except where failure to comply with such standards would not negatively affect the Borrower's ability to perform its obligations under the Finance Documents.

11.5 **Notification of Default** The Borrower shall inform the Lender of the occurrence of any Event of Default by the second business day after becoming aware of such event and shall, in the same notice, confirm to the Lender that, save as previously notified to the Lender or as notified in such confirmation, no Event of Default has, to the best of its knowledge, occurred.

11.6 **Corporate Existence** Except to the extent permitted by Clause 12.3 (Disposals) or Clause 12.4 (Merger, Consolidation, Etc.), the Borrower shall maintain its effective corporate existence and its right to carry on operations as contemplated by its Business License.

11.7 **Compliance with Law** The Borrower shall comply with all applicable laws, regulations and permits (save for laws, regulations and permits where failure to comply with the same would not have a Material Adverse Effect).

11.8 **Maintain Authorizations** The Borrower shall obtain and maintain in full force and effect all authorizations, licenses and approvals necessary to carry on its business and operations and comply with its obligations thereunder, except where failure to maintain or comply with the same would not have a Material Adverse Effect.

12. Negative Covenants

Save as otherwise agreed by the Lender, the Borrower shall comply with the following negative covenants.

12.1 **Negative Pledge** The Borrower shall not create or permit to subsist any Security other than that for the Lender's benefit except for such kind of Security that will not affect the Borrower's ability to perform its obligations under the Finance Documents;

12.2 **Other Business** The Borrower shall not conduct any business other than as permitted in its Business License.

12.3 **Disposals**

Without the prior written consent by the Lender, the Borrower shall not sell, lease, transfer or otherwise dispose of the whole or any part of the Mortgaged Assets under the Real Property Mortgage Agreement.

The Borrower shall not sell, lease, transfer or otherwise dispose of, in such a way that is against the fair market practices, the whole or any part of its assets apart from the Mortgaged Assets under the Real Property Mortgage Agreement, other than the sale, lease, transfer or disposal of such asset:

(i) to Amkor Technology Inc. or any of Amkor Technology Inc.'s direct or indirect subsidiaries;

(ii) that will not negatively affect the Borrower's ability to perform its obligations under the Finance Documents.

12.4 **Merger, Consolidation, Etc.** The Borrower shall not merge or consolidate with, any other person, or take any step with a view to dissolution, liquidation or winding-up except that the Borrower's ability to perform its obligations under the Finance Documents has not been affected;

12.5 **Equity Structure** The shareholder structure of the Borrower shall not be altered within the term of this Agreement except where the Borrower's ability to perform its obligations under the Finance Documents has not been affected;

13. Events of Default

13.1 **Events of Default** Each of the following shall constitute an Event of Default:

(i) **Failure to Pay** The Borrower fails to pay any principal or interest due from it under any Finance Document on its due date, or fails to pay any other fee due and payable within ten (10) business days of its due date, in the currency and in the manner specified therein.

(ii) **Misrepresentation** The representations or statements made by the Borrower in the Finance Documents or in the notices or certificates delivered by it pursuant thereto is or proves to have been incorrect or misleading in material respect when made or deemed to be made and such incorrect or misleading representation or statement is made by the Borrower willfully or intentionally or materially mislead the Lender in its execution or performance of this Agreement.

(iii) **Other Obligations** The Borrower fails duly to perform or comply with any obligation other than payment obligations expressed to be assumed by it in any Finance Document to which it is a party and, if capable of remedy, such failure is not remedied within thirty (30) days or longer period permitted by the Lender after the Lender has given notice thereof to the Borrower.

(iv) **Winding-up** Bankruptcy, liquidation, winding-up, dissolution, administration or insolvent reorganization has occurred to the Borrower or a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer has been appointed for any important or all of the Borrower's revenues and assets, or in any such case where legal proceedings relating to the above are commenced by the Borrower or any third party, and the same are not withdrawn or terminated within ninety (90) days.

(v) **Execution or Distress** Any execution or distress is levied against any material property of the Borrower and would have a Material Adverse Effect on the Lender' ability to perform its obligations under this Agreement.

(vi) **Loss and Destruction** Any material loss, destruction or any other event of similar nature with respect to all or substantially all of the plant, property and equipment of the Borrower occurs (unless the Borrower has obtained sufficient insurance indemnity and such loss, destruction or event may not materially affect the Borrower's performance of its obligations under this Agreement, and reasonable action is taken to so remedy within 60 days) or any insurer declares all or substantially all of the plant, property and equipment of the Borrower a total loss or constructive total loss.

(vii) **Illegality** Except otherwise stipulated in Article 8 herein, at any time it is or becomes unlawful for the Borrower to perform or comply with any or all of its obligations under any Finance Document to which it is a party.

(viii) **Cross Default** The Borrower is in default under any important agreement for financial debts to which it is a party or any event of default occurs under any such agreement to which the Borrower is a party, if such event will cause a Materials Adverse Effect to the Borrower's ability to perform its obligations under the Finance Documents.

