

CHIPMOS TECHNOLOGIES BERMUDA LTD
Form 6-K
November 06, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of November, 2006

ChipMOS TECHNOLOGIES (Bermuda) LTD.

(Translation of Registrant's Name Into English)

11F, No. 3, Lane 91, Dongmei Road

Hsinchu, Taiwan

Republic of China

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.)

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.

ChipMOS TECHNOLOGIES (Bermuda) LTD.
(Registrant)

Date: Nov. 6, 2006

By /S/ S.J. Cheng
Name: S. J. Cheng
Title: Chairman & Chief Executive Officer

EXHIBITS

Exhibit

Number

1.1 Press Release

Contact:In Taiwan

Dr. S.K. Chen

ChipMOS TECHNOLOGIES (Bermuda) LTD.

+886-6-507-7712

s.k.chen@chipmos.comIn the U.S.

David Pasquale

The Ruth Group

646-536-7006

dpasquale@theruthgroup.com**ChipMOS REPORTS THIRD QUARTER RESULTS**

Hsinchu, Taiwan, November 7, 2006 ChipMOS TECHNOLOGIES (Bermuda) LTD. (ChipMOS or the Company) (Nasdaq: IMOS) today reported unaudited consolidated financial results for the third quarter ended September 30, 2006. All U.S. dollar figures in this release are based on the exchange rate of NT\$33.10 against US\$1.00 as of September 29, 2006.

Under ROC GAAP, net revenue for the third quarter of 2006 was NT\$5,312.5 million or US\$160.5 million, an increase of 38.5% from NT\$3,836.3 million or US\$115.9 million for the same period in 2005 and an increase of 11.3% from NT\$4,774.7 million or US\$144.3 million in the second quarter of 2006. On a consolidated basis, the gross margin under ROC GAAP for the third quarter of 2006 was 28.3%, compared to 25.3% for the same period in 2005 and 28.5% for the second quarter of 2006. Under ROC GAAP, net income for the third quarter of 2006 was NT\$481.5 million or US\$14.6 million, and NT\$7.00 or US\$0.21 per common share, compared to net income of NT\$203.7 million or US\$6.1 million, and NT\$3.01 or US\$0.09 per common share, for the same period in 2005 and net income of NT\$316.4 million or US\$9.6 million, and NT\$4.62 or US\$0.14 per common share, for the second quarter of 2006. Under US GAAP, net income for the third quarter of 2006 was NT\$555.6 million or US\$16.8 million, and NT\$8.08 or US\$0.24 per common share.

The unaudited consolidated financial results of ChipMOS for the third quarter ended September 30, 2006 included the financial results of ChipMOS TECHNOLOGIES INC., ChipMOS Japan Inc., ChipMOS U.S.A., Inc., ChipMOS TECHNOLOGIES (H.K.) Limited, MODERN MIND TECHNOLOGY LIMITED and its wholly-owned subsidiary ChipMOS TECHNOLOGIES (Shanghai) LTD., and ThaiLin Semiconductor Corp.

On October 18, 2006, noteholders converted US\$7,000,000 in aggregate principal amount of its 1.75% Convertible Senior Notes due 2009 (the Notes) into 1,114,649 common shares pursuant to the Company's induced conversion offer, dated October 17, 2006. Pursuant to the induced conversion offer, the Company paid approximately US\$490,000 to the converting noteholders.

In addition, on November 3, 2006, the Company repurchased US\$6,300,000 in aggregate principal amount of the Notes pursuant to the noteholders' put option under the Indenture (the Indenture), dated as of November 3, 2004, between the Company and The Bank of New York, as trustee. Under the Indenture, each noteholder had the right to require the Company to repurchase on November 3, 2006 such noteholder's Notes at a repurchase price equal to 100% of the principal amount plus accrued and unpaid interest. After November 3, 2006, noteholders may require the Company to repurchase the Notes only upon the occurrence of certain fundamental changes.

S.J. Cheng, Chairman and Chief Executive Officer of ChipMOS, said, "Revenue in the third quarter came in better than the high end of our prior guidance. This reflects the continued demand strength in memory testing, and memory and mixed-signal assembly. DDR II and DRAM demand remains robust. We are also encouraged by the recovery in TCP (Tape Carrier Package)/COF (Chip On Film) assembly and testing business that started in August. We expect the utilization rate for TCP/COF will remain above 90% for the coming months. We are also encouraged by the growth of our flash business. We expect continued growth in this segment based on customer order indications and new programs ramping.

