

# ELAN MICROELECTRONICS CORPORATION

## Balance Sheets

June 30, 2004

(Expressed in thousands of New Taiwan Dollars)

Assets	Amount	Liabilities & Shareholders Equity	Amount
Current Assets:		Current Liabilities	2,074,443
Cash & cash equivalents	207,812	Long- term Liabilities	-
Short-term investments	1,208,303	Other Liabilities	72,324
Notes & accounts receivable	810,183	Total Liabilities	2,146,767
Inventory(net)	622,392		
Other current assets	148,345	Capital (Common stock)	3,556,841
	2,997,035	Capital Surplus-CB	244,336
		Retained Earnings	
Long-term Equity Investments:	1,677,831	Legal reserve & Special reserve	468,354
		Unappropriated retained earnings	469,268
Net Properties	972,103	Cumulative Translation Adjustment	698
		Unrealized Profit on Investment	0
Other Assets	402,416	Treasury Stock	(836,879)
		Total Shareholders' Equity	3,902,618
Total Assets	6,049,385	Total liabilities & Shareholders' Equity	6,049,385

**ELAN MICROELECTRONICS CORPORATION****Income Statements****From January 1 to June 30, 2004 and 2003**

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

ITEM	2004	2003	YOY
Operating Revenue	2,695,429	2,135,614	26%
Unrealized(Realized) Intercompany	0	0	
Operating Costs	1,698,914	1,306,611	
Gross Profit	996,515	829,003	20%
Operating Expenses			
Selling expenses	62,542	53,410	
G&A expenses	68,529	60,561	
R&D expenses	398,712	265,010	
Total Operating Expenses	529,783	378,981	40%
Income from Operations	466,732	450,022	
Non-operating Income	51,988	17,387	
Non-operating Expenses	122,411	109,256	
Income before Income Tax	396,309	358,153	11%
Income Tax Benefit(Expenses)	(2,446)	(2,626)	
Net Income	393,863	355,527	11%
Earning Per Share	1.26	1.12	

\*\* based on outstanding 312,677K and 318,105K shares on June 30, 2004 and 2003

**ELAN MICROELECTRONICS CORPORATION**

**Statements of Cash Flows**

**June 30, 2004 and 2003**

(Expressed in thousands of New Taiwan Dollars)

<b>ITEM</b>	<b>2004</b>	<b>2003</b>
Cash Flow from Operating Activities	354,519	431,152
Cash Flow from Investing Activities	(350,957)	(365,366)
Cash Flow from Financing Activities	3,957	(71,422)
Net Increase(Decrease) in Cash and Cash Equivalents	7,519	(5,636)
Cash and Cash Equivalents at Beginning of Period	200,293	499,018
Cash and Cash Equivalents at Ended of Period	207,812	493,382

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