

**MediaTek Inc. Reports Third Quarter 2012 Consolidated Results**

- 3Q12 consolidated revenue NT\$29,471 million, up 25.7% from previous quarter
- 3Q12 consolidated gross margin 41.2%, up 0.4 percentage points from previous quarter
- 3Q12 consolidated operating income NT\$4,242 million, up 53.1% from previous quarter
- 3Q12 consolidated net income NT\$4,941 million; EPS NT\$4.06

**Consolidated Revenue:**

MediaTek Inc. today announced financial results of third-quarter ended September 30, 2012. Third quarter revenue was NT\$29,471 million, up 25.7% sequentially, and up 26.1% on a year-over-year basis, which was primarily driven by the fast-growing smartphone demand in China.

**Consolidated Gross Profit and Gross Margin:**

The third-quarter gross profit was NT\$12,151 million, up 27.1% sequentially, and up 15.3% year-over-year. MediaTek's gross margin for the quarter was 41.2%, or 0.4 percentage points higher than the previous quarter, but 3.9% percentage points lower than the same period of last year. The sequential increase in gross margin was mainly due to the ramp-up of new products.

**Consolidated Operating Expenses (including employee profit sharing expenses):**

Operating expenses for the quarter was NT\$7,909 million (26.8% of revenue), compared with NT\$6,787 million (29.0% of revenue) in the previous quarter, and NT\$6,838 million (29.3% of revenue) in the same period last year. Operating expenses for the quarter included:

- R&D expenses of NT\$6,249 million (21.2% of revenue), up from NT\$5,280 million in 2Q12, and NT\$5,304 million in 3Q11.
- Selling expenses of NT\$910 million (3.1% of revenue), increased from NT\$756 million in 2Q12, and NT\$815 million in 3Q11. The increase in selling expenses was primarily due to higher expenses resulted from higher revenue.
- Administration expenses of NT\$750 million (2.5% of revenue), down from NT\$752 million in 2Q12, but up from NT\$718 million in 3Q11.

**Consolidated Operating Profit and Operating Margin:**

Operating profit for the quarter was NT\$4,242 million, up 53.1% sequentially, and up 14.6% year-over-year. Operating margin for the quarter was 14.4%, increased from 11.8% in the previous quarter, but decreased from 15.8% in the year-ago quarter.

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

Non-operating income of NT\$877 million, or 3.0% of revenue, was mainly from interest income and investment income (primarily for MStar investment). Income tax expense for the quarter was NT\$188 million.

**Consolidated Net Income and EPS:**

Net income was NT\$4,941 million, an increase of 47.2% from the prior quarter, and 21.4% from the year-ago quarter, respectively. EPS was NT\$4.06, compared with NT\$2.95 in the prior quarter and NT\$3.73 in the year-ago quarter.

**Consolidated Cash and Financial Assets-Current:**

Cash and financial assets-current at the end of the quarter was NT\$91,177 million. This represents 43.2% of the company's total assets. Cash and financial assets-current was NT\$100,822 million and NT\$76,211 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\$ 8,216 million. The accounts receivable turnover was 25 days based on quarterly average net receivables divided by annualized net revenue. The turnover was lower than 29 days last quarter and 32 days in the year-ago quarter.

**Consolidated Inventory:**

Net inventory was NT\$12,091 million at the end of the quarter. The inventory turnover was 61 days based on quarterly average inventory divided by annualized cost of goods sold. The turnover was lower than 69 days in the last quarter, but higher than 60 days in the year-ago quarter.

**Consolidated Cash Flow from Operations:**

Cash flow from operations during the quarter was NT\$4,221 million, up from NT\$3,797 million in the prior quarter and NT\$1,899 million in the year-ago quarter, respectively.

## Earnings Webcast

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MediaTek will hold a public webcast today (October 29<sup>th</sup>) at 2:00 p.m. Taipei Time in Mandarin, and at 4:00 p.m. in English. A live webcast of the conference call will be available through the Investor Relations section of the MediaTek website. Investors who want to raise 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\\_54&version=e](http://www.mzcan.com/cancast/taiwan/index.php?id=tw2454_54&version=e))

4:00 – 5:00 p.m. (Taiwan Time): In English

([http://www.mzcan.com/cancast/taiwan/index.php?id=tw2454\\_55&version=e](http://www.mzcan.com/cancast/taiwan/index.php?id=tw2454_55&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](http://www.mediatek.com)

## MediaTek Inc. Q3 FY12 Consolidated Income Statement

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

	3Q12	2Q12	3Q11	Q-Q	Y-Y
Net revenue	29,471	23,440	23,376	25.7%	26.1%
Cost of goods sold	(17,320)	(13,882)	(12,836)		
Gross profit	12,151	9,558	10,540	27.1%	15.3%
Selling expenses	(910)	(756)	(815)		
Administration expenses	(750)	(752)	(718)		
R&D expenses	(6,249)	(5,280)	(5,304)		
Operating expenses	(7,909)	(6,787)	(6,838)		
Operating income	4,242	2,771	3,702	53.1%	14.6%
Net non-operating income	877	1,118	449		
Income before income tax	5,119	3,889	4,150		
Income tax expense	(188)	(541)	(85)		
Consolidated Net Income	4,931	3,347	4,065	47.3%	21.3%
Minority Interests	10	10	5		
Consolidated Net Income					
Attributable to the Parent	4,941	3,357	4,070	47.2%	21.4%
EPS Attributable to the Parent(NT\$)	4.06	2.95	3.73		

Note: Numbers do not add up due to rounding.

## Q3 FY12 Supplemental Information: Percentage of Revenue

	3Q12	2Q12	3Q11
<b>Gross profit</b>	<b>41.2%</b>	<b>40.8%</b>	<b>45.1%</b>
R&D expenses	(21.2 %)	(22.5 %)	(22.7 %)
Selling expenses	(3.1 %)	(3.2 %)	(3.5 %)
Administration expenses	(2.5 %)	(3.2 %)	(3.1 %)
<b>Operating profit</b>	<b>14.4%</b>	<b>11.8%</b>	<b>15.8%</b>
Non-operating income	3.0%	4.8%	1.9%
Income tax expense	(0.6 %)	(2.3 %)	(0.4 %)
<b>Net profit</b>	<b>16.8%</b>	<b>14.3%</b>	<b>17.4%</b>

Note: Numbers do not add up due to rounding.

## MediaTek Inc. Consolidated Balance Sheet

(In NT\$ millions)

	3Q12	2Q12	3Q11
Cash & financial assets-current	91,177	100,822	76,211
Notes & Accounts receivable (net)	8,216	7,659	8,384
Inventory (net)	12,091	11,074	7,172
Long-term investments	65,822	8,603	9,838
Intangible assets	16,248	17,241	8,649
Total assets	211,242	161,100	125,408
Short-term loans	10,504	12,199	2,317
Notes & accounts payable	12,054	10,280	6,818
Other current liabilities	14,328	25,500	14,804
Long-term liabilities	1,505	1,446	957
Stockholders' equity	172,850	111,675	100,512

## MediaTek Inc. Consolidated Cash Flow Summary

(In NT\$ millions)

	3Q12	2Q12	3Q11
Cash flow from operations	4,221	3,797	1,899
Cash flow from investing	(1,339)	(413)	745
Cash flow from financing	(11,869)	4,660	(21,618)
Effect of exchange rate changes	(928)	569	2,613
Net increase in cash & equivalents	(9,915)	8,613	(16,361)
Cash & equivalents at quarter end	85,146	95,061	72,965

Note: Numbers do not add up due to rounding.