

**ELAN MICROELECTRONICS CORPORATION**

**Balance Sheets**

**December 31, 2005**

(Expressed in thousands of New Taiwan Dollars)

<b>Assets</b>	<b>Amount</b>	<b>Liabilities &amp; Shareholders Equity</b>	<b>Amount</b>
Current Assets:		Current Liabilities	755,443
Cash & cash equivalents	410,030	Long- term Liabilities	-
Short-term investments	782,463	Other Liabilities	139,806
Notes & accounts receivable	535,765	Total Liabilities	895,249
Inventory(net)	604,751		
Other current assets	269,772	Capital (Common stock)	3,678,760
	2,602,781	Capital Surplus-CB	314,123
		Retained Earnings	
Long-term Equity Investments:	1,258,750	Legal reserve & Special reserve	535,616
		Unappropriated retained earnings	409,455
Net Properties	853,745	Cumulative Translation Adjustment	(2,062)
		Unrealized Profit on Investment	0
Other Assets	265,929	Treasury Stock	(849,936)
		Total Shareholders' Equity	4,085,956
Total Assets	4,981,205	Total liabilities & Shareholders' Equity	4,981,205

**ELAN MICROELECTRONICS CORPORATION****Income Statements****From January 1 to December 31, 2005 and 2004**

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

ITEM	2005	2004	YOY
Operating Revenue	4,438,855	5,335,211	-17%
Unrealized(Realized) Intercompany	(15,186)	0	
Operating Costs	2,828,534	3,419,169	
Gross Profit	1,595,135	1,916,042	-17%
Operating Expenses			
Selling expenses	146,322	120,325	
G&A expenses	162,774	135,814	
R&D expenses	789,722	791,624	
Total Operating Expenses	1,098,818	1,047,763	5%
Income from Operations	496,317	868,279	
Non-operating Income	254,772	81,626	
Non-operating Expenses	311,386	333,209	
Income before Income Tax	439,703	616,696	-29%
Income Tax Benefit(Expenses)	(38,018)	7,685	
Net Income	401,685	624,381	-36%
Earning Per Share	1.18	1.91	

\*\* based on outstanding 340,617K and 327,538K shares on December 31, 2005 and 2004

**ELAN MICROELECTRONICS CORPORATION**

**Statements of Cash Flows**

**December 31, 2005 and 2004**

(Expressed in thousands of New Taiwan Dollars)

ITEM	2005	2004
Cash Flow from Operating Activities	771,187	660,224
Cash Flow from Investing Activities	352,707	(107,954)
Cash Flow from Financing Activities	(908,477)	(557,950)
Net Increase(Decrease) in Cash and Cash Equivalents	215,417	(5,680)
Cash and Cash Equivalents at Beginning of Period	194,613	200,293
Cash and Cash Equivalents at Ended of Period	410,030	194,613

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