(ix) **Government Intervention** By or under the authority of any government, the management of the Borrower is wholly or materially displaced or the authority of the Borrower in conduct of its business is or wholly or materially curtailed or all or a majority of the property or revenues is seized, nationalized, expropriated or compulsorily acquired.

(x) Material Adverse Change The Borrower occurs any Material Adverse Change (excluding Events of Default stipulated in clauses through Article 13.1(i) till Article 13.1(ix)), and the Lender and the Borrower can't reach a solution, including the immediate prepayment of the obligations hereunder, to the satisfaction of the Lender in a period of up to thirty(30) working days (or longer period as agreeable to the Lender, or the Borrower fails to take all relevant measures to the satisfaction of the Lender in accordance with the agreed solution in thirty (30) working days. After the sixty (60) day period, or such earlier period if the Borrower and Lender were unable to agree on a solution, the Lender shall notify the Borrower as to whether the Lender, at its sole discretion, believes that the Material Adverse Change has constituted an Event of Default.

13.2 **Acceleration and Cancellation** At any time from the occurrence of an Event of Default to the time when the Event of Default has been remedied to the satisfaction of the Lender in twenty (20) working days, the Lender has right to by written notice to the Borrower

(i) declare all Loans to be immediately due and payable (whereupon the same shall become so payable together with accrued interest thereon and any other sums then owed by the Borrower under the Finance Documents);

(ii) declare that any undrawn portion of the Facility shall be canceled.

14. Borrower's Indemnity

The Borrower undertakes to indemnify:

(i) the Lender against any reasonable cost, claim, loss, expense (including legal fees) or liability together with any Tax thereon, which any of them may sustain or incur as a consequence of the occurrence of any Event of Default or any default by the Borrower in the performance of any of the obligations expressed to be assumed by it in the Finance Documents; and

(ii) the Lender against any loss it may suffer or incur as a result of its making arrangements to fund the Loan requested by the Borrower hereunder.

15. Assignments and Transfers

15.1 **Binding Agreement** This Agreement shall be binding upon and enure to the benefit of each party hereto and its or any subsequent successors, Transferees and assigns.

15.2 **No Assignments and Transfers by the Borrower** The Borrower shall not be entitled to assign or transfer all or any of its rights and obligations under any Finance Document.

15.3 **Assignments and Transfers by Lender** The Lender may at any time, assign all or any of its rights and obligations under the Finance Documents provided that:

(i) no such assignment or transfer to any other party may be made without 30 day prior notification to the Borrower;

(ii) the transferee or assignee shall be a bank, an assets management company or if agreed by the Borrower, a non-bank financial institution, and

(iii) such assignment or transfer shall not increase the Borrower's obligations and shall not affect any Borrower's right under the Finance Documents.

16. Remedies and Waivers, Partial Invalidity

16.1 **Remedies and Waivers** No failure to exercise, nor any delay in exercising any right or remedy under the Finance Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in the Finance Documents are not exclusive of any rights or remedies provided by law.

16.2 **Partial Invalidity** If, at any time, any provision of any Finance Document is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions thereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Notices

17.1 **Communications in Writing** Each notice, demand or other communication to be given or made under this Agreement shall be in writing and, unless otherwise agreed, shall be made by personal delivery, facsimile, telex or letter

17.2 **Delivery** Any communication or document to be made or delivered by one person to another pursuant to this Agreement shall (unless that other person has by five (5) days' written notice to another specified another address) be made or delivered to that other person at the address identified in the execution pages with respect to such person (or, in the case of a Transferee, at the end of the Transfer Agreement to which it is a party as Transferee) and shall be deemed to have been made or delivered when receipt is confirmed by the recipient (in the case of any communication made by fax or telex) or (in the case of any communication made by personal delivery or letter) when left at that address or (as the case may be) ten (10) days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

17.3 **Authorized Notice** The Borrower authorizes the Lender to notify Amkor Technology, Inc. of any communication delivered by the Lender during the term of this agreement in any manner satisfactory to the Lender("Authorized Notice"). The Lender shall have the right, but not be obliged, to make such Authorized Notice, and shall not be responsible for any liability, consequence arising from the Authorized Notice. The Borrower shall reimburse the Lender any loss and cost suffered by the Lender for the Authorized Notice. For the purpose of making due Authorized Notice, the Borrower shall promptly notify the Lender any material change of its equity structure in writing.

18. Amendments

No provision of a Finance Document may be amended, waived, released, discharged or terminated orally but (in each case) only in writing.

19. Language

19.1 This Agreement is executed in Chinese and English. Any amendment to this Agreement shall be made in Chinese and English. If any discrepancy should occur between the Chinese and English versions, the Chinese version shall prevail.

19.2 All other documents provided under or in connection with this Agreement shall be in Chinese unless the Finance Document otherwise requires.

20. Law and Jurisdiction

20.1 **Governing Law** This Agreement shall be governed by, and shall be construed in accordance with, the laws of the PRC.

20.2 **Jurisdiction** Each party hereto shall negotiate in good faith with other party hereto to resolve any dispute under this Agreement. In the event that no mutually satisfactory resolution is reached, any party shall submit the dispute to the competent courts of the place where the Lender domiciles.