S.K. Chen, Chief Financial Officer of ChipMOS, said, "We achieved a gross margin above 28% for the second quarter in a row. While we remain financially conservative, our strong balance sheet and credit lines provide us with the flexibility to strategically invest in customer programs that are capable of meeting our growth requirements. As a result,

capital expenditures were US\$112.4 million in the third quarter. It was necessary that we accelerated our capital expenditures in the third quarter given customer demand levels for flash and DDR II testing. Our plan is to reduce our annual capex level by 30% to 40% in 2007 given the fact that we believe we will have adequate capacity in place to support our customers and their program ramps. This will allow ChipMOS to focus on margin expansion and revenue growth, while also improving our cash flow.

Selected Operation Data for Third Quarter 2006

| | | | |
|--|----------|------------------------------------|---------|
| Revenue by segment | | | |
| Testing | Assembly | LCD Driver | |
| 46% | 34% | 20% | |
| Utilization by segment | | | |
| Testing | Assembly | LCD Driver (TCP/COF, COG, Bumping) | Overall |
| 86% | 81% | 71%(76%, 67%, 40%) | 81% |
| CapEx by segment | | | |
| Testing | Assembly | LCD Driver | |
| 89% | 10% | 1% | |
| Depreciation and amortization expenses | | | |
| 3rd Quarter | | 2nd Quarter | |
| US\$44.4 million | | US\$39.0 million | |

Fourth Quarter 2006 Outlook

Based on current customer forecasts and market conditions, ChipMOS currently expects revenue for the fourth quarter of 2006 will be in the range of approximately US\$168 million to US\$172 million, which would represent sequential growth of approximately 5% to 7% compared to the third quarter of 2006. After considering the effect of exchange rates, we currently expect the revenue for full year 2006 will fall in the range of US\$595 million to US\$615 million. The Company currently expects gross margin on a consolidated basis for the fourth quarter of 2006 to be in the range of approximately 26% to 29%, reflecting the change in product mix, pricing pressure from DRAM assembly and LCD driver business and higher depreciation costs related to capacity that was brought online in the second and the third quarters of 2006.

Investor Conference Call / Webcast Details

ChipMOS will review detailed third quarter 2006 results on Monday, November 6, 2006 at 7:00PM ET (8:00AM, November 7, Taiwan time). The conference call-in number is +1-201-689-8562. A live webcast of the conference call will be available at ChipMOS website at <http://www.chipmos.com/>. The playback will be available in 2 hours after the conclusion of the conference call and will be accessible by dialing +1-201-612-7415. The account number to access the replay is 3055 and the confirmation ID number is 217202.

About ChipMOS TECHNOLOGIES (Bermuda) LTD.:

ChipMOS (<http://www.chipmos.com/>) is a leading independent provider of semiconductor testing and assembly services to customers in Taiwan, Japan, and the U.S. With advanced facilities in Hsinchu and Southern Taiwan Science Parks in Taiwan and Shanghai, ChipMOS and its subsidiaries provide testing and assembly services to a broad range of customers, including leading fabless semiconductor companies, integrated device manufacturers and independent semiconductor foundries.

Forward-Looking Statements

Certain statements contained in this announcement may be viewed as forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the SEC) and in the Company's other filings with the SEC.

