

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

Unit: Millions of New Taiwan dollars

	2Q Comparison			Sequential Comparison		
	3Q 2012	3Q 2011	YOY%	3Q 2012	2Q 2012	QOQ%
<i>Gross Sales</i>	34,087	25,233	35%	34,087	25,901	32%
Less: Sales returns	(26)	(16)	63%	(26)	(3)	808%
Sales discounts	(4,589)	(1,841)	149%	(4,589)	(2,458)	87%
<i>Net Sales</i>	29,471	23,376	26%	29,471	23,440	26%
Cost of goods sold	(17,320)	(12,836)	35%	(17,320)	(13,882)	25%
Gross profit	12,151	10,540	15%	12,151	9,558	27%
Operating expenses						
Selling expenses	(910)	(815)	12%	(910)	(756)	20%
Administration expenses	(750)	(718)	4%	(750)	(752)	0%
Research and development expenses	(6,249)	(5,304)	18%	(6,249)	(5,280)	18%
Total Operating expenses	(7,910)	(6,838)	16%	(7,910)	(6,786)	17%
Operating income	4,241	3,702	15%	4,241	2,772	53%
Net non-operating income/losses	876	447	96%	876	1,118	-22%
Income before income tax	5,117	4,149	23%	5,117	3,889	32%
Income tax expenses	(188)	(85)	121%	(188)	(541)	-65%
Consolidated Net Income	4,931	4,064	21%	4,931	3,347	47%
Minority Interests	10	6	62%	10	10	3%
Consolidated Net Income Attributable to the Parent	4,941	4,070	21%	4,941	3,357	47%
Earnings Per Share (NTD)	4.06	3.73		4.06	2.95	

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

Unit: Millions of New Taiwan dollars

	2012	% to sales	2011	% to sales	YOY%
<i>Gross Sales</i>	81,466	112%	68,009	106%	20%
Less: Sales returns	(32)	0%	(40)	0%	-20%
Sales discounts	(8,907)	-12%	(3,744)	-6%	138%
<i>Net Sales</i>	72,526	100%	64,225	100%	13%
Cost of goods sold	(42,562)	-59%	(34,874)	-54%	22%
Gross profit	29,964	41%	29,351	46%	2%
Operating expenses					
Selling expenses	(2,254)	-3%	(1,876)	-3%	20%
Administration expenses	(2,241)	-3%	(2,141)	-3%	5%
Research and development expenses	(16,510)	-23%	(15,357)	-24%	8%
Total Operating expenses	(21,005)	-29%	(19,374)	-30%	8%
Operating income	8,959	12%	9,977	16%	-10%
Net non-operating income/losses	2,649	4%	1,112	2%	138%
Income before income tax	11,609	16%	11,089	17%	5%
Income tax expenses	(832)	-1%	(390)	-1%	114%
Consolidated Net Income	10,776	15%	10,699	17%	1%
Minority Interests	22	0%	6	0%	249%
Consolidated Net Income					
Attributable to the Parent	10,798	15%	10,706	17%	1%
Earnings Per Share (NTD)	9.20		9.81		

