

MEDIATEK INC.  
CONSOLIDATED STATEMENTS OF INCOME  
For the second quarter of year 2012

*Unit: Millions of New Taiwan dollars*

	2Q Comparison			Sequential Comparison		
	2Q 2012	2Q 2011	YOY%	2Q 2012	1Q 2012	QOQ%
<i>Gross Sales</i>	25,901	21,777	19%	25,901	21,478	21%
Less: Sales returns	(3)	(17)	-83%	(3)	(3)	10%
Sales discounts	(2,458)	(777)	216%	(2,458)	(1,860)	32%
<i>Net Sales</i>	23,440	20,982	12%	23,440	19,615	19%
Cost of goods sold	(13,882)	(11,351)	22%	(13,882)	(11,360)	22%
Gross profit	9,558	9,631	-1%	9,558	8,255	16%
Operating expenses						
Selling expenses	(756)	(558)	35%	(756)	(587)	29%
Administration expenses	(752)	(725)	4%	(752)	(740)	2%
Research and development expense	(5,280)	(5,138)	3%	(5,280)	(4,981)	6%
Total Operating expenses	(6,788)	(6,421)	6%	(6,788)	(6,308)	8%
Operating income	2,770	3,210	-14%	2,770	1,947	42%
Net non-operating income/losses	1,127	419	169%	1,127	656	72%
Income before income tax	3,897	3,629	7%	3,897	2,603	50%
Income tax expenses	(541)	(303)	78%	(541)	(103)	427%
Net income	3,357	3,326	1%	3,357	2,500	34%
Earnings Per Share (NTD)	2.95	3.05		2.95	2.19	

MEDIATEK INC.  
CONSOLIDATED STATEMENTS OF INCOME  
For the periods ended June 30, 2012 and 2011

*Unit: Millions of New Taiwan dollars*

	2012	% to sales	2011	% to sales	YOY%
<i>Gross Sales</i>	47,379	110%	42,776	105%	11%
Less: Sales returns	(6)	0%	(24)	0%	-77%
Sales discounts	(4,318)	-10%	(1,903)	-5%	127%
<i>Net Sales</i>	43,055	100%	40,849	100%	5%
Cost of goods sold	(25,242)	-59%	(22,038)	-54%	15%
Gross profit	17,813	41%	18,811	46%	-5%
Operating expenses					
Selling expenses	(1,343)	-3%	(1,061)	-3%	27%
Administration expenses	(1,492)	-3%	(1,422)	-3%	5%
Research and development expenses	(10,261)	-24%	(10,053)	-25%	2%
Total Operating expenses	(13,096)	-30%	(12,536)	-31%	4%
Operating income	4,717	11%	6,275	15%	-25%
Net non-operating income/losses	1,784	4%	665	2%	168%
Income before income tax	6,501	15%	6,940	17%	-6%
Income tax expenses	(644)	-1%	(305)	-1%	111%
Net income	5,857	14%	6,636	16%	-12%
Earnings Per Share (NTD)	5.14		6.08		

