

ELAN MICROELECTRONICS CORPORATION

Balance Sheets

June 30, 2005

(Expressed in thousands of New Taiwan Dollars)

Assets	Amount	Liabilities & Shareholders Equity	Amount
Current Assets:		Current Liabilities	1,625,099
Cash & cash equivalents	208,806	Long- term Liabilities	-
Short-term investments	1,115,907	Other Liabilities	107,055
Notes & accounts receivable	744,963	Total Liabilities	1,732,154
Inventory(net)	642,627		
Other current assets	205,947	Capital (Common stock)	3,678,760
	2,918,250	Capital Surplus-CB	314,123
		Retained Earnings	
Long-term Equity Investments:	1,333,626	Legal reserve & Special reserve	535,616
		Unappropriated retained earnings	81,864
Net Properties	896,075	Cumulative Translation Adjustment	(4,942)
		Unrealized Profit on Investment	0
Other Assets	403,798	Treasury Stock	(785,826)
		Total Shareholders' Equity	3,819,595
Total Assets	5,551,749	Total liabilities & Shareholders' Equity	5,551,749

ELAN MICROELECTRONICS CORPORATION**Income Statements****From January 1 to June 30, 2005 and 2004**

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

ITEM	2005	2004	YOY
Operating Revenue	2,050,251	2,695,429	-24%
Unrealized(Realized) Intercompany	(13,635)	0	
Operating Costs	1,350,652	1,698,914	
Gross Profit	685,964	996,515	-31%
Operating Expenses			
Selling expenses	72,193	62,542	
G&A expenses	71,671	68,529	
R&D expenses	392,670	398,712	
Total Operating Expenses	536,534	529,783	1%
Income from Operations	149,430	466,732	
Non-operating Income	124,453	51,988	
Non-operating Expenses	233,447	122,411	
Income before Income Tax	40,436	396,309	-90%
Income Tax Benefit(Expenses)	(1,936)	(2,446)	
Net Income	38,500	393,863	-90%
Earning Per Share	0.11	1.26	

** based on outstanding 341,094K and 312,677K shares on June 30, 2005 and 2004

ELAN MICROELECTRONICS CORPORATION

Statements of Cash Flows

June 30, 2005 and 2004

(Expressed in thousands of New Taiwan Dollars)

ITEM	2005	2004
Cash Flow from Operating Activities	212,401	343,043
Cash Flow from Investing Activities	(97,507)	(339,481)
Cash Flow from Financing Activities	(100,701)	3,957
Net Increase(Decrease) in Cash and Cash Equivalents	14,193	7,519
Cash and Cash Equivalents at Beginning of Period	194,613	200,293
Cash and Cash Equivalents at Ended of Period	208,806	207,812

Spokesman: Dennis Liu

Tel. +886-3-5639977 ext. 6101

Fax.+886-3-5781623

E-mail: dennis_liu@emc.com.tw