21. **Counterpart**

This Agreement shall be executed in six (6) originals. Each Party of this Agreement holds four (two) original(s).

22. **Appendixes**

All the Appendixes shall constitute integral parts of this Agreement and shall be equally effective as this Agreement.

23. Effectiveness

This Agreement shall come into effect upon the signing and chopping of this Agreement by the authorized person of each party, and shall terminate when all principal, interest, penalty, and any other amounts hereunder have been paid in full.

IN WITHNESS HEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative on the date first above written.

Borrower

AMKOR ASSEMBLY & TEST (SHANGHAI) CO., LTD

/s/ Joanne Solomon

By

Address:
Zip Code:
Tel:
Fax:
Attn:

Lender

CHINA CONSTRUCTION BANK CO., LTD
SHANGHAI WAIGAOQIAO FREE TRADE ZONE SUB-BRANCH

/s/ YongQin Shen

By

Address:
Zip Code:
Tel:
Fax:
Attn:

SCHEDULE I

FORM OF DRAWDOWN NOTICE

To: **CHINA CONSTRUCTION BANK CO., LTD**
SHANGHAI WAIGAOQIAO FREE TRADE ZONE SUB-BRANCH

Dated:[ ]

Dear Sirs,

We refer to the USD50,000,000 (US$50,000,000) Working Capital Facility Agreement ("USD Working Capital Facility Agreement") dated [ ] and made between, *inter alia*, AMKOR Assembly & Test (Shanghai) Co., Ltd as Borrower and the CHINA CONSTRUCTION BANK CO.,LTD, SHANGHAI WAIGAOQIAO FREE TRADE ZONE SUB-BRANCH as Lender. Terms defined in the USD Working Capital Facility Agreement shall have the same meaning in this notice.

1. We hereby give you notice that, pursuant to the USD Working Capital Facility Agreement and on _________ [*insert the proposed Drawdown Date*], we wish to borrow a Loan in an amount of ____________ [*insert amount*] upon the terms and subject to the conditions contained therein. The Repayment Date of the Loan should be _____________ [*insert the proposed Repayment Date*].

2. The Loan shall be used exclusively for the purposes specified in **Clause 2.4** of the USD Working Capital Facility Agreement.

3. We hereby confirm that the representations and warranties set out in the USD Working Capital Facility Agreement are true and shall remain true on the date of this Drawdown Notice.

4. No Event of Default or Potential Event of Default has occurred and is continuing or will result from the Loan requested in this Drawdown Notice.

5. Please arrange for proceeds of this Loan to be credited, to our account, number [ ] with your bank.

Yours faithfully

____
[Authorized Signatory]
for and on behalf of
AMKOR Assembly & Test (Shanghai) Co., Ltd

____

Contract No: W57912302009001

AMKOR ASSEMBLY & TEST (SHANGHAI) CO., LTD.
(as Mortgagor)

and

China Construction Bank Co., Ltd
Shanghai Waigaoqiao Free Trade Zone Sub-branch
(as Creditor)

REAL PROPERTY MORTGAGE AGREEMENT

Dated 20th Jan 2009

Shanghai

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THIS AGREEMENT is made on 20th Jan, 2009 in Shanghai **BETWEEN**:

(1) **AMKOR ASSEMBLY & TEST (SHANGHAI) CO., LTD**. (the "**Mortgagor**")**,** as mortgagor; and

(2) **China Construction Bank Co.;Ltd Shanghai Waigaoqiao Free Trade Zone Sub-branch** (the "**Creditor**"), as creditor.

WHEREAS

(1) The Mortgagor (as the "Borrower") has entered into the Facility Agreement number W57912302009001 USD50,000,000 Working Capital Facility Agreement ("Facility Agreement") with the Creditor (as the "Lender") prior to the execution of this Agreement whereunder the Creditor have agreed to grant to the Mortgagor a working capital loan in an amount of USD50,000,000;

(2) As a condition precedent to the drawdown under the Facility Agreement, the Mortgagor shall enter into this Agreement with the Creditor.

IT IS AGREED as follows:

1. Definitions and Interpretations

1.1 In this Agreement, the following expressions shall, except otherwise defined herein, have the following meanings:

"**Site**" means the site located in 111, Yinlun Road, Pu Dong, Waigaoqiao Free Trade Zone District, Shanghai with an area of 171347 square meters. See Schedule 1 hereof for more details.

"Facility Agreement" means the USD50,000,000 working capital facility agreement numbered as W57912302009001 entered into by and between the Mortgagor (as the "Borrower") and the Creditor (as the "Lender") on January 20 th, 2009.

"**Mortgaged Assets**" means the use right of the stated-owned land, the premises and other attachments on the land which locates in Shanghai, is owned by the Mortgagor and is recorded in the "Shanghai Real Property Certificate" numbered as HuFangDi(PU)Zi(2004)#110185, HuFangDi(PU)Zi(2004)#110184, HuFangDi(PU)Zi(2004)110183, HuFangDi(PU)Zi(2004)110166, HuFangDi(PU)Zi(2004)110182, HuFangDi(PU)Zi(2004)110172, HuFangDi(PU)Zi(2004)110181, HuFangDi(PU)Zi(2004)110180, HuFangDi(PU)Zi(2004)110159, HuFangDi(PU)Zi(2004)110186, HuFangDi(PU)Zi(2004), and the relevant mortgage registration formalities of which have been completed.

