

**ELAN MICROELECTRONICS CORPORATION**

**Balance Sheets**

**June 30, 2008**

(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	1,097,665
Cash & cash equivalents	1,157,346	Long- term Liabilities	-
Short-term investments	713,621	Other Liabilities	120,455
Notes & accounts receivable	739,571	Total Liabilities	1,218,120
Inventory(net)	609,416		
Other current assets	273,559	Capital (Common stock)	3,617,848
	3,493,513	Capital Surplus	345,711
		Retained Earnings	
Long-term Equity Investments:	1,574,666	Leagal reserve & Special reserve	644,690
		Unappropriated retained earnings	158,360
Net Properties	682,792	Cumulative Translation Adjustment	5,139
		Unrealized Profit on Investment	1,597
Other Assets	240,494	Treasury Stock	0
		Total Shareholders' Equity	4,773,345
Total Assets	5,991,465	Total liabilities & Shareholders' Equity	5,991,465

# ELAN MICROELECTRONICS CORPORATION

## Income Statements

From January 1 to June 30, 2008 and 2007

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

ITEM	2008	2007	YOY
Operating Revenue	2,150,257	2,309,869	-7%
Unrealized(Realized) Intercompany	-	-	
Operating Costs	1,451,756	1,546,336	
Gross Profit	698,501	763,533	-9%
Operating Expenses			
Selling expenses	62,346	73,798	
G&A expenses	71,598	100,853	
R&D expenses	319,769	319,407	
Total Operating Expenses	453,713	494,058	-8%
Income from Operations	244,788	269,475	
Non-operating Income	87,762	86,982	
Non-operating Expenses	152,049	61,235	
Income before Income Tax	180,501	295,222	-39%
Income Tax Benefit(Expenses)	(22,315)	(49,696)	
Net Income	158,186	245,526	-36%
Earning Per Share	0.44	0.73	

\*\* based on outstanding 361,785K and 336,456K shares on June 30, 2008 and 2007

**ELAN MICROELECTRONICS CORPORATION**

**Statements of Cash Flows**

**June 30, 2008 and 2007**

(Expressed in thousands of New Taiwan Dollars)

ITEM	2008	2007
Cash Flow from Operating Activities	398,279	427,433
Cash Flow from Investing Activities	(284,697)	(255,183)
Cash Flow from Financing Activities	(4,092)	5,044
Net Increase(Decrease) in Cash and Cash Equivalents	109,490	177,294
Cash and Cash Equivalents at Beginning of Period	1,047,856	455,798
Cash and Cash Equivalents at Ended of Period	1,157,346	633,092

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