

# ELAN MICROELECTRONICS CORPORATION

## Balance Sheets

September 30, 2006

(Expressed in thousands of New Taiwan Dollars)

Assets	Amount	Liabilities & Shareholders Equity	Amount
Current Assets:		Current Liabilities	943,139
Cash & cash equivalents	409,251	Long- term Liabilities	-
Short-term investments	956,019	Other Liabilities	123,577
Notes & accounts receivable	695,403	Total Liabilities	1,066,716
Inventory(net)	682,299		
Other current assets	261,829	Capital (Common stock)	3,717,548
	3,004,801	Capital Surplus	313,269
		Retained Earnings	
Long-term Equity Investments:	1,218,999	Legal reserve & Special reserve	573,023
		Unappropriated retained earnings	321,373
Net Properties	788,893	Cumulative Translation Adjustment	(600)
		Unrealized Profit on Investment	2,534
Other Assets	223,904	Treasury Stock	(757,266)
		Total Shareholders' Equity	4,169,881
Total Assets	5,236,597	Total liabilities & Shareholders' Equity	5,236,597

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

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

ITEM	2006	2005	YOY
Operating Revenue	3,463,136	3,327,231	4%
Unrealized(Realized) Intercompany	-	(15,186)	
Operating Costs	2,253,203	2,142,881	
Gross Profit	1,209,933	1,169,164	3%
Operating Expenses			
Selling expenses	113,271	116,040	
G&A expenses	136,552	111,895	
R&D expenses	591,204	596,598	
Total Operating Expenses	841,027	824,533	2%
Income from Operations	368,906	344,631	
Non-operating Income	59,095	241,545	
Non-operating Expenses	110,167	247,634	
Income before Income Tax	317,834	338,542	-6%
Income Tax Benefit(Expenses)	(28,620)	(28,392)	
New Accounting Rule Article 34 Impact	6,161	0	
Net Income	295,375	310,150	-5%
Earning Per Share	0.89	0.93	

\*\* based on outstanding 333,675K shares on September 30, 2006

**ELAN MICROELECTRONICS CORPORATION**

**Statements of Cash Flows**

**September 30, 2006 and 2005**

(Expressed in thousands of New Taiwan Dollars)

<b>ITEM</b>	<b>2006</b>	<b>2005</b>
Cash Flow from Operating Activities	67,073	577,578
Cash Flow from Investing Activities	(31,177)	(195,017)
Cash Flow from Financing Activities	(36,675)	(143,960)
Net Increase(Decrease) in Cash and Cash Equivalents	(779)	238,601
Cash and Cash Equivalents at Beginning of Period	410,030	194,613
Cash and Cash Equivalents at Ended of Period	409,251	433,214

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