

ELAN MICROELECTRONICS CORPORATION

Balance Sheets

December 31, 2002

(Expressed in thousands of New Taiwan Dollars)

Assets	Amount	Liabilities & Shareholders Equity	Amount
Current Assets:		Current Liabilities	461,933
Cash & cash equivalents	499,018	Long- term Liabilities	1,002,710
Short-term investments	898,333	Other Liabilities	35,143
Notes & accounts receivable	359,260	Total Liabilities	1,499,786
Inventory(net)	402,395		
Other current assets	85,760	Capital (Common stock)	3,292,391
	2,244,766	Capital Surplus	45,655
Long-term Equity Investments:	1,732,332	Retained Earnings	
		Legal reserve & Special reserve	340,983
		Unappropriated retained earnings	563,217
Net Properties	1,071,206	Cumulative Translation Adjustment	9,404
		Unrealized Profit on Investment	0
Other Assets	381,950	Treasury Stock	(321,182)
		Total Shareholders' Equity	3,930,468
Total Assets	5,430,254	Total liabilities & Shareholders' Equity	5,430,254

ELAN MICROELECTRONICS CORPORATION**Income Statements****From January 1 to December 31, 2002 and 2001**

(Expressed in thousands of New Taiwan Dollars, except earning per share)

ITEM	2002	2001	YOY
Operating Revenue	3,999,838	3,555,735	12%
Unrealized(Realized) Intercompany	0	0	
Operating Costs	2,537,553	2,160,778	
Gross Profit	1,462,285	1,394,957	5%
Operating Expenses			
Selling expenses	100,135	98,362	
G&A expenses	106,662	94,120	
R&D expenses	480,788	442,030	
Total Operating Expenses	687,585	634,512	8%
Income from Operations	774,700	760,445	
Non-operating Income	33,158	52,521	
Non-operating Expenses	296,457	137,686	
Income before Income Tax	511,401	675,280	-24%
Income Tax Benefit(Expenses)	5,258	13,955	
Net Income	516,659	689,235	-25%
Earning Per Share	1.60	2.34	

** based on outstanding 322,836K and 294,100K shares on December 31, 2002 and 2001

ELAN MICROELECTRONICS CORPORATION

Statements of Cash Flows

December 31, 2002 and 2001

(Expressed in thousands of New Taiwan Dollars)

ITEM	2002	2001
Cash Flow from Operating Activities	1,161,358	566,839
Cash Flow from Investing Activities	(1,361,170)	(525,772)
Cash Flow from Financing Activities	410,394	(205,112)
Net Increase(Decrease) in Cash and Cash Equivalents	210,582	(164,045)
Cash and Cash Equivalents at Beginning of Period	288,436	452,481
Cash and Cash Equivalents at Ended of Period	499,018	288,436

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