"**Real Property**" means the Site and the Mortgagor's Buildings built on the Site;

"**Real Property Certificate**" means the "Shanghai Real Property Certificate" numbered as HuFangDi(PU)Zi(2004)#110185, HuFangDi(PU)Zi(2004)#110184, HuFangDi(PU)Zi(2004)110183, HuFangDi(PU)Zi(2004)110166, HuFangDi(PU)Zi(2004)110182, HuFangDi(PU)Zi(2004)110172, HuFangDi(PU)Zi(2004)110181, HuFangDi(PU)Zi(2004)110180, HuFangDi(PU)Zi(2004)110159, HuFangDi(PU)Zi(2004)110186, HuFangDi(PU)Zi(2004) issued by Shanghai Housing and Real Estate Administration Bureau or other government authorities that may from time to time in charge of the issuance of such certificates, evidencing the Mortgagor's ownership right over the Buildings and its right to use the related lands. See Schedule 2 hereof for more details;

"**Buildings**" means any buildings and premises owned by the Mortgagor on the Site;

"**Land Use Right**" means the land use right in relation to the Site as detailed in the Real Property Certificate;

"**Property Documents**" means all deeds, certificates, agreements and other documents constituting or evidencing the ownership right or other related rights or interests of the Mortgagor to all or any part of the Real Property, including but not limited to all the construction contract, the certificate of examination and approval for completion and the Real Property Certificates; and

1.2 Except as otherwise defined herein or to the extent that the context otherwise requires, capitalized terms used in this Agreement shall have the same meaning as defined in the Facility Agreement.

1.3 Headings of Clauses and Schedules are for reference only and shall be ignored in construing Clauses and Schedules.

2. Principal Debt

The principal debt (hereinafter referred to as the "Principal Debt") secured by this Agreement is the debt owed by the Mortgagor to the Creditor due to the advance of the Loans by the Creditor to the Mortgagor under the Facility Agreement, including all principal of such Loans and interest accrued thereon and any other amount which shall be paid by the Mortgagor to the Creditor for the advance of the Loans under the Facility Agreement.

3. Mortgage

3.1 The Mortgagor agrees to mortgage to the Creditor the Real Property as a security for the Principal Debt.

3.2 The Mortgagor agrees that the indebtedness secured by the mortgage hereunder shall include the Principal Debt and all fees, expenses and losses incurred to the Creditor for the formation and realization of their rights hereunder.

3.3 The Mortgagor shall within 30 days after the execution of this Agreement submit this Agreement and other documents necessary to the Housing and Real Estate Administration Bureau of Shanghai PuDong District for registration of the mortgage of the Real Property. The original Shanghai Real Property Registration Certificate shall be held by the Creditor. The Creditor agrees to assist, in accordance with relevant laws and regulations, the Mortgagor in going through such mortgage registration formalities.

3.4 Unless otherwise agreed between the Mortgagor and the Creditor, all proceeds received by the Mortgagor as indemnity, claims or compensation in relation to the Mortgaged Assets shall be deposited into an account designated by the Creditor as Mortgaged Assets. Such proceeds may not be used by the Mortgagor or any other third party for any purpose or by any means with the exception that such proceeds may be used in accordance with Clause 8.1(1) and the Creditor may use any insurance proceeds in accordance with Clause 7. This Clause does not prohibit the Creditor from disposing the indemnity obtained under any insurance in accordance with other provisions of the Facility Agreement.

3.5 Unless otherwise provided herein and permitted by law, the Mortgaged Assets shall remain under the custody of the Mortgagor and the Mortgagor may use the Mortgaged Assets. Any damage to or loss of the Mortgaged Assets within the term of this Agreement shall be borne by the Mortgagor.

3.6 Unless otherwise provided herein or otherwise agreed by the Creditor after the execution of this Agreement, the mortgage hereunder may not be released unless the Principal Debt has been fully paid and all fees and expenses incurred to the Creditor for the formation and realization of the mortgage hereunder have been satisfied.

4. Mortgagee's Rights

4.1 The Creditor shall have the following rights in relation to the Mortgaged Assets under this Agreement:

(1) The Creditor shall have the first priority mortgage over the Mortgaged Assets and may dispose the Mortgaged Assets in accordance with laws and this Agreement;

(2) The Creditor shall have the priority in receiving payment out of the funds deposited into the account designated by the Creditor in accordance with Clause 3.4 for the satisfaction of their rights against the Mortgagor;

(3) The Mortgagor hereby irrevocably authorizes the Creditor to exercise its rights or perform its obligations under any land use right grant contract, land use right transfer contract, the Real Property Certificate or any of the Construction contract on behalf of the Mortgagor or, where permitted by law, in the name of the Creditor, if the Mortgagor neglects to exercise such rights or perform such obligations to the extent that, according to the Creditor's reasonable and objective judgement, the Mortgagor's ability to perform its obligations under the Finance Documents will be affected;

(4) The Creditor may, on condition that Mortgager's business should not be affected, by prior notice to the Mortgagor, inspect the conditions of the Mortgaged Assets; and

(5) The Creditor may hold the original Shanghai Real Property Registration Certificate issued by the relevant real property registration bureau in relation to the mortgage hereunder.

