

# ELAN MICROELECTRONICS CORPORATION

## Balance Sheets

March 31, 2006

(Expressed in thousands of New Taiwan Dollars)

Assets	Amount	Liabilities & Shareholders Equity	Amount
Current Assets:		Current Liabilities	745,345
Cash & cash equivalents	378,225	Long- term Liabilities	-
Short-term investments	868,566	Other Liabilities	138,416
Notes & accounts receivable	499,656	Total Liabilities	883,761
Inventory(net)	627,178		
Other current assets	217,504	Capital (Common stock)	3,678,760
	2,591,129	Capital Surplus-CB	314,123
		Retained Earnings	
Long-term Equity Investments:	1,283,957	Legal reserve & Special reserve	535,616
		Unappropriated retained earnings	374,867
Net Properties	835,084	Cumulative Translation Adjustment	(1,906)
		Unrealized Profit on Investment	8,014
Other Assets	235,441	Treasury Stock	(847,624)
		Total Shareholders' Equity	4,061,850
Total Assets	4,945,611	Total liabilities & Shareholders' Equity	4,945,611

# ELAN MICROELECTRONICS CORPORATION

## Income Statements

From January 1 to March 31, 2006 and 2005

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

ITEM	2006	2005	YOY
Operating Revenue	956,456	772,323	24%
Unrealized(Realized) Intercompany	-	(10,977)	
Operating Costs	619,867	531,105	
Gross Profit	336,589	230,241	46%
Operating Expenses			
Selling expenses	27,871	28,128	
G&A expenses	49,888	33,662	
R&D expenses	197,132	189,940	
Total Operating Expenses	274,891	251,730	9%
Income from Operations	61,698	(21,489)	
Non-operating Income	5,193	103,613	
Non-operating Expenses	49,266	170,679	
Income before Income Tax	17,625	(88,555)	120%
Income Tax Benefit(Expenses)	(1,458)	362	
New Accounting Rule Article 34 Impact	6,161	0	
Net Income	22,328	(88,193)	125%
Earning Per Share	0.07	(0.26)	

\*\* based on outstanding 335,128K shares on March 31, 2006

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**Statements of Cash Flows**

**March 31, 2006 and 2005**

(Expressed in thousands of New Taiwan Dollars)

<b>ITEM</b>	<b>2006</b>	<b>2005</b>
Cash Flow from Operating Activities	63,687	24,079
Cash Flow from Investing Activities	(50,902)	(29,182)
Cash Flow from Financing Activities	(44,590)	1,635
Net Increase(Decrease) in Cash and Cash Equivalents	(31,805)	(3,468)
Cash and Cash Equivalents at Beginning of Period	410,030	194,613
Cash and Cash Equivalents at Ended of Period	378,225	191,145

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