

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

Unit: Millions of New Taiwan dollars

	2Q Comparison			Sequential Comparison		
	4Q 2014	4Q 2013	YOY%	4Q 2014	3Q 2014	QOQ%
Net Sales	55,453	39,798	39%	55,453	57,472	-4%
Operating costs	(28,868)	(21,608)	34%	(28,868)	(29,238)	-1%
Gross profit	26,585	18,190	46%	26,585	28,234	-6%
Operating expenses						
Selling expenses	(2,646)	(1,407)	88%	(2,646)	(1,521)	74%
Administrative expenses	(1,584)	(1,009)	57%	(1,584)	(1,381)	15%
Research and development expenses	(12,481)	(7,372)	69%	(12,481)	(11,538)	8%
Total operating expenses	(16,711)	(9,787)	71%	(16,711)	(14,440)	16%
Operating income	9,874	8,403	18%	9,874	13,794	-28%
Non-operating income and expenses	1,908	1,044	83%	1,908	1,119	70%
Net income before income tax	11,782	9,446	25%	11,782	14,914	-21%
Income tax expense	(1,372)	(830)	65%	(1,372)	(1,612)	-15%
Net income	10,410	8,616	21%	10,410	13,301	-22%
Net other comprehensive income	5,792	1,537	277%	5,792	3,463	67%
Total comprehensive income	16,202	10,153	60%	16,202	16,764	-3%
Net income attributable to :						
Owners of the parent	10,393	8,623		10,393	13,299	
Non-controlling interests	17	(7)		17	2	
	10,410	8,616		10,410	13,301	
Earnings Per Share (NTD)	6.65	6.43		6.65	8.51	

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended December 31, 2014 and 2013

Unit: Millions of New Taiwan dollars

	2014	% to sales	2013	% to sales	YOY%
Net Sales	213,063	100%	136,056	100%	57%
Operating costs	(109,194)	-51%	(76,250)	-56%	43%
Gross profit	103,869	49%	59,806	44%	74%
Operating expenses					
Selling expenses	(7,373)	-4%	(4,562)	-3%	62%
Administrative expenses	(5,917)	-3%	(3,546)	-3%	67%
Research and development expenses	(43,337)	-20%	(26,454)	-19%	64%
Total operating expenses	(56,627)	-27%	(34,562)	-25%	64%
Operating income	47,241	22%	25,244	20%	87%
Non-operating income and expenses	5,109	3%	4,303	3%	19%
Net income before income tax	52,350	25%	29,547	22%	77%
Income tax expense	(5,951)	-3%	(2,062)	-2%	189%
Net income	46,399	22%	27,485	20%	69%
Net other comprehensive income	7,269	3%	4,254	3%	71%
Total comprehensive income	53,668	25%	31,738	24%	69%
Net income attributable to :					
Owners of the parent	46,398		27,515		
Non-controlling interests	1		(30)		
	46,399		27,485		
Earnings Per Share (NTD)	30.04		20.51		

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2014 and 2013

Unit: Millions of New Taiwan dollars

	2014	%	2013	%	YOY%
Current assets					
Cash and cash equivalents	192,798	55%	132,998	52%	45%
Financial assets at fair value through profit or loss-current	3,547	1%	2,132	1%	66%
Available-for-sale financial assets-current	7,575	2%	3,426	1%	121%
Held-to-maturity financial assets-current	288	0%	550	0%	-48%
Bond investments for which no active market exists-current	1,086	0%	114	0%	855%
Trade receivables, net	12,552	4%	7,628	3%	65%
Inventories, net	22,341	6%	9,347	4%	139%
Other current assets	8,367	3%	5,547	2%	51%
Total current assets	248,555	71%	161,741	63%	54%
Non-current assets					
Funds and investments	15,001	4%	68,040	26%	-78%
Property, plant and equipment	23,295	7%	11,312	4%	106%
Intangible assets	60,758	17%	15,509	6%	292%
Other assets	3,511	1%	2,035	1%	73%
Total non-current assets	102,564	29%	96,896	37%	6%
Total assets	351,119	100%	258,637	100%	36%
Current Liabilities					
Short-term borrowings	46,161	13%	29,052	11%	59%
Trade payables	14,605	4%	10,944	4%	33%
Other current liabilities	40,854	12%	21,389	9%	91%
Total current liabilities	101,620	29%	61,385	24%	66%
Non-current liabilities					
Total non-current liabilities	1,893	1%	1,899	0%	0%
Total liabilities	103,513	30%	63,283	24%	64%
Equity					
Share capital	15,715	4%	13,497	5%	16%
Capital surplus	88,048	25%	68,475	26%	29%
Legal & special reserve	28,288	8%	29,714	12%	-5%
Undistributed earnings	108,567	31%	84,581	33%	28%
Other equity	6,606	2%	(896)	0%	837%
Treasury shares	(56)	0%	(56)	0%	0%
Equity attributable to owners of the parent	247,168	70%	195,315	76%	27%
Non-controlling interests	438	0%	38	0%	1046%
Total equity	247,606	70%	195,353	76%	27%
Total liabilities and equity	351,119	100%	258,637	100%	36%