4.2 The Creditor shall not in any case be held liable for any of the obligations (including but not limited to those under the Property Documents) of the Mortgagor in relation to the Mortgaged Assets.

4.3 The mortgage hereunder is in addition to and shall not in any way be prejudiced by any other security which the Creditor obtained or will obtain. The Creditor may execute the mortgage hereunder before claiming any other security.

5. Representations and Warranty

The Mortgagor represents and warrants to the Creditor on the date hereof (save that all representations and warrants in relation to the Mortgaged Assets listed in Schedule 1 hereof shall be deemed made on the date of obtaining the relevant Real Property Certificate) and acknowledges that the Creditor executes this Agreement on reliance on such representations and warranty:

(1) it is a wholly foreign owned enterprise duly established under applicable laws and regulations of the PRC;

(2) all corporate authorizations necessary for its execution of this Agreement

and the performance of its obligations hereunder have been obtained and the person who signs this Agreement on behalf of the Mortgagor has the authorization to sign this Agreement. The execution of this Agreement and the performance of its obligations hereunder do not violate any laws or regulations;

(3) it has full and unrestricted legal rights in relation to the Mortgaged Assets except for those restriction created by this Agreement. The mortgage hereunder constitutes the first legal mortgage over the Mortgaged Assets after all statutory formalities have been finished;

(4) the Property Documents signed or obtained by the Mortgagor are legal and valid and the Mortgagor is not in default under any Property Document and has not obtained any Property Document in illegal ways;

(5) it has not created any preferential interest on the Real Property and any of its rights or interests under all or any of the Property Documents for any third party other than those it has disclosed to the Creditor in writing before the execution of this Agreement;

(6) it has fully and promptly satisfied all legal requirements and carried out all necessary registration, approval, filing and consent procedures required by laws in relation to the Mortgaged Assets, so as to enable itself to execute this agreement and perform its obligations hereunder and enable the Creditor to exercise their rights hereunder, except for the registration of the mortgage hereunder with the Housing and Real Estate Administration Bureau of Shanghai PuDong District;

(7) all acts, conditions and things required to be done, fulfilled and performed have been done, fulfilled and performed in order to enable it lawfully to enter into this Agreement, to ensure that the obligations expressed to be assumed by it in this Agreement are legal, valid and binding, to make the rights of the Creditor enforceable in the PRC save for the registration of the mortgage hereunder with the Housing and Real Estate Administration Bureau of Shanghai PuDong District;

(8) the performance and enforcement of this Agreement do not conflict with any laws applicable to the Mortgagor, or any document executed by the Mortgagor;

(9) no civil or criminal action or administrative proceedings is started or , to the best of its knowledge, threatened in relation to the Mortgaged Assets on the date hereof and no withdrawal or confiscation of the Real Property by the state has occurred or, to the best of its knowledge, threatened;

(10) all taxes and fees due and payable in relation to acquiring of the legal ownership of the Mortgaged Assets have been paid and all legal procedures and formalities need to be completed in relation to such Real Property have been completed;

(11) all taxes due and payable have been paid.

(12) except those that have been exposed to the Creditor according to this Agreement and approved by the Creditor, neither a contractor nor any third party has any statutory or contractual preferential interest or leasing right in relation to the Mortgaged Assets.

(13) it has paid all land use right fees payable under the relevant land use right grant contract and land use right transfer contract; and

(14) the provisions hereunder reflect the genuine intention of the Mortgagor and shall be binding on it.

6. Mortgagor's Undertakings and Covenants

6.1 Positive Undertakings and Covenants

(1) The Mortgagor hereby undertakes to legally and promptly perform its obligations under the land use right grant contract, the land use right transfer contract, the construction contract (if any) and the Real Property Certificate in relation to the Site, including but not limited to its obligation to pay all fees, prices, taxes and other sums payable.

(2) The Mortgagor covenants that it will comply with the provisions of the land use rights grant contract, the land use right transfer contract, the construction contract (if any) and any other Property Documents in relation to the site and comply with the stipulations in PRC laws in relation to the Mortgaged Assets.

(3) The Mortgagor hereby undertakes that it will promptly inform the Creditor of any building, enhancement, expansion, rebuilding and maintenance of the Mortgaged Assets or any change to, withdraw or extension of the Real Property Certificate and take any measures, including but not limited to carrying out all necessary formalities and obtaining all necessary approvals and certificates, to prevent the rights of the Creditor under this Agreement from being impaired.

(4) The Mortgagor will go through the relevant mortgage formalities (in

necessary) in relation to any new Property Documents in respect of the Real Property so as to make the mortgage hereunder covers the rights and interests of the Mortgagor under such Property Documents.

