

ELAN MICROELECTRONICS CORPORATION

Balance Sheets

December 31, 2006

(Expressed in thousands of New Taiwan Dollars)

Assets	Amount	Liabilities & Shareholders Equity	Amount
Current Assets:		Current Liabilities	569,999
Cash & cash equivalents	455,798	Long- term Liabilities	-
Short-term investments	813,037	Other Liabilities	142,061
Notes & accounts receivable	544,241	Total Liabilities	712,060
Inventory(net)	552,749		
Other current assets	228,472	Capital (Common stock)	3,617,848
	2,594,297	Capital Surplus-CB	304,899
		Retained Earnings	
Long-term Equity Investments:	1,293,406	Legal reserve & Special reserve	573,023
		Unappropriated retained earnings	196,907
Net Properties	775,671	Cumulative Translation Adjustment	(877)
		Unrealized Profit on Investment	25,388
Other Assets	221,385	Treasury Stock	(544,489)
		Total Shareholders' Equity	4,172,699
Total Assets	4,884,759	Total liabilities & Shareholders' Equity	4,884,759

ELAN MICROELECTRONICS CORPORATION

Income Statements

From January 1 to December 31, 2006 and 2005

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

ITEM	2006	2005	YOY
Operating Revenue	4,459,662	4,438,855	0%
Unrealized(Realized) Intercompany	0	(15,186)	
Operating Costs	2,908,145	2,828,534	
Gross Profit	1,551,517	1,595,135	-3%
Operating Expenses			
Selling expenses	143,125	146,322	
G&A expenses	162,264	162,774	
R&D expenses	761,031	789,722	
Total Operating Expenses	1,066,420	1,098,818	-3%
Income from Operations	485,097	496,317	
Non-operating Income	80,851	254,772	
Non-operating Expenses	252,344	311,386	
Income before Income Tax	313,604	439,703	-29%
Income Tax Benefit(Expenses)	(36,342)	(38,018)	
New Accounting Rule Article 34 Impact	6,161	0	
Net Income	283,423	401,685	-29%
Earning Per Share	0.85	1.18	

** based on outstanding 334,308K and 340,617K shares on December 31, 2006 and 2005

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Statements of Cash Flows

December 31, 2006 and 2005

(Expressed in thousands of New Taiwan Dollars)

ITEM	2006	2005
Cash Flow from Operating Activities	611,061	1,277,346
Cash Flow from Investing Activities	(236,470)	(153,452)
Cash Flow from Financing Activities	(328,823)	(908,477)
Net Increase(Decrease) in Cash and Cash Equivalents	45,768	215,417
Cash and Cash Equivalents at Beginning of Period	410,030	194,613
Cash and Cash Equivalents at Ended of Period	455,798	410,030

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