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MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2014 and 2013

Unit: Millions of New Taiwan dollars

	2014	2013
Cash flows from operating activities :		
Profit before tax from continuing operations	52,350	29,547
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	1,313	1,182
Amortization	1,453	545
Bad debt provision (reversal)	27	(79)
Losses on financial assets and liabilities at fair value through profit or loss	40	9
Interest expenses	479	147
Interest income	(3,125)	(1,755)
Dividend income	(239)	(168)
Share-based payment expenses	64	76
Share of profit of associates accounted for using the equity method	(984)	(2,151)
Losses on disposal of property, plant and equipment	3	3
(Gain) loss on disposal of investments	(929)	48
Impairment of financial assets	263	478
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	(3,784)	(1,418)
Trade receivables	(483)	(983)
Other receivables	(840)	1,186
Inventories	(8,836)	4,532
Prepayments	(712)	(263)
Other current assets	(309)	(34)
Trade payables	1,883	820
Trade payables to related parties	(1,457)	1,055
Other payables	11,673	3,376
Other current liabilities	(731)	737
Long-term payables	(25)	(26)
Accrued pension liabilities	62	8
Non-current liabilities-others	39	33
Cash generated from operating activities		
Interest received	2,752	1,992
Dividend received	355	1,745
Interest paid	(485)	(126)
Income tax paid	(5,489)	(943)
Net cash provided by operating activities	<u>44,330</u>	<u>39,573</u>
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(4,344)	(1,377)
Proceeds from disposal of available-for-sale financial assets	828	1,470
Acquisition of bond investments for which no active market exists	(1,924)	(0)
Proceeds from disposal of bond investments for which no active market exists	960	0
Acquisition of held-to-maturity financial assets	0	(73)
Proceeds from disposal of held-to-maturity financial assets	824	0
Acquisition of financial assets measured at cost	(1,857)	(626)
Proceeds from disposal of financial assets measured at cost	936	0
Proceeds from capital return of financial assets measured at cost	42	322
Acquisition of investments accounted for using the equity method	(205)	(92)
Net cash inflows from acquisition of subsidiaries	33,097	0
Net cash inflows from disposal of subsidiaries	0	6
Acquisition of property, plant and equipment	(9,828)	(1,629)
Proceeds from disposal of property, plant and equipment	106	44
(Increase) decrease in refundable deposits	(35)	69
Acquisition of intangible assets	(796)	(324)
Increase in long-term prepaid rent	(1)	(4)
Net cash provided by (used in) investing activities	<u>17,802</u>	<u>(2,214)</u>
Cash flows from financing activities :		
Increase in short-term borrowings	17,109	19,984
Decrease in long-term borrowings	(651)	0
Increase in deposits received	50	18
Proceeds from exercise of employee stock options	223	95
Cash dividends	(23,448)	(12,074)
Increase in non-controlling interests	560	26
Net cash (used in) provided by financing activities	<u>(6,157)</u>	<u>8,048</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>3,825</u>	<u>1,724</u>
Net increase in cash and cash equivalents	<u>59,800</u>	<u>47,131</u>
Cash and cash equivalents at the beginning of the period	<u>132,998</u>	<u>85,867</u>
Cash and cash equivalents at the end of the period	<u><u>192,798</u></u>	<u><u>132,998</u></u>

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