(5) The Mortgagor hereby undertakes that it will fully comply with all legal requirements in respect of the Mortgaged Assets and carry out all necessary formalities for any registration, approval, filing or consent.

(6) The Mortgagor hereby undertakes that it will promptly pay any payable fees, charges and taxes in relation to the Mortgaged Assets and deliver, if requested by the Creditor, copies of receipt or other evidence of the payment to the Creditor.

(7) The Mortgagor hereby undertakes that it will, within seven (7) business days after the occurrence or its awareness of the possibility of any event that may materially effect the Mortgagor's ability to provide security, including any change of any part of the layout of the Mortgaged Assets as per the requirement of the agency of the government, any seizure or execution of the Mortgaged Assets, any material damage to or any decrease in the value of or the destroy of the Mortgaged Assets, inform the Creditor of such event in writing.

(8) The Mortgagor hereby undertakes to provide the Creditor with copies of all notices to or from all relevant government authorities relating to the Mortgaged Assets within fourteen (14) days of the service of such notices and comply with all governmental requirements and notices in respect of the Mortgaged Assets.

(9) The Mortgagor hereby undertakes that it will fully exercise its rights under any land use right grant contract, land use right transfer contract, construction contract, contract for house breaking and movement and contract for confiscation (if any) and take all reasonable measures (including but not limited to litigation) at its own expense for the smooth exercise thereof.

(10) The Mortgagor shall in accordance with the Creditor's request implement any reasonable and legal instructions given by the Creditor in relation to realization of any rights or interests of the Creditor under this Agreement, issue any notices in relation hereto which the Creditor may require; execute, as the Creditor may so request, any documents required by any applicable laws for the purpose of perfecting the rights and interests of the Creditor

hereunder.

6.2 Negative Undertakings and Covenants

(1) The Mortgagor hereby undertakes that it will at no time during the term of this Agreement unless otherwise required by law or it has obtained prior written consent of the Creditor and has fulfilled the conditions (if any)attached to such consent:

(i) waive any of its rights under any land use right grant contract, land use right transfer contract, construction contract, contract for house breaking and movement in relation to the Site and Contract for confiscation in relation to the Mortgaged Assets (if any);

(ii) delay to pay any construction costs, which may cause the relevant contractor be provided with a right of priority in accordance with Article 286 of the Contract law of the PRC;

(iii) build any new buildings, premises, structures and related facilities on the Site, or build, enhance, expand, rebuild or demolish the Real Property, or unreasonably change the Real Property's structure ,except for such transaction where the amount dose not exceed us$1,000,000 for any transaction or us$5,000,000 in the aggregate for any year; or

(iv) apply all or any part of the Mortgaged Assets to any usage other than these specified in the land use right grant contract, land use right transfer contract (if any) or the Real Property Certificate.

(2) The Mortgagor hereby undertakes that it will not, without the prior written consent of the Creditor, mortgage any property as a consequence of any building, enhancement, expansion, rebuilding or maintenance in relation to the Mortgaged Assets to any third party.

(3) The Mortgagor hereby undertakes that it will not, without the prior written consent of the Creditor , enter into any document which may impair the Creditor's mortgage rights hereunder.

7. Insurance

7.1 The Mortgagor shall, before the first drawdown date, effect insurance for the Relevant Mortgaged Assets with one or more insurance company admissible to the Creditor with the Creditor being the first priority beneficiary. Such insurance shall be adequate and shall include but not limited to real property risk with the Creditor as the first priority beneficiary. The Mortgagor shall pay the relevant insurance premium and deliver the relevant original insurance policies to the Creditor.

7.2 The insurance premium and the fees and expenses in relation to the above insurance shall be borne by the Mortgagor. The Mortgagor shall always pay insurance premium in time and shall not suspend, cancel or terminate any insurance before the Principal Debt and any cost incurred to the Creditor for the formation and realization of the Mortgage hereunder has been fully paid. Otherwise, the Creditor may pay such insurance premium or effect insurance on behalf of the Mortgagor and the Mortgagor shall indemnify the Creditor of all such insurance premium and the interest accrued thereon (the applicable interest rate shall be the base rate published by the People's Bank of China for loan of a comparable duration). The Creditor may draw the above amount directly from the account of the Mortgagor. If the fund in the said account is insufficient, the Mortgagor shall pay the Creditor the above amount and the interests accrued thereon upon the receipt of the written notice given by the Creditor.

7.3 Unless the Creditor otherwise notifies the Mortgagor and the respective insurer in writing, all insurance proceeds or other amount relating to the Insurance (referred to as "Proceeds" in this Clause 7) paid by the insurer in relation to the Mortgaged Assets shall be remitted into an account designated by the Creditor.

7.4 The Mortgagor shall, if it intends to use any Proceeds to repair or to purchase new equipments to replace the damaged Mortgaged Assets, where the amount per transaction exceeds us$1,000,000(including us$1,000,000),after the remittance of such Proceeds into the above account, promptly deliver to the Creditor a report stating its intention and, if requested by the Creditor, provide the Creditor with detailed information of such purchase or repair. Where the Creditor consent to such purchase or repair, the Mortgagor may draw such Proceeds together with the interest accrued thereon and apply the same to the purposes set out in the report.