FINANCIAL TABLES FOLLOW BELOW

ChipMOS TECHNOLOGIES (Bermuda) LTD.**CONSOLIDATED INCOME STATEMENT (UNAUDITED)**

For the Three Months Ended September 30, 2006 and 2005

Figures in Million of U.S. dollars (USD)⁽¹⁾

Except for Per Share Amounts and Shares Outstanding

| | ROC GAAP | | | | US GAAP |
|---|-----------------------------|--------|-----------------------------|--------|----------------|
| | 3 months ended September 30 | | 3 months ended September 30 | | 3 months ended |
| | 2006 | 2005 | 2006 | 2005 | September 30 |
| | USD | USD | USD | USD | 2006 |
| | USD | USD | USD | USD | USD |
| Net Revenue | 160.5 | 115.9 | 436.7 | 330.2 | 160.5 |
| Cost of Revenue | 115.1 | 86.6 | 308.6 | 251.6 | 115.3 |
| Gross Profit | 45.4 | 29.3 | 128.1 | 78.6 | 45.2 |
| Operating Expenses | | | | | |
| Research and Development | 1.8 | 2.1 | 5.7 | 5.8 | 1.8 |
| Sales and Marketing | 0.8 | 1.0 | 2.4 | 2.5 | 0.8 |
| General and Administrative | 6.1 | 6.5 | 17.5 | 16.8 | 7.5 |
| Total Operating Expenses | 8.7 | 9.6 | 25.6 | 25.1 | 10.1 |
| Income from Operations | 36.7 | 19.7 | 102.5 | 53.5 | 35.1 |
| Non-Operating Expenses, Net | (4.2) | (4.1) | (6.1) | (14.0) | (0.6) |
| Income before Income Tax, Minority Interests and Interest in Bonuses Paid by Subsidiaries | 32.5 | 15.6 | 96.4 | 39.5 | 34.5 |
| Income Tax Expense | (4.1) | (1.9) | (12.8) | (3.6) | (4.0) |
| Income before Minority Interests and Interest in Bonuses Paid by Subsidiaries | 28.4 | 13.7 | 83.6 | 35.9 | 30.5 |
| Cumulative Effect of Changes in Accounting Principles | | | 0.1 | | |
| Minority Interests | (13.8) | (7.6) | (36.8) | (18.4) | (13.7) |
| Interest in Bonuses Paid by Subsidiaries | | | (4.5) | (3.8) | |
| Net Income | 14.6 | 6.1 | 42.4 | 13.7 | 16.8 |
| Earnings Per Share -Basic | 0.21 | 0.09 | 0.62 | 0.20 | 0.24 |
| Shares Outstanding (in thousands)-Basic | 68,787 | 67,642 | 68,407 | 67,489 | 68,787 |

Note: (1) All U.S. dollar figures in this release are based on the exchange rate of NT\$33.1 against US\$1.00 as of September 29, 2006. The convenience translation should not be construed as representations that the NT Dollar amounts have been, or could be in the future be, converted into US dollars at this or any other exchange rate.

ChipMOS TECHNOLOGIES (Bermuda) LTD.**CONSOLIDATED INCOME STATEMENT (UNAUDITED)**

For the Three Months Ended September 30, 2006 and 2005

Figures in Million of NT dollars (NTD)

Except for Per Share Amounts and Shares Outstanding

| | ROC GAAP | | | | US GAAP |
|---|-----------------------------|---------|-----------------------------|----------|----------------|
| | 3 months ended September 30 | | 3 months ended September 30 | | 3 months ended |
| | 2006 | 2005 | 2006 | 2005 | September 30 |
| | NTD | NTD | NTD | NTD | NTD |
| Net Revenue | 5,312.5 | 3,836.3 | 14,454.3 | 10,931.1 | 5,312.5 |
| Cost of Revenue | 3,811.2 | 2,865.2 | 10,216.0 | 8,328.2 | 3,815.7 |
| Gross Profit | 1,501.3 | 971.1 | 4,238.3 | 2,602.9 | 1,496.8 |
| Operating Expenses | | | | | |
| Research and Development | 60.0 | 70.5 | 190.1 | 193.4 | 60.0 |
| Sales and Marketing | 26.8 | 31.8 | 79.4 | 81.9 | 26.8 |
| General and Administrative | 202.0 | 216.0 | 577.7 | 557.0 | 247.1 |
| Total Operating Expenses | 288.8 | 318.3 | 847.2 | 832.3 | 333.9 |
| Income from Operations | 1,212.5 | 652.8 | 3,391.1 | 1,770.6 | 1,162.9 |
| Non-Operating Expenses, Net | (140.0) | (135.2) | (201.0) | (462.9) | (21.0) |
| Income before Income Tax, Minority Interests and Interest in Bonuses Paid by Subsidiaries | 1,072.5 | 517.6 | 3,190.1 | 1,307.7 | 1,141.9 |
| Income Tax Expense | (135.4) | (62.9) | (424.8) | (118.2) | (133.0) |
| Income before Minority Interests and Interest in Bonuses Paid by Subsidiaries | 937.1 | 454.7 | 2,765.3 | 1,189.5 | 1,008.9 |
| Cumulative Effect of Changes in Accounting Principles | | | 3.3 | | |
| Minority Interests | (455.6) | (251.0) | (1,219.6) | (610.0) | (453.3) |
| Interest in Bonuses Paid by Subsidiaries | | | (149.5) | (127.1) | |
| Net Income | 481.5 | 203.7 | 1,399.5 | 452.4 | 555.6 |
| Earnings Per Share -Basic | 7.00 | 3.01 | 20.46 | 6.70 | 8.08 |
| Shares Outstanding (in thousands)-Basic | 68,787 | 67,642 | 68,407 | 67,489 | 68,787 |

