

ELAN MICROELECTRONICS CORPORATION

Balance Sheets

December 31, 2003

(Expressed in thousands of New Taiwan Dollars)

Assets	Amount	Liabilities & Shareholders Equity	Amount
Current Assets:		Current Liabilities	641,138
Cash & cash equivalents	200,293	Long- term Liabilities	814,589
Short-term investments	1,137,309	Other Liabilities	56,971
Notes & accounts receivable	568,301	Total Liabilities	1,512,698
Inventory(net)	453,805		
Other current assets	83,113	Capital (Common stock)	3,383,114
	2,442,821	Capital Surplus-CB	154,089
		Retained Earnings	
Long-term Equity Investments:	1,520,917	Leagal reserve & Special reserve	392,649
		Unappropriated retained earnings	767,408
Net Properties	970,668	Cumulative Translation Adjustment	3,046
		Unrealized Profit on Investment	0
Other Assets	441,719	Treasury Stock	(836,879)
		Total Shareholders' Equity	3,863,427
Total Assets	5,376,125	Total liabilities & Shareholders' Equity	5,376,125

ELAN MICROELECTRONICS CORPORATION**Income Statements****From January 1 to December 31, 2003 and 2002**

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

ITEM	2003	2002	YOY
Operating Revenue	4,616,933	3,999,838	15%
Unrealized(Realized) Intercompany	0	0	
Operating Costs	2,789,811	2,537,553	
Gross Profit	1,827,122	1,462,285	25%
Operating Expenses			
Selling expenses	125,095	100,135	
G&A expenses	134,890	106,662	
R&D expenses	601,049	480,788	
Total Operating Expenses	861,034	687,585	25%
Income from Operations	966,088	774,700	
Non-operating Income	34,526	33,158	
Non-operating Expenses	241,799	296,457	
Income before Income Tax	758,815	511,401	48%
Income Tax Benefit(Expenses)	(1,769)	5,258	
Net Income	757,046	516,659	47%
Earning Per Share	2.38	1.60	

** based on outstanding 318,381K and 322,836K shares on December 31, 2003 and 2002

ELAN MICROELECTRONICS CORPORATION

Statements of Cash Flows

December 31, 2003 and 2002

(Expressed in thousands of New Taiwan Dollars)

ITEM	2003	2002
Cash Flow from Operating Activities	1,177,502	1,161,358
Cash Flow from Investing Activities	(463,257)	(1,361,170)
Cash Flow from Financing Activities	(1,012,970)	410,394
Net Increase(Decrease) in Cash and Cash Equivalents	(298,725)	210,582
Cash and Cash Equivalents at Beginning of Period	499,018	288,436
Cash and Cash Equivalents at Ended of Period	200,293	499,018

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