8. Disposal of Mortgaged Assets

8.1 If any principal or interest amount due and payable under the Facility Agreement is not paid by the Mortgagor on its due date, or any other fee due and payable is not paid by the Mortgagor within ten (10) business days of its due date, the Creditor shall, within the scope permitted by applicable laws, as long as any such amounts remain unpaid, immediately be given the following rights in relation to the Mortgaged Assets and may authorized the Creditor to exercise such rights in accordance the stipulation of laws in the name of the Mortgagor or in its own name:

(1) to apply the funds deposited into the relevant account as per clause 3.4 hereof to the payment of all sums due and payable in the order set out in clause 8.3 hereof;

(2) to reasonably take possession of and manage the Mortgaged Assets, including take possession and collect rents and other benefit of the Mortgaged Assets;

(3) to negotiate with the Mortgagor to apply the Mortgaged Assets directly to the repayment of the Principal Debt or to be paid by the proceeds from the auction or sale of the Mortgaged Assets;

(4) to settle, compromise, refer to litigation or arbitration or other proceedings in relation to any dispute, demand or claim relation to the Mortgaged Assets; and

(5) any other rights conferred to the Mortgagor in relation to the Mortgaged Assets.

8.2 The Creditor may by prior written notice to the Mortgagor, appoint any third party it think fit to exercise the rights conferred to the Creditor in clause 8.1.

8.3 All proceeds received by the Creditor or any other agent appointed by the Creditor as a result of execution the rights under clause 8.1 shall be applied in the following order:

(1) in payment of all fees and expenses and taxes arising from the formation and realization of the Mortgage hereunder, including but not limited to all fees and expenses arising from the Creditor’s or its agents’ enforcement of the rights under clause 8.1;

(2) in payment of all fees and expenses and taxes due and payable by the Mortgagor under the Facility Agreement;

(3) in payment of the loan principal due and payable by the Mortgagor under the Facility Agreement;

(4) in payment of all penalty interest and interest due and payable by the Mortgagor under the Facility Agreement;

(5) in payment of the surplus to the Mortgagor or to its order.

8.4 The Mortgagor hereby irrevocably authorizes the Creditor to exercise the rights under clause 8 in the name of the Mortgagor at any time when any amount due and payable under the Facility Agreement is not paid in time and acknowledges that the Creditor or any other agent or representative appointed by the Creditor under this Agreement shall not be liable for any losses of, damage to or decrease in value of the Mortgaged Assets unless such losses, damage or decrease is caused by the wilful misconduct or gross negligence of the Creditor or such other agent or representative.

8.5 If the proceeds received by the Creditor or any other agent appointed by the Creditor by disposing the Mortgaged Assets in accordance with this Clause 8 cannot fully repay the Principal Debt and all fees and expenses incurred by the Creditor and such other agent, the Creditor may further claims against the Mortgagor.

9. Waivers

No failure to exercise, nor any delay in exercising any right or remedy under the this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies provided herein are cumulative and not exclusive of any rights or remedies provided by law;

10. Force Majeure

Without prejudice to the effectiveness of this Agreement and any Facility Agreement, the effectiveness of this Agreement is affected by or the disposal of the Mortgaged Assets becomes illegal or impossible due to any amendments to or any new interpretation of any laws or regulations or an change in the registration procedures, the Mortgagor shall upon the written request directly or indirectly take measures to sign contracts and mortgage documents or take any other actions reasonably required by the Creditor to push forward the above measures so as to maintain the effectiveness of this Agreement and/or to facilitate the disposal of the Mortgaged Assets in accordance with this Agreement.

11. Effectiveness

11.1 This Agreement shall be independent of the Facility Agreement. If the Facility Agreement becomes wholly or partially invalid, the validity of this agreement will not be affected.

11.2 The invalidity, illegality or unenforceability of any such provision shall not affect or impair the validity, legality or enforceability of any of the remaining provisions hereof or affect the rights of the Creditor conferred by the laws.

11.3 The Schedule hereto constitute an integral part of this Agreement and both the schedule and this Agreement shall be equally effective.

12. Assignment and Amendment

12.1 If any Creditor assigns all or any part of its rights under any Facility Agreement, such Creditor may assign all or the appropriate portion of its rights hereunder. The Creditor and the Mortgagor shall carry out the relevant amendment formalities (if necessary) and the Mortgagor shall not be responsible for any expenses so occurred.

12.2 No provision hereof may be amended, waived, discharged or terminated, except by an instrument in writing and signed by all the parties hereto.

13. Release of Mortgage and Termination

13.1 This Agreement shall not be terminated unless the Principal Debt has been fully paid and all fees, costs and losses incurred by the Creditor or the Creditor for the formation and realization of the mortgage hereunder have been satisfied.

13.2 After the termination of this Agreement, the Creditor may upon the request of the Mortgagor, issue an evidence for the consent to release of the mortgage hereunder so as to facilitate the Mortgagor's effecting of the mortgage release formalities. The Mortgagor shall bear all fees arising therefrom.