ChipMOS TECHNOLOGIES (Bermuda) LTD.**CONSOLIDATED BALANCE SHEET (UNAUDITED)**

As of September 30, 2006

Figures in Million of U.S. dollars (USD) ⁽¹⁾

| | ROC GAAP | | | US GAAP | | |
|---|----------------|----------------|---------------|----------------|----------------|---------------|
| | Sep-06 USD | Jun-06 USD | Dec-05 USD | Sep-06 USD | Jun-06 USD | Dec-05 USD |
| <u>ASSETS</u> | | | | | | |
| Cash and Cash Equivalents | 172.6 | 113.2 | 139.2 | 172.6 | 113.2 | 139.2 |
| Financial Assets at Fair Value Through Profit or Loss | 15.8 | 6.1 | 5.6 | 15.8 | 6.1 | 5.7 |
| Available-for-Sale Financial Assets | 0.0 | | | 0.0 | | |
| Accounts and Notes Receivable | 152.8 | 129.6 | 120.1 | 152.8 | 129.6 | 120.1 |
| Inventories | 25.1 | 25.8 | 19.0 | 25.1 | 25.8 | 19.0 |
| Other Current Assets | 14.3 | 17.6 | 19.7 | 14.3 | 17.6 | 19.7 |
| Total Current Assets | 380.6 | 292.3 | 303.6 | 380.6 | 292.3 | 303.7 |
| Long-term Investments | 10.5 | 10.5 | 12.2 | 10.5 | 10.5 | 11.7 |
| Property, Plant & Equipment-Net | 855.8 | 785.4 | 616.9 | 852.5 | 782.4 | 614.5 |
| Intangible Assets | 14.3 | 11.3 | 9.9 | 14.3 | 11.3 | 9.9 |
| Other Assets | 16.3 | 16.1 | 16.9 | 15.9 | 15.7 | 16.5 |
| Total Assets | 1,277.5 | 1,115.6 | 959.5 | 1,273.8 | 1,112.2 | 956.3 |
| <u>LIABILITIES</u> | | | | | | |
| Current Liabilities | 319.8 | 277.7 | 237.4 | 314.9 | 276.8 | 243.2 |
| Long-term Liabilities | 298.6 | 216.5 | 134.0 | 307.2 | 216.5 | 134.0 |
| Other Liabilities | 12.3 | 10.6 | 11.3 | 11.2 | 9.5 | 10.4 |
| Total Liabilities | 630.7 | 504.8 | 382.7 | 633.3 | 502.8 | 387.6 |
| Minority Interests | 248.6 | 239.3 | 238.0 | 248.1 | 238.9 | 233.9 |
| <u>SHAREHOLDERS EQUITY</u> | | | | | | |
| Capital Stock | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Option Warrants | 4.3 | 2.5 | 3.1 | 14.7 | 4.9 | 3.1 |
| Deferred Compensation | (2.0) | (0.3) | (0.6) | (10.5) | (2.0) | (0.6) |
| Capital Surplus | 284.1 | 275.3 | 269.4 | 264.3 | 263.8 | 257.9 |
| Retained Earnings | 108.7 | 94.2 | 66.5 | 120.8 | 104.0 | 73.9 |
| Cumulated Translation Adjustments | 2.4 | (0.9) | (0.3) | 2.4 | (0.9) | (0.3) |
| Unrealized Gain (Loss) on Financial Instruments | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | 0.1 |
| Total Equity | 398.2 | 371.5 | 338.8 | 392.4 | 370.5 | 334.8 |
| Total Liabilities & Shareholders Equity | 1,277.5 | 1,115.6 | 959.5 | 1,273.8 | 1,112.2 | 956.3 |

Note (1): All U.S. dollar figures in this release are based on the exchange rate of NT\$33.1 against US\$1.00 as of September 29, 2006. The convenience translation should not be construed as representations that the NT Dollar amounts have been, or could be in the future be, converted

into US dollars at this or any other exchange rate.

