

# ELAN MICROELECTRONICS CORPORATION

## Balance Sheets

September 30, 2004

(Expressed in thousands of New Taiwan Dollars)

Assets	Amount	Liabilities & Shareholders Equity	Amount
Current Assets:		Current Liabilities	2,045,172
Cash & cash equivalents	494,417	Long- term Liabilities	-
Short-term investments	1,188,319	Other Liabilities	80,850
Notes & accounts receivable	871,826	Total Liabilities	2,126,022
Inventory(net)	609,769		
Other current assets	169,867	Capital (Common stock)	3,556,841
	3,334,198	Capital Surplus-CB	238,339
		Retained Earnings	
Long-term Equity Investments:	1,604,273	Legal reserve & Special reserve	468,354
		Unappropriated retained earnings	728,497
Net Properties	957,118	Cumulative Translation Adjustment	1,016
		Unrealized Profit on Investment	0
Other Assets	386,601	Treasury Stock	(836,879)
		Total Shareholders' Equity	4,156,168
Total Assets	6,282,190	Total liabilities & Shareholders' Equity	6,282,190

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

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

ITEM	2004	2003	YOY
Operating Revenue	4,376,468	3,412,754	28%
Unrealized(Realized) Intercompany	0	0	
Operating Costs	2,775,220	2,058,762	
Gross Profit	1,601,248	1,353,992	18%
Operating Expenses			
Selling expenses	102,064	92,535	
G&A expenses	103,514	90,238	
R&D expenses	620,316	425,350	
Total Operating Expenses	825,894	608,123	36%
Income from Operations	775,354	745,869	
Non-operating Income	66,250	25,201	
Non-operating Expenses	183,229	158,742	
Income before Income Tax	658,375	612,328	8%
Income Tax Benefit(Expenses)	(5,283)	(7,312)	
Net Income	653,092	605,016	8%
Earning Per Share	2.00	1.90	

\*\* based on outstanding 326,192K and 318,427K shares on September 30, 2004 and 2003

**ELAN MICROELECTRONICS CORPORATION**

**Statements of Cash Flows**

**September 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	607,262	706,855
Cash Flow from Investing Activities	(316,532)	(154,464)
Cash Flow from Financing Activities	3,394	(697,829)
Net Increase(Decrease) in Cash and Cash Equivalents	294,124	(145,438)
Cash and Cash Equivalents at Beginning of Period	200,293	499,018
Cash and Cash Equivalents at Ended of Period	494,417	353,580

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