

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the third quarter of year 2014

Unit: Millions of New Taiwan dollars

	2Q Comparison			Sequential Comparison		
	3Q 2014	3Q 2013	YOY%	3Q 2014	2Q 2014	QOQ%
Net Sales	57,472	39,008	47%	57,472	54,133	6%
Operating costs	(29,238)	(21,867)	34%	(29,238)	(27,309)	7%
Gross profit	28,234	17,140	65%	28,234	26,824	5%
Operating expenses						
Selling expenses	(1,521)	(1,205)	26%	(1,521)	(2,072)	-27%
Administrative expenses	(1,381)	(995)	39%	(1,381)	(1,589)	-13%
Research and development expenses	(11,538)	(7,075)	63%	(11,538)	(10,403)	11%
Total operating expenses	(14,440)	(9,274)	56%	(14,440)	(14,063)	3%
Operating income	13,794	7,866	75%	13,794	12,760	8%
Non-operating income and expenses	1,119	1,169	-4%	1,119	1,393	-20%
Net income before income tax	14,914	9,035	65%	14,914	14,153	5%
Income tax expense	(1,612)	(619)	161%	(1,612)	(1,605)	0%
Net income	13,301	8,416	58%	13,301	12,549	6%
Net other comprehensive income	3,463	(1,808)	-292%	3,463	(3,104)	-212%
Total comprehensive income	16,764	6,608	154%	16,764	9,444	78%
Net income attributable to :						
Owners of the parent	13,299	8,428		13,299	12,558	
Non-controlling interests	2	(12)		2	(10)	
	13,301	8,416		13,301	12,549	
Earnings Per Share (NTD)	8.51	6.28		8.51	8.03	

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended September 30, 2014 and 2013

Unit: Millions of New Taiwan dollars

	2014	% to sales	2013	% to sales	YOY%
Net Sales	157,610	100%	96,258	100%	64%
Operating costs	(80,327)	-51%	(54,643)	-57%	47%
Gross profit	77,283	49%	41,615	43%	86%
Operating expenses					
Selling expenses	(4,727)	-3%	(3,155)	-3%	50%
Administrative expenses	(4,333)	-3%	(2,537)	-2%	71%
Research and development expenses	(30,856)	-19%	(19,082)	-20%	62%
Total operating expenses	(39,916)	-25%	(24,775)	-25%	61%
Operating income	37,367	24%	16,841	18%	122%
Non-operating income and expenses	3,200	2%	3,260	3%	-2%
Net income before income tax	40,568	26%	20,100	21%	102%
Income tax expense	(4,579)	-3%	(1,232)	-1%	272%
Net income	35,989	23%	18,868	20%	91%
Net other comprehensive income	1,477	1%	2,717	3%	-46%
Total comprehensive income	37,466	24%	21,586	23%	74%
Net income attributable to :					
Owners of the parent	36,005		18,892		
Non-controlling interests	(16)		(24)		
	35,989		18,868		
Earnings Per Share (NTD)	23.41		14.08		

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
September 30, 2014 and 2013

Unit: Millions of New Taiwan dollars

	2014	%	2013	%	YOY%
Current assets					
Cash and cash equivalents	185,070	55%	107,617	45%	72%
Financial assets at fair value through profit or loss-current	2,417	1%	1,916	1%	26%
Available-for-sale financial assets-current	6,475	2%	3,153	1%	105%
Held-to-maturity financial assets-current	433	0%	392	0%	11%
Bond investments for which no active market exists-current	326	0%	114	0%	187%
Trade receivables, net	15,418	5%	11,059	5%	39%
Inventories, net	24,464	7%	12,938	6%	89%
Other current assets	8,923	3%	6,104	2%	46%
Total current assets	243,526	73%	143,293	60%	70%
Non-current assets					
Funds and investments	12,179	3%	66,540	28%	-82%
Property, plant and equipment	16,736	5%	11,188	5%	50%
Intangible assets	59,259	18%	15,332	6%	287%
Other assets	3,382	1%	1,842	1%	84%
Total non-current assets	91,557	27%	94,902	40%	-4%
Total assets	335,083	100%	238,195	100%	41%
Current Liabilities					
Short-term borrowings	43,454	13%	19,760	8%	120%
Trade payables	21,307	6%	12,520	5%	70%
Other current liabilities	37,622	12%	18,690	8%	101%
Total current liabilities	102,383	31%	50,970	21%	101%
Non-current liabilities					
Total non-current liabilities	1,721	0%	2,125	1%	-19%
Total liabilities	104,104	31%	53,095	22%	96%
Equity					
Share capital	15,714	5%	13,495	6%	16%
Capital surplus	87,900	26%	68,376	29%	29%
Legal & special reserve	28,288	8%	29,714	12%	-5%
Undistributed earnings	98,446	30%	76,000	32%	30%
Other equity	557	0%	(2,472)	-1%	123%
Treasury shares	(56)	0%	(56)	0%	0%
Equity attributable to owners of the parent	230,850	69%	185,057	78%	25%
Non-controlling interests	129	0%	43	0%	201%
Total equity	230,979	69%	185,099	78%	25%
Total liabilities and equity	335,083	100%	238,195	100%	41%