MEDIATEK INC.  
CONSOLIDATED BALANCE SHEETS  
June 30, 2012 and 2011

Unit: Millions of New Taiwan dollars

	2012	%	2011	%	YOY%
Current assets					
Cash and cash equivalents	95,061	59%	89,326	62%	6%
Held-for-trading financial assets	2	0%	3	0%	-45%
Financial asset at fair value through profit or loss-current	975	1%	1,650	1%	-41%
Financial asset available for sale-current	3,457	2%	3,995	3%	-13%
Financial assets held-to maturity-current	328	0%	0	0%	-
Bond portfolios with no active market-current	1,000	1%	0	0%	-
Notes and accounts receivable-net	7,659	5%	7,833	5%	-2%
Inventories-net	11,074	7%	9,714	7%	14%
Prepayments and other current assets	4,759	3%	4,247	3%	12%
Total current assets	<u>124,314</u>	<u>77%</u>	<u>116,768</u>	<u>81%</u>	<u>6%</u>
Long-term investments	8,603	5%	8,551	6%	1%
Property, plant and equipment	10,411	6%	9,127	6%	14%
Intangible assets	17,241	11%	8,905	6%	94%
Other assets	531	0%	304	0%	75%
Total assets	<u><u>161,100</u></u>	<u><u>100%</u></u>	<u><u>143,655</u></u>	<u><u>100%</u></u>	<u><u>12%</u></u>
Current Liabilities					
Short-term loans	12,199	8%	0	0%	-
Notes and accounts payable-net	10,280	6%	7,923	6%	30%
Accrued expenses and other current liabilities	25,499	16%	39,042	27%	-35%
Total current liabilities	<u>47,979</u>	<u>30%</u>	<u>46,965</u>	<u>33%</u>	<u>2%</u>
Long-term liabilities	132	0%	0	0%	-
Other liabilities	1,314	1%	758	1%	73%
Total liabilities	<u>49,425</u>	<u>31%</u>	<u>47,723</u>	<u>33%</u>	<u>4%</u>
Shareholders' equity					
Capital stock	11,476	7%	11,000	8%	4%
Capital reserve	24,537	15%	12,303	9%	99%
Legal & special reserve	25,283	16%	25,908	18%	-2%
Undistributed earnings	52,710	33%	51,436	36%	2%
Cumulative translation adjustments	(2,945)	-2%	(4,718)	-3%	-38%
Unrealized gain (loss) on financial instruments	631	0%	23	0%	2618%
Treasury stock	(56)	0%	(56)	0%	0%
Minority interest	40	0%	35	0%	12%
Total shareholders' equity	<u>111,675</u>	<u>69%</u>	<u>95,932</u>	<u>67%</u>	<u>16%</u>
Total Liabilities and shareholders' equity	<u><u>161,100</u></u>	<u><u>100%</u></u>	<u><u>143,655</u></u>	<u><u>100%</u></u>	<u><u>12%</u></u>

MEDIATEK INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the periods ended June 30, 2012 and 2011

Unit: Millions of New Taiwan dollars

	2012	201
Cash flows from operating activities :		
Net income	5,846	6,634
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	615	587
Amortization expense	1,060	743
Bad debt expense (reversal)	8	55
Reversal of sales returns and discounts	(118)	0
Employee stock option distributed	17	40
Amortization of premium/discount of financial assets	1	1
Loss on inventory (reversal)	(753)	(793)
Net gain on equity investments	(115)	(49)
Net loss on disposal of property, plant and equipment	1	14
Gain on disposal of investment (including interest income)	(687)	(68)
Valuation loss (gain) on financial instruments	(34)	32
Deferred income tax	252	166
Employees' bonuses	713	829
Changes in operating assets and liabilities:		
Financial assets designated as at fair value through profit or loss	951	(535)
Notes and accounts receivable - net	1	(1,558)
Inventory	(925)	462
Prepayments and other current assets	(774)	536
Notes and accounts payable	1,282	(496)
Other current liabilities	(2,898)	(1,148)
Logn-term payable	(16)	0
Accrued pension liabilities	3	17
Other liabilities-others	20	15
Net cash provided by (used in) operating activities	<u>4,535</u>	<u>5,485</u>
Cash flows from investing activities :		
Decrease (Increase) in restricted assets	(7)	16
Increase in available-for-sale financial assets	(282)	(3,245)
Proceeds from disposal of available-for-sale financial assets	174	4,097
Increase in financial assets carried at cost	(667)	(304)
Proceeds from disposal of financial assets carried at cost	2	0
Proceeds from disposal of investments accounted for using the equity method	1,528	0
Increase in financial asset held to maturity	(1)	(193)
Increase in financial asset held to maturity	(328)	(240)
Proceeds from disposal of financial asset held to maturity- noncurrent	47	0
Acquisition of subsidiaries	(938)	0
Decrease in long-term investments from investee returning capital	1	0
Purchase of property, plant and equipment	(1,275)	(1,923)
Proceeds from disposal of fixed assets	0	9
Decrease (increase) in refundable deposits	23	(4)
Increase in intangible assets and deferred assets	(1,131)	(74)
Net cash provided by (used in) investing activities	<u>(2,852)</u>	<u>(1,860)</u>
Cash flows from financing activities :		
Increase (Decrease) in deposits received	4	5
Increase (Decrease) in short-term liabilities	8,163	0
ESOP executed by employees	1	3
Increase (Decrease) in minority interest	0	36
Net cash provided by (used in) financing activities	<u>8,168</u>	<u>44</u>
Effect of exchange rate changes	<u>(611)</u>	<u>(271)</u>
Net increase ( decrease) in cash and cash equivalents	9,239	3,399
Cash and cash equivalents at the beginning of year	85,821	85,927
Cash and cash equivalents at the ending of the period	<u>95,061</u>	<u>89,326</u>