

MediaTek Inc. Reports First Quarter 2012 Consolidated Results

- 1Q12 consolidated revenue NT\$19,615 million, down 13.3% from previous quarter
- 1Q12 consolidated gross margin 42.1%, down 2.1 percentage points from previous quarter
- 1Q12 consolidated operating income NT\$1,947 million, down 17.8% from previous quarter
- 1Q12 consolidated net income NT\$2,500 million; EPS NT\$2.19

Consolidated Revenue:

MediaTek Inc. today announced first-quarter revenue of NT\$19,615 million for the three-month period ended March 31, 2012, down 13.3% sequentially. The sequential decrease in revenue was mainly driven by the low seasonality of consumer electronics products in the first quarter, despite the outstanding sales number from smartphones and digital TV. First-quarter revenue was down by 1.3% on a year-over-year basis, which was due to price competition as well as weak end customer demand in certain products.

Consolidated Gross Profit and Gross Margin:

The first-quarter gross profit was NT\$8,255 million, down 17.4% sequentially, and down 10.1% year-over-year. MediaTek's gross margin for the quarter was 42.1%, or 2.1 percentage points and 4.1 percentage points lower than the previous quarter and the same period of last year, respectively. Gross margin was down compared to the previous quarter, which was due to the decline in selling price resulting from competition.

Consolidated Operating Expense (including employee profit sharing expense):

Operating expense for the quarter was NT\$6,308 million (32.2% of revenue), compared with NT\$7,626 million (33.7% of revenue) in the previous quarter, and NT\$6,115 million (30.8% of revenue) in the same period last year. Operating expense for the quarter included:

- R&D expenses of NT\$4,981 million (25.4% of revenue), down from NT\$5,827 million in 4Q11, but up from NT\$4,915 million in 1Q11.
- Selling expenses of NT\$587 million (3.0% of revenue), decreased from NT\$985 million in 4Q11, but increased from NT\$503 million in 1Q11.
- Administration expenses of NT\$740 million (3.8% of revenue), down from NT\$814 million in 4Q11, but up from NT\$697 million in 1Q11.

Consolidated Operating Profit and Operating Margin:

Operating profit for the quarter was NT\$1,947 million, down 17.8% sequentially, and 36.5% year-over-year. Operating margin for the quarter was 9.9%, decreased from 10.5% in the previous quarter, and 15.4% in the year-ago quarter.

Consolidated Non-operating Income (loss) and Income Tax:

Non-operating income of NT\$656 million, or 3.3% of revenue, was mainly from interest income. Income tax expense for the quarter was NT\$103 million.

Consolidated Net Income and EPS:

Net income was NT\$2,500 million, a decrease of 14.3% from the prior quarter, and 24.5% from the year-ago quarter, respectively. EPS was NT\$2.19, compared with NT\$2.56 in the prior quarter and NT\$2.90 in the year-ago quarter.

Consolidated Cash and Financial Assets-Current:

Cash and financial assets-current at the end of the quarter was NT\$90,786 million. This represents 60.5% of the company's total assets. Cash and financial assets-current was NT\$91,032 million and NT\$93,444 million at the end of previous quarter and the year-ago quarter, respectively. Financial assets-current portfolio includes mutual funds, bonds, and derivatives.

Consolidated Accounts Receivable:

Accounts receivable (net) at the end of the quarter was NT\$7,372 million. The accounts receivable turnover was 34 days based on quarterly average net receivables divided by annualized net revenue. The turnover was higher than 32 days last quarter and 33 days in the year-ago quarter.

Consolidated Inventory:

Net inventory was NT\$9,853 million at the end of the quarter. The inventory turnover was 77 days based on quarterly average inventory divided by annualized cost of goods sold. The turnover was higher than 60 days in the last quarter, but lower than the 79 days in the year-ago quarter.

Consolidated Cash Flow from Operations:

Cash flow from operations during the quarter was NT\$738 million, down from NT\$9,323 million in the prior quarter, and NT\$879 million in the year-ago quarter, respectively.