ChipMOS TECHNOLOGIES (Bermuda) LTD.**CONSOLIDATED BALANCE SHEET (UNAUDITED)**

As of September 30, 2006

Figures in Million of NT dollars (NTD)

| | ROC GAAP | | | US GAAP | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Sep-06 NTD | Jun-06 NTD | Dec-05 NTD | Sep-06 NTD | Jun-06 NTD | Dec-05 NTD |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | 5,711.8 | 3,747.8 | 4,607.0 | 5,711.8 | 3,747.8 | 4,607.0 |
| Financial Assets at Fair Value Through Profit or Loss | 521.7 | 203.3 | 186.1 | 521.7 | 203.3 | 189.2 |
| Available-for-Sale Financial Assets | 1.1 | | | 1.1 | | |
| Accounts and Notes Receivable | 5,058.7 | 4,290.6 | 3,974.9 | 5,058.7 | 4,290.6 | 3,974.9 |
| Inventories | 831.6 | 853.5 | 627.5 | 831.9 | 853.8 | 627.7 |
| Other Current Assets | 474.5 | 580.9 | 651.4 | 474.4 | 580.9 | 651.4 |
| Total Current Assets | 12,599.4 | 9,676.1 | 10,046.9 | 12,599.6 | 9,676.4 | 10,050.2 |
| Long-term Investments | 346.8 | 346.0 | 404.1 | 346.8 | 346.0 | 387.1 |
| Property, Plant & Equipment-Net | 28,327.3 | 25,997.2 | 20,420.1 | 28,220.1 | 25,899.3 | 20,340.9 |
| Intangible Assets | 471.8 | 374.2 | 327.1 | 471.8 | 374.2 | 327.1 |
| Other Assets | 538.4 | 531.7 | 559.8 | 525.7 | 519.3 | 548.3 |
| Total Assets | 42,283.7 | 36,925.2 | 31,758.0 | 42,164.0 | 36,815.2 | 31,653.6 |
| LIABILITIES | | | | | | |
| Current Liabilities | 10,585.3 | 9,191.9 | 7,857.5 | 10,424.8 | 9,163.0 | 8,049.2 |
| Long-term Liabilities | 9,882.2 | 7,166.2 | 4,433.9 | 10,168.2 | 7,166.2 | 4,433.9 |
| Other Liabilities | 407.0 | 349.5 | 374.7 | 369.3 | 314.1 | 345.0 |
| Total Liabilities | 20,874.5 | 16,707.6 | 12,666.1 | 20,962.3 | 16,643.3 | 12,828.1 |
| Minority Interests | 8,227.8 | 7,921.7 | 7,878.1 | 8,212.7 | 7,908.8 | 7,740.7 |
| SHAREHOLDERS EQUITY | | | | | | |
| Capital Stock | 22.6 | 22.5 | 22.2 | 22.6 | 22.5 | 22.2 |
| Option Warrants | 142.1 | 83.7 | 104.0 | 487.1 | 162.5 | 104.0 |
| Deferred Compensation | (65.2) | (11.1) | (18.8) | (347.1) | (66.9) | (18.8) |
| Capital Surplus | 9,403.4 | 9,112.2 | 8,917.1 | 8,749.8 | 8,732.5 | 8,537.3 |
| Retained Earnings | 3,600.3 | 3,118.8 | 2,200.8 | 3,998.3 | 3,442.7 | 2,445.9 |
| Cumulated Translation Adjustments | 79.4 | (29.0) | (10.3) | 79.5 | (29.0) | (10.3) |
| Unrealized Gain (Loss) on Financial Instruments | (1.2) | (1.2) | (1.2) | (1.2) | (1.2) | 4.5 |
| Total Equity | 13,181.4 | 12,295.9 | 11,213.8 | 12,989.0 | 12,263.1 | 11,084.8 |
| Total Liabilities & Shareholders Equity | 42,283.7 | 36,925.2 | 31,758.0 | 42,164.0 | 36,815.2 | 31,653.6 |