



## **SpanSION® and ASE Sign Final Manufacturing Joint Venture MOU**

### *Joint Venture to Operate SpanSION Suzhou Facility*

**SUNNYVALE, Calif. and Taipei, Taiwan – October 15, 2008** – SpanSION Inc. (Nasdaq: SPSN), the world's largest pure-play provider of Flash memory solutions, and Advanced Semiconductor Engineering Incorporated (ASE, TAIEX: 2311, NYSE: ASX), the world's largest semiconductor packaging and test company, today announced the signing of a Memorandum of Understanding (MOU) to establish a joint venture to jointly own the SpanSION Suzhou, China final manufacturing facility. Specific terms of the non-binding MOU were not disclosed.

Today's announcement is a significant milestone in SpanSION's strategy to focus on its own core competencies and establish strategic alliances with industry leaders in final manufacturing. Upon the completion of this transaction the joint venture is expected to allow management to reduce capital expenditures and increase asset utilization through greater economies of scale. Through partnerships, SpanSION can focus its resources on growing its strong leadership position in the wireless and embedded market segments; further diversifying its product portfolio with innovative, next-generation Flash memory solutions; and accelerating the company's leading-edge Flash memory process technology roadmap.

"ASE is the world leader in final manufacturing services," said Bertrand Cambou, president and CEO, SpanSION Inc. "Through our partnership with ASE, the SpanSION Suzhou facility is expected to serve a broader customer base which should result in lower costs through greater economies of scale and increased utilization."

The joint venture complements ASE's existing product, manufacturing and growth strategy, which is focused on providing outsourced assembly and test services for a wide range of semiconductor companies. As such, this joint venture will continue to provide final manufacturing services to SpanSION and will also leverage ASE's technology expertise and management resources to serve other companies in this field.

"Spansion is a premier manufacturer of Flash memory and widely recognized for driving the advancement of state-of-the-art memory technology, as well as complex packaging techniques. This joint venture will enable ASE to expand its role in the rapidly growing flash memory segment," commented Jason Chang, Chairman and CEO, ASE. "We are excited to see more and more semiconductor companies adopt the asset-light strategy, which leads to the acceleration of outsourcing demand. ASE is well prepared to capitalize on this industry trend and embrace these opportunities."

The Spansion Suzhou facility is the flagship factory in Spansion's final manufacturing network, with approximately 1100 employees. Operating in China since 1998, the Suzhou facility is certified to ISO 9001:2000 and ISO/TS 16949:2002 as well as ISO 14001 and OHSAS 18001 standards. Operations at Spansion Suzhou include: MCP package development; high-volume manufacturing of MCP, FBGA, and TSOP packages; assembly, test, mark and pack; and customer support.

The final terms of the transaction are subject to the negotiation and entry into of definitive agreements, including a multi-year service agreement. ASE and Spansion plan to complete a definitive agreement in the fourth quarter 2008, subject to the completion of necessary regulatory approvals.

### **About Spansion**

Spansion is a leading Flash memory solutions provider, dedicated to enabling, storing and protecting digital content in wireless, automotive, networking and consumer electronics applications. Spansion, previously a joint venture of AMD and Fujitsu, is the largest company in the world dedicated exclusively to designing, developing, manufacturing, marketing, selling and licensing Flash memory solutions. For more information, visit <http://www.spansion.com>.

### **About ASE Group**

The ASE Group is the world's largest provider of independent semiconductor manufacturing services in assembly and test. As a global leader geared towards meeting the industry's ever growing needs for faster, smaller and higher performance chips, the Group develops and offers a wide portfolio of technology and solutions including IC test program design, front-end engineering test, wafer probe, wafer bump, substrate design and supply, wafer level package, flip chip, system-in-package and final test. ASE Group also provides electronic manufacturing services through its affiliate, Universal Scientific Industrial Co Ltd. The Group generated sales revenues of \$3.1 billion in 2007 and employs over 28,000 people worldwide. For more information about the ASE Group, visit [www.aseglobal.com](http://www.aseglobal.com).

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## **Cautionary Statement**

This release contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding the expected entry into and timing of completion of the definitive agreement and closing of the transaction; the expected benefits of the transaction to Spansion, including statements regarding Spansion's expectations that the transaction will allow management to reduce capital expenditures, increase asset utilization, drive cost improvement through greater economies of scale, and will help enable Spansion to focus its resources on growing its strong leadership position in the wireless and embedded market segments; further diversify its product portfolio with; and accelerate Spansion's Flash memory process technology roadmap, and statements regarding the expected provision of manufacturing services by the Spansion Suzhou manufacturing facility. Investors are cautioned that the forward-looking statements in this release involve risks and uncertainties that could cause actual results to differ materially from the company's current expectations. Risks that the company considers to be the important factors that could cause actual results to differ materially from those set forth in the forward-looking statements include risks related to the negotiation, entry into and closing of the transaction; difficulties in achieving expected benefits from the transaction, that demand for the company's Flash memory products will be lower than currently expected; that average selling prices may decline; loss of key intellectual property arrangements creates a greatly increased risk of patent or other intellectual property infringement claims; the high cyclical nature of the Flash memory market which has experienced severe downturns; that adverse financial market conditions may impeded access to or increase the cost of financing operations and investments; that Spansion may not be effective in expense reduction efforts; that OEMs will increasingly choose NAND-based Flash memory products over the company's MirrorBit architecture-based Flash memory products for their applications; that Spansion has a significant amount of debt, and such debt could subject Spansion to restrictive covenants; that Spansion may not achieve facilities and capacity implementation schedules as a result of factors such as insufficient cash flows and unavailable external financing; that Spansion may lose a key customer, or experience a reduction of demand from a key customer; that Spansion will not successfully develop, introduce and commercialize new products and technologies or to accelerate Spansion's product development cycle; that competitors may introduce new memory or other technologies that may make Spansion's Flash memory products uncompetitive or obsolete; that Spansion may fail to successfully develop next generation products; customers' ability to change booked orders may lead to excess inventory; that Spansion's investments in research and development may not lead to timely improvements in technology; that Spansion may experience manufacturing constraints or fail to achieve manufacturing efficiencies; Spansion may experience manufacturing disruptions of suppliers interrupt supply or increase prices for raw materials; and intellectual property claims or litigation could cause Spansion to incur substantial costs or pay substantial damages or prohibit sales of its products. Spansion urges investors to review in detail the risks and uncertainties in its Securities and Exchange Commission filings, including but not limited to its Annual Report on Form 10-K for the fiscal year ended December 30, 2007 and its Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2008. Spansion assumes no obligation to update any forward-looking statements or information included in this press release.

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