

ELAN MICROELECTRONICS CORPORATION

Balance Sheets

June 30, 2006

(Expressed in thousands of New Taiwan Dollars)

Assets	Amount	Liabilities & Shareholders Equity	Amount
Current Assets:		Current Liabilities	1,055,706
Cash & cash equivalents	462,030	Long- term Liabilities	-
Short-term investments	852,553	Other Liabilities	124,412
Notes & accounts receivable	708,494	Total Liabilities	1,180,118
Inventory(net)	660,224		
Other current assets	226,553	Capital (Common stock)	3,727,548
	2,909,854	Capital Surplus	314,123
Long-term Equity Investments:	1,265,791	Retained Earnings	
		Legal reserve & Special reserve	573,023
		Unappropriated retained earnings	214,289
Net Properties	803,700	Cumulative Translation Adjustment	(1,365)
		Unrealized Profit on Investment	838
Other Assets	252,874	Treasury Stock	(776,355)
		Total Shareholders' Equity	4,052,101
Total Assets	5,232,219	Total liabilities & Shareholders' Equity	5,232,219

ELAN MICROELECTRONICS CORPORATION**Income Statements****From January 1 to June 30, 2006 and 2005**

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

ITEM	2006	2005	YOY
Operating Revenue	2,283,874	2,050,251	11%
Unrealized(Realized) Intercompany	-	(13,635)	
Operating Costs	1,483,321	1,350,652	
Gross Profit	800,553	685,964	17%
Operating Expenses			
Selling expenses	76,977	72,193	
G&A expenses	95,294	71,671	
R&D expenses	399,474	392,670	
Total Operating Expenses	571,745	536,534	7%
Income from Operations	228,808	149,430	
Non-operating Income	38,595	124,453	
Non-operating Expenses	81,722	233,447	
Income before Income Tax	185,681	40,436	359%
Income Tax Benefit(Expenses)	(14,265)	(1,936)	
New Accounting Rule Article 34 Impact	6,161	0	
Net Income	177,577	38,500	361%
Earning Per Share	0.53	0.11	

** based on outstanding 334,705K shares on June 30, 2006

ELAN MICROELECTRONICS CORPORATION

Statements of Cash Flows

June 30, 2006 and 2005

(Expressed in thousands of New Taiwan Dollars)

ITEM	2006	2005
Cash Flow from Operating Activities	154,679	292,189
Cash Flow from Investing Activities	(69,540)	(177,295)
Cash Flow from Financing Activities	(33,139)	(100,701)
Net Increase(Decrease) in Cash and Cash Equivalents	52,000	14,193
Cash and Cash Equivalents at Beginning of Period	410,030	194,613
Cash and Cash Equivalents at Ended of Period	462,030	208,806

Spokesman: Dennis Liu

Tel. +886-3-5639977 ext. 6101

Fax.+886-3-5781623

E-mail: dennis_liu@emc.com.tw