

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the second quarter of year 2015

Unit: Millions of New Taiwan dollars

	2Q Comparison			Sequential Comparison		
	2Q 2015	2Q 2014	YOY%	2Q 2015	1Q 2015	QOQ%
Net Sales	47,044	54,133	-13%	47,044	47,536	-1%
Operating costs	(25,448)	(27,309)	-7%	(25,448)	(25,038)	2%
Gross profit	21,596	26,824	-19%	21,596	22,499	-4%
Operating expenses						
Selling expenses	(1,655)	(2,072)	-20%	(1,655)	(2,169)	-24%
Administrative expenses	(2,178)	(1,589)	37%	(2,178)	(1,807)	21%
Research and development expenses	(10,897)	(10,403)	5%	(10,897)	(10,851)	0%
Total operating expenses	(14,730)	(14,063)	5%	(14,730)	(14,827)	-1%
Operating income	6,866	12,760	-46%	6,866	7,672	-11%
Non-operating income and expenses	541	1,393	-61%	541	470	15%
Net income before income tax	7,407	14,153	-48%	7,407	8,142	-9%
Income tax expense	(1,030)	(1,605)	-36%	(1,030)	(891)	16%
Net income	6,377	12,549	-49%	6,377	7,251	-12%
Net other comprehensive income	(379)	(3,104)	-88%	(379)	(1,341)	-72%
Total comprehensive income	5,998	9,444	-36%	5,998	5,910	1%
Net income (loss) attributable to :						
Owners of the parent	6,350	12,558		6,350	7,226	
Non-controlling interests	27	(10)		27	25	
	6,377	12,549		6,377	7,251	
Basic Earnings Per Share (NTD)	4.06	8.03		4.06	4.62	

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended June 30, 2015 and 2014

Unit: Millions of New Taiwan dollars

	2015	% to sales	2014	% to sales	YOY%
Net Sales	94,580	100%	100,138	100%	-6%
Operating costs	(50,485)	-54%	(51,089)	-51%	-1%
Gross profit	44,095	46%	49,049	49%	-10%
Operating expenses					
Selling expenses	(3,823)	-4%	(3,206)	-3%	19%
Administrative expenses	(3,985)	-4%	(2,952)	-3%	35%
Research and development expenses	(21,748)	-23%	(19,318)	-19%	13%
Total operating expenses	(29,557)	-31%	(25,476)	-25%	16%
Operating income	14,538	15%	23,573	24%	-38%
Non-operating income and expenses	1,011	1%	2,081	2%	-51%
Net income before income tax	15,549	16%	25,654	26%	-39%
Income tax expense	(1,921)	-2%	(2,966)	-3%	-35%
Net income	13,628	14%	22,688	23%	-40%
Net other comprehensive income	(1,721)	-2%	(1,986)	-2%	-13%
Total comprehensive income	11,908	12%	20,701	21%	-42%
Net income (loss) attributable to :					
Owners of the parent	13,576		22,706		
Non-controlling interests	53		(18)		
	13,628		22,688		
Basic Earnings Per Share (NTD)	8.68		14.89		

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
As of June 30, 2015 and 2014

Unit: Millions of New Taiwan dollars

	2015	%	2014	%	YOY%
Current assets					
Cash and cash equivalents	195,824	53%	190,138	59%	3%
Financial assets at fair value through profit or loss-current	669	0%	2,014	1%	-67%
Available-for-sale financial assets-current	5,522	2%	3,448	1%	60%
Held-to-maturity financial assets-current	355	0%	521	0%	-32%
Debt instrument investments for which no active market exists-current	754	0%	311	0%	143%
Trade receivables, net	12,250	3%	12,983	4%	-6%
Inventories, net	33,654	9%	19,326	6%	74%
Other current assets	7,113	2%	7,652	2%	-7%
Total current assets	256,141	69%	236,392	73%	8%
Non-current assets					
Funds and investments	19,769	5%	9,918	3%	99%
Property, plant and equipment	28,300	8%	15,180	5%	86%
Intangible assets	63,907	17%	59,488	18%	7%
Other assets	3,239	1%	2,879	1%	12%
Total non-current assets	115,214	31%	87,465	27%	32%
Total assets	371,355	100%	323,857	100%	15%
Current Liabilities					
Short-term borrowings	57,491	16%	34,046	10%	69%
Trade payables	18,806	5%	18,439	6%	2%
Other current liabilities	67,397	18%	55,266	17%	22%
Total current liabilities	143,694	39%	107,751	33%	33%
Non-current liabilities					
Total non-current liabilities	2,224	0%	1,789	1%	24%
Total liabilities	145,918	39%	109,540	34%	33%
Equity					
Share capital	15,716	4%	15,710	5%	0%
Capital surplus	88,191	24%	88,090	27%	0%
Legal & special reserve	32,032	9%	28,288	9%	13%
Undistributed earnings	83,824	23%	85,147	26%	-2%
Other equity	4,875	1%	(2,899)	-1%	268%
Treasury shares	(56)	0%	(56)	0%	0%
Equity attributable to owners of the parent	224,582	61%	214,280	66%	5%
Non-controlling interests	856	0%	37	0%	2237%
Total equity	225,438	61%	214,317	66%	5%
Total liabilities and equity	371,355	100%	323,857	100%	15%