14. Notices

14.1 Each notice, demand or other communication to be given or made under this document shall be in writing and, unless otherwise stated, shall be made by personal delivery, facsimile, telex or letter.

14.2 Any communication or document to be made or delivered by one person to another pursuant to this Agreement shall (unless that other person has by five (5) days' written notice to another specified another address) be made or delivered to that other person at the address identified in the execution pages with respect to such person (or, in the case of a Transferee, at the end of the Transfer Agreement to which it is a party as Transferee) and shall be deemed to have been made or delivered when receipt is confirmed by the recipient (in the case of any communication made by fax or telex) or (in the case of any communication made by personal delivery or letter) when left at that address or (as the case may be) ten (10) days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

14.3 The Mortgagor authorizes the Creditor to notify Amkor Technology Inc. of any communication delivered by the Creditor during the term of this agreement in any manner satisfactory to the Creditor("Authorized Notice"). The Creditor shall have the right, but not be obliged, to make such Authorized Notice, and shall not be responsible for any liability, consequence arising from the Authorized Notice. The Mortgagor shall reimburse the Creditor any loss and cost suffered by the Creditor for the Authorized Notice. For the purpose of making due Authorized Notice, the Mortgagor shall promptly notify the Creditor any material change of its equity structure in writing.

14.4 Each notice, demand or other communication and any other documents required to be delivered hereunder shall be in Chinese.

15. Governing Law and Jurisdiction

15.1 This Agreement shall be governed by, and shall be construed in accordance with, the law of the PRC.

15.2 Each party hereto shall negotiate in good faith with other parties hereto to resolve any dispute arising from this Agreement. In the event that no mutually satisfactory resolution is reached any party may submit the dispute to the competent courts of the place where the Creditor domiciles.

16. Counterparts

This Agreement is written in Chinese and English, each in six originals. Mortgagor shall hold two original of each of the English and Chinese versions and each Mortgagee shall hold three original(s) of each of the English and Chinese versions, one original of each of the English and Chinese versions shall be submitted to each Registration Authority for the purpose of registration. Each original shall be equally binding and effective.

17. Miscellaneous

This Agreement is executed in Chinese and English. Any amendment to this Agreement shall be made in Chinese and English. If any discrepancy should occur between the Chinese and English versions, the Chinese version shall prevail. This Agreement shall come into effect upon the signing and chopping of this Agreement by the authorized person of each party.

IN WITHNESS HEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative on the date first above written.

Mortgagor

AMKOR ASSEMBLY & TEST (SHANGHAI) CO., LTD.

/s/ Joanne Solomon
By

Address:
Zip Code:
Tel:
Fax:
Attn:

Creditor

China Construction Bank Co.;Ltd

Shanghai Waigaoqiao Free Trade Zone Sub-branch

/s/ YongQin Shen
By

Address:
Zip Code:
Tel:
Fax:
Attn:

Schedule 1

Particulars Of Mortgage

1. Mortgagor: AMKOR Assembly & Test (Shanghai) Co., Ltd

2. Creditor/Mortgagee: **China Construction Bank Co., Ltd**, **Shanghai Waigaoqiao Free Trade Zone Sub-branch**

3. Particulars of Mortgaged Assets (Real Property)

(1) Particulars of the Site

(i) Position: 75 JieFang 1 Qiu, PuDong District, Shanghai

(ii) Purpose/usage: Industry

(iii) Area: 171347m^2

(iv) Term of Use: 27th Oct, 2004 to 31st Aug 2054

(v) Source of Use Right:

(vi) Registered Number of Real Property Certificate: HuFangDi(PU)Zi(2004)#110185, HuFangDi(PU)Zi(2004)#110184, HuFangDi(PU)Zi(2004)110183, HuFangDi(PU)Zi(2004)110166, HuFangDi(PU)Zi(2004)110182, HuFangDi(PU)Zi(2004)110172, HuFangDi(PU)Zi(2004)110181, HuFangDi(PU)Zi(2004)110180, HuFangDi(PU)Zi(2004)110159, HuFangDi(PU)Zi(2004)110186, HuFangDi(PU)Zi(2004)

(vii) Price of land Use Right and relating fees:

(2) Particulars of Buildings

(i) Structure of the Buildings:

(ii) Height of the Buildings:

(iii) Construction Area: 87900.66 square meters

4. Value of Mortgaged Assets: CNT 656700000.00

5. Amount of Principal Debt: USD 50000000.00

Schedule 2

Copy of Real Property Certificate

Exhibit 31.1

SECTION 302 CERTIFICATION

I, James J. Kim, 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.

May 6, 2009

/s/ JAMES J. KIM

James J. Kim
Chief Executive Officer

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.

May 6, 2009

/s/ JOANNE SOLOMON

Joanne Solomon
Corporate Vice President and
Chief Financial Officer

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, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James J. Kim, 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.

May 6, 2009

/s/ JAMES J. KIM
James J. Kim
Chief Executive Officer

In connection with the Quarterly Report of Amkor Technology, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joanne Solomon, Corporate 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.

May 6, 2009

/s/ JOANNE SOLOMON
Joanne Solomon
Corporate Vice President and
Chief Financial Officer