

**ELAN MICROELECTRONICS CORPORATION**

**Balance Sheets**

**June 30, 2007**

(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	858,970
Cash & cash equivalents	633,092	Long- term Liabilities	-
Short-term investments	754,942	Other Liabilities	161,025
Notes & accounts receivable	770,142	Total Liabilities	1,019,995
Inventory(net)	434,803		
Other current assets	215,055	Capital (Common stock)	3,617,848
	2,808,034	Capital Surplus	305,546
		Retained Earnings	
Long-term Equity Investments:	1,534,508	Leagal reserve & Special reserve	600,180
		Unappropriated retained earnings	232,806
Net Properties	745,834	Cumulative Translation Adjustment	(165)
		Unrealized Profit on Investment	40,969
Other Assets	185,502	Treasury Stock	(543,301)
		Total Shareholders' Equity	4,253,883
Total Assets	5,273,878	Total liabilities & Shareholders' Equity	5,273,878

# ELAN MICROELECTRONICS CORPORATION

## Income Statements

From January 1 to June 30, 2007 and 2006

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

ITEM	2007	2006	YOY
Operating Revenue	2,309,869	2,283,874	1%
Unrealized(Realized) Intercompany	-	-	
Operating Costs	1,546,336	1,483,321	
Gross Profit	763,533	800,553	-5%
Operating Expenses			
Selling expenses	73,798	76,977	
G&A expenses	100,853	95,294	
R&D expenses	319,407	399,474	
Total Operating Expenses	494,058	571,745	-14%
Income from Operations	269,475	228,808	
Non-operating Income	86,982	37,259	
Non-operating Expenses	61,235	80,386	
Income before Income Tax	295,222	185,681	59%
Income Tax Benefit(Expenses)	(49,696)	(14,265)	
New Accounting Rule Article 34 Impact	-	6,161	
Net Income	245,526	177,577	38%
Earning Per Share	0.73	0.53	

\*\* based on outstanding 336,456K shares on June 30, 2007

**ELAN MICROELECTRONICS CORPORATION**

**Statements of Cash Flows**

**June 30, 2007 and 2006**

(Expressed in thousands of New Taiwan Dollars)

ITEM	2007	2006
Cash Flow from Operating Activities	459,314	154,679
Cash Flow from Investing Activities	(287,064)	(69,540)
Cash Flow from Financing Activities	5,044	(33,139)
Net Increase(Decrease) in Cash and Cash Equivalents	177,294	52,000
Cash and Cash Equivalents at Beginning of Period	455,798	410,030
Cash and Cash Equivalents at Ended of Period	633,092	462,030

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