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2015 and 2014

Unit: Millions of New Taiwan dollars

	2015	2014
Cash flows from operating activities :		
Profit before tax from continuing operations	15,549	25,654
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	837	607
Amortization	1,336	694
Bad debt (reversal) provision	(28)	55
(Gain) Loss on financial assets and liabilities at fair value through profit or loss	(56)	32
Interest expenses	255	196
Interest income	(1,623)	(1,428)
Dividend income	(298)	(117)
Share-based payment expenses	33	38
Share of profit of associates accounted for using the equity method	(219)	(627)
Losses on disposal of property, plant and equipment	6	1
Gains on disposal of investments	(419)	(702)
Impairment of financial assets	851	263
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	2,555	722
Trade receivables	417	(1,364)
Other receivables	2,019	(296)
Inventories	(11,021)	(6,170)
Prepayments	(454)	(825)
Other current assets	(166)	(345)
Trade payables	4,090	4,713
Trade payables to related parties	27	(348)
Other payables	(5,129)	3,781
Other current liabilities	308	(105)
Long-term payables	(21)	(15)
Net defined benefit liabilities	9	21
Non-current liabilities-others	(9)	24
Cash generated from operating activities		
Interest received	1,722	1,364
Dividend received	378	201
Interest paid	(190)	(180)
Income tax paid	(6,205)	(3,662)
Net cash provided by operating activities	<u>4,554</u>	<u>22,184</u>
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(3,457)	(300)
Proceeds from disposal of available-for-sale financial assets	1,873	21
Acquisition of debt instrument investments for which no active market exists	(1,331)	(300)
Proceeds from disposal of debt instrument investments for which no active market exists	1,497	102
Acquisition of held-to-maturity financial assets	(1,255)	0
Proceeds from disposal of held-to-maturity financial assets	0	256
Acquisition of financial assets measured at cost	(379)	(1,101)
Proceeds from disposal of financial assets measured at cost	24	932
Proceeds from capital return of financial assets measured at cost	28	19
Acquisition of investments accounted for using the equity method	(285)	(125)
Proceeds from capital return of investments accounted for using the equity method	21	0
Net cash (outflow) inflow from acquisition of subsidiaries	(1,105)	33,097
Acquisition of property, plant and equipment	(5,976)	(1,290)
Proceeds from disposal of property, plant and equipment	4	68
Decrease in refundable deposits	3	12
Acquisition of intangible assets	(1,767)	(192)
(Increase) decrease in long-term prepaid rent	(30)	4
Net cash (used in) provided by investing activities	<u>(12,136)</u>	<u>31,204</u>
Cash flows from financing activities :		
Increase in short-term borrowings	11,330	5,028
Decrease in long-term borrowings	0	(651)
(Decrease) increase in deposits received	(3)	44
Proceeds from exercise of employee stock options	30	62
Change in non-controlling interests	134	(0)
Net cash provided by financing activities	<u>11,491</u>	<u>4,483</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(883)</u>	<u>(731)</u>
Net increase in cash and cash equivalents	3,027	57,140
Cash and cash equivalents at the beginning of the period	192,798	132,998
Cash and cash equivalents at the end of the period	<u>195,824</u>	<u>190,138</u>

Note: Numbers do not add up due to rounding.