April 27, 2012

Earnings Webcast

MediaTek will hold a public webcast today (April 27th) at 2:00 p.m. Taipei Time in Mandarin, and at 4:30 p.m. in English. A live webcast of the conference call will be available through the Investor Relations section of the MediaTek website. Analysts or media representatives wishing to ask questions may use the toll number attached below.

Schedule and Webcast Links:

Time

2:00 – 3:00 p.m. (Taiwan Time): In Mandarin

(http://www.mzcan.com/cancast/taiwan/index.php?id=tw2454_50&version=e)

4:30 – 5:30 p.m. (Taiwan Time): In English

(http://www.mzcan.com/cancast/taiwan/index.php?id=tw2454_51&version=e)

Dial-in Number: +852 3005 2050

(Password: **898604#**)

About MediaTek Inc.

MediaTek Inc. is a leading fabless semiconductor company for wireless communications and digital multimedia solutions. The company is a market leader and pioneer in cutting-edge SOC system solutions for wireless communications, high-definition TV, optical storage, and DVD and Blu-ray products. Founded in 1997 and listed on Taiwan Stock Exchange under the code "2454", MediaTek is headquartered in Taiwan and has sales or research subsidiaries in Mainland China, Singapore, India, U.S., Japan, Korea, Denmark, England, Sweden and Dubai. For more information, please visit MediaTek's website at www.mediatek.com

MediaTek Inc. Q1 FY12 Consolidated Income Statement

(In NT\$ millions, except per share amounts)

	1Q12	4Q11	1Q11	Q-Q	Y-Y
Net revenue	19,615	22,633	19,867	(13.3 %)	(1.3 %)
Cost of goods sold	(11,360)	(12,639)	(10,687)		
Gross profit	8,255	9,994	9,180	(17.4 %)	(10.1 %)
Selling expenses	(587)	(985)	(503)		
Administration expenses	(740)	(814)	(697)		
R&D expenses	(4,981)	(5,827)	(4,915)		
Operating expenses	(6,308)	(7,626)	(6,115)		
Operating income	1,947	2,368	3,065	(17.8 %)	(36.5 %)
Net non-operating income	656	747	246		
Income before income tax	2,603	3,115	3,311		
Income tax expense	(103)	(198)	(1)		
Net income	2,500	2,917	3,310	(14.3 %)	(24.5 %)
EPS (NT\$)	2.19	2.56	2.90		

Q1 FY12 Supplemental Information: Percentage of Revenue

	1Q12	4Q11	1Q11
Gross profit	42.1%	44.2%	46.2%
R&D expenses	(25.4 %)	(25.7 %)	(24.7 %)
Selling expenses	(3.0 %)	(4.4 %)	(2.5 %)
Administration expenses	(3.8 %)	(3.6 %)	(3.5 %)
Operating profit	9.9%	10.5%	15.4%
Non-operating income	3.3%	3.3%	1.2%
Income tax expense	(0.5 %)	(0.9 %)	(0.0 %)
Net profit	12.7%	12.9%	16.7%

April 27, 2012

MediaTek Inc. Consolidated Balance Sheet

(In NT\$ millions)

	1Q12	4Q11	1Q11
Cash & financial assets-current	90,786	91,032	93,444
Notes & Accounts receivable (net)	7,372	7,384	7,037
Inventory (net)	9,853	9,392	9,228
Long-term investments	9,946	9,417	7,797
Intangible assets	16,528	16,151	9,226
Total assets	150,133	147,741	139,779
Short-term loans	7,471	4,089	0
Notes & accounts payable	8,204	9,022	7,114
Other current liabilities	15,446	17,317	16,413
Long-term liabilities	1,245	985	784
Stockholders' equity	117,767	116,328	115,468

MediaTek Inc. Consolidated Cash Flow Summary

(In NT\$ millions)

	1Q12	4Q11	1Q11
Cash flow from operations	738	9,323	879
Cash flow from investing	(2,439)	2,130	(732)
Cash flow from financing	3,508	1,657	3
Effect of exchange rate changes	(1,180)	(254)	442
Net increase in cash & equivalents	626	12,856	593
Cash & equivalents at quarter end	86,448	85,821	86,520