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

Unit: Millions of New Taiwan dollars

	2012	%	2011	%	YOY%
Current assets					
Cash and cash equivalents	85,146	40%	72,965	58%	17%
Held-for-trading financial assets	6	0%	138	0%	-96%
Financial asset at fair value through profit or loss-current	633	0%	1,347	1%	-53%
Financial asset available for sale-current	4,069	2%	1,761	1%	131%
Financial assets held-to maturity-current	323	0%	0	0%	-
Bond portfolios with no active market-current	1,000	0%	0	0%	-
Notes and accounts receivable-net	8,216	4%	8,384	7%	-2%
Inventories-net	12,091	6%	7,172	6%	69%
Prepayments and other current assets	6,379	3%	5,547	4%	15%
Total current assets	<u>117,863</u>	<u>56%</u>	<u>97,313</u>	<u>78%</u>	<u>21%</u>
Long-term investments	65,822	31%	9,838	8%	569%
Property, plant and equipment	10,792	5%	9,304	7%	16%
Intangible assets	16,248	8%	8,649	7%	88%
Other assets	517	0%	304	0%	70%
Total assets	<u>211,242</u>	<u>100%</u>	<u>125,408</u>	<u>100%</u>	<u>68%</u>
Current Liabilities					
Short-term loans	10,504	5%	2,317	2%	-
Notes and accounts payable-net	12,054	6%	6,818	5%	77%
Accrued expenses and other current liabilities	14,328	7%	14,804	12%	-3%
Total current liabilities	<u>36,887</u>	<u>17%</u>	<u>23,939</u>	<u>19%</u>	<u>54%</u>
Long-term liabilities	122	0%	0	0%	-
Other liabilities	1,383	1%	957	1%	44%
Total liabilities	<u>38,392</u>	<u>18%</u>	<u>24,896</u>	<u>20%</u>	<u>54%</u>
Shareholders' equity					
Capital stock	13,494	6%	11,000	9%	23%
Capital reserve	79,497	38%	12,476	10%	537%
Legal & special reserve	25,283	12%	25,908	21%	-2%
Undistributed earnings	57,651	27%	55,506	44%	4%
Cumulative translation adjustments	(4,184)	-2%	(2,065)	-2%	103%
Unrealized gain (loss) on financial instruments	1,134	1%	(199)	0%	-669%
Treasury stock	(56)	0%	(2,166)	-2%	-97%
Minority interest	32	0%	52	0%	-39%
Total shareholders' equity	<u>172,850</u>	<u>82%</u>	<u>100,512</u>	<u>80%</u>	<u>72%</u>
Total Liabilities and shareholders' equity	<u>211,242</u>	<u>100%</u>	<u>125,408</u>	<u>100%</u>	<u>68%</u>

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

Unit: Millions of New Taiwan dollars

	2012	2011
Cash flows from operating activities :		
Net income	10,776	10,699
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	922	873
Amortization expense	2,083	1,100
Bad debt expense (reversal)	53	29
Reversal of sales returns and discounts	(128)	0
Employee stock option distributed	26	58
Amortization of premium/discount of financial assets	0	2
Loss on inventory (reversal)	(1,301)	(1,779)
Net gain on equity investments	(405)	(69)
Net loss on disposal of property, plant and equipment	2	15
Gain on disposal of investment (including interest income)	(692)	(68)
Valuation loss (gain) on financial instruments	(52)	62
Deferred income tax	221	185
Employees' bonuses	1,278	1,373
Received cash dividends from equity investees	0	167
Changes in operating assets and liabilities:		
Financial assets designated as at fair value through profit or loss	1,226	(1,045)
Notes and accounts receivable - net	(1,791)	(3,129)
Inventory	(1,391)	3,969
Prepayments and other current assets	(1,066)	495
Notes and accounts payable	3,092	(1,601)
Other current liabilities	(4,273)	(4,018)
Long-term payable	(26)	0
Accrued pension liabilities	5	50
Other liabilities-others	21	16
Net cash provided by (used in) operating activities	<u>8,756</u>	<u>7,384</u>
Cash flows from investing activities :		
Decrease (Increase) in restricted assets	(7)	16
Increase in available-for-sale financial assets	(333)	(3,427)
Proceeds from disposal of available-for-sale financial assets	216	6,106
Increase in financial assets carried at cost	(978)	(837)
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	(256)	(204)
Increase in financial asset held to maturity	(322)	(254)
Proceeds from disposal of financial asset held to maturity- noncurrent	48	0
Increase in prepayment of long-term investments	0	(14)
Acquisition of subsidiaries	(938)	0
Decrease in long-term investments from investee returning capital	1	0
Purchase of property, plant and equipment	(2,039)	(2,345)
Proceeds from disposal of fixed assets	2	10
Decrease (increase) in refundable deposits	40	(6)
Increase in intangible assets and deferred assets	(1,156)	(161)
Net cash provided by (used in) investing activities	<u>(4,191)</u>	<u>(1,114)</u>
Cash flows from financing activities :		
Increase (Decrease) in deposits received	12	5
Increase (Decrease) in short-term liabilities	6,543	2,317
Distribution of shareholders' cash dividends	(10,328)	(21,999)
Cash dividends from parent company	70	156
ESOP executed by employees	1	3
Treasury stock acquired	0	(2,110)
Increase (Decrease) in minority interest	0	54
Net cash provided by (used in) financing activities	<u>(3,701)</u>	<u>(21,573)</u>
Effect of exchange rate changes	<u>(1,539)</u>	<u>2,342</u>
Net increase (decrease) in cash and cash equivalents	(676)	(12,962)
Cash and cash equivalents at the beginning of year	85,821	85,927
Cash and cash equivalents at the ending of the period	<u>85,146</u>	<u>72,965</u>