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended September 30, 2014 and 2013

Unit: Millions of New Taiwan dollars

	2014	2013
Cash flows from operating activities :		
Profit before tax from continuing operations	40,568	20,100
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	958	910
Amortization	1,080	418
Bad debt provision (reversal)	14	(48)
Losses (gain) on financial assets and liabilities at fair value through profit or loss	18	(10)
Interest expenses	343	89
Interest income	(2,323)	(1,250)
Dividend income	(201)	(139)
Share-based payment expenses	50	57
Share of profit of associates accounted for using the equity method	(777)	(1,985)
Losses on disposal of property, plant and equipment	2	2
(Gain) loss on disposal of investments	(895)	34
Impairment of financial assets	263	450
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	(891)	(890)
Trade receivables	(3,637)	(4,428)
Other receivables	(979)	571
Inventories	(11,334)	920
Prepayments	(668)	187
Other current assets	(848)	(183)
Trade payables	8,614	2,492
Trade payables to related parties	(1,381)	949
Other payables	8,622	1,815
Other current liabilities	68	632
Long-term payables	(21)	(12)
Accrued pension liabilities	24	6
Non-current liabilities-others	29	29
Cash generated from operating activities		
Interest received	2,024	1,281
Dividend received	303	1,710
Interest paid	(308)	(76)
Income tax paid	(4,791)	(682)
Net cash provided by operating activities	<u>33,926</u>	<u>22,949</u>
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(3,271)	(920)
Proceeds from disposal of available-for-sale financial assets	412	1,229
Acquisition of bond investment for which no active market exists	(623)	(0)
Proceeds from disposal of bond investment for which no active market exists	412	0
Acquisition of held-to-maturity financial assets	0	(72)
Proceeds from disposal of held-to-maturity financial assets	635	0
Acquisition of financial assets measured at cost	(1,579)	(167)
Proceeds from disposal of financial assets measured at cost	930	0
Proceeds from capital return of financial assets measured at cost	27	142
Acquisition of investments accounted for using the equity method	(202)	(69)
Net cash inflows from acquisition of subsidiaries	33,097	0
Acquisition of property, plant and equipment	(3,074)	(1,249)
Proceeds from disposal of property, plant and equipment	91	27
(Increase) decrease in refundable deposits	(160)	52
Acquisition of intangible assets	(182)	(23)
Decrease (increase) in long-term prepaid rent	2	(2)
Net cash provided by (used in) investing activities	<u>26,514</u>	<u>(1,051)</u>
Cash flows from financing activities :		
Increase in short-term borrowings	14,436	10,757
Decrease in long-term borrowings	(651)	0
Increase in deposits received	46	17
Proceeds from exercise of employee stock options	209	12
Cash dividends	(23,448)	(12,074)
Increase in non-controlling interests	165	26
Net cash used in financing activities	<u>(9,243)</u>	<u>(1,262)</u>
Effect of changes in exchange rate on cash and cash equivalents	876	1,113
Net increase in cash and cash equivalents	52,073	21,750
Cash and cash equivalents at the beginning of the period	132,998	85,867
Cash and cash equivalents at the end of the period	<u>185,070</u>	<u>107,617</u>

Note: Numbers do not add up due to rounding.