

## MediaTek Inc. Reports Third Quarter 2013 Consolidated Results

- **3Q13 consolidated revenue NT\$39,008 million, up 17.2% from previous quarter**
- **3Q13 consolidated gross margin 43.9%, up 0.7 percentage points from previous quarter**
- **3Q13 consolidated operating income NT\$7,866 million, up 33.6% from previous quarter**
- **3Q13 consolidated net income NT\$8,416 million; EPS NT\$6.28**

### **Consolidated Revenue:**

MediaTek Inc. today announced financial results of third-quarter ended September 30, 2013. Third quarter revenue was NT\$39,008 million, up 17.2% sequentially, and up 32.4% year-over-year. Third quarter revenue growth was mainly driven by seasonal growth from all business lines, out of which smartphone grew relatively rapidly in China and emerging market.

### **Consolidated Gross Profit and Gross Margin:**

The third-quarter gross profit was NT\$17,140 million, up 19.2% sequentially, and up 41.1% year-over-year. Gross margin for the quarter was 43.9%, up 0.7 percentage points sequentially and up 2.7 percentage points year-over-year. The increase of gross margin was mainly due to higher contribution from mid-to-high end smartphone .

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

Operating expenses for the quarter was NT\$9,274 million (23.8% of revenue), compared with NT\$8,497 million (25.5% of revenue) in the previous quarter, and NT\$7,919 million (26.9% of revenue) in the same period last year. The increase of operating expenses compared with the previous quarter and the year-ago quarter was mainly due to revenue growth. Operating expenses for the quarter included:

- R&D expenses of NT\$7,075 million (18.1% of revenue), increased from NT\$6,516 million in 2Q13, and increased from NT\$6,324 million in 3Q12.
- Selling expenses of NT\$1,205 million (3.1% of revenue), increased from NT\$1,101 million in 2Q13, and increased from NT\$911 million in 3Q12.
- Administration expenses of NT\$995 million (2.6% of revenue), increased from NT\$880 million in 2Q13, and increased from NT\$684 million in 3Q12.

### **Consolidated Operating Profit and Operating Margin:**

Operating profit for the quarter was NT\$7,866 million, up 33.6% sequentially, and up 85.9% year-over-year. Operating margin for the quarter was 20.2%, increased from 17.7% in the previous quarter, and increased from 14.4% in the year-ago quarter.

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

Non-operating income of NT\$1,169 million, or 3.0% of revenue, was mainly from interest income and investment income. Income tax expense for the quarter was NT\$619 million.

**Consolidated Net Income and Net Profit Margin and EPS:**

Net income was NT\$8,416 million, up 25.3% sequentially, and up 71.2% year-over-year. Net profit margin for the quarter was 21.6%, increased from 20.2% in the previous quarter, and increased from 16.7% in the year-ago quarter. EPS was NT\$6.28, compared with NT\$5.01 in the prior quarter and NT\$3.97 in the year-ago quarter.

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

Cash and financial assets-current at the end of the quarter was NT\$113,192 million. This represents 47.5% of the company's total assets. Cash and financial assets-current was NT\$112,749 million and NT\$91,197 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\$ 11,059 million. The accounts receivable turnover was 25 days based on quarterly average net receivables divided by annualized net revenue. The turnover was higher than 24 days last quarter, and same as 25 days in the year-ago quarter.

**Consolidated Inventory:**

Net inventory was NT\$12,938 million at the end of the quarter. The inventory turnover was 50 days based on quarterly average inventory divided by annualized cost of goods sold. The turnover was lower than 57 days in the last quarter, and 61 days in the year-ago quarter.

**Consolidated Cash Flow from Operations:**

Cash flow from operations during the quarter was NT\$9,971 million, an increase of NT\$9,921 million from the prior quarter and an increase of NT\$4,221 million from the year-ago quarter.

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**Earnings Webcast**

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MediaTek will hold a public webcast today (November 1) 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\\_62&version=e](http://www.mzcan.com/cancast/taiwan/index.php?id=tw2454_62&version=e)

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

[http://www.mzcan.com/cancast/taiwan/index.php?id=tw2454\\_63&version=e](http://www.mzcan.com/cancast/taiwan/index.php?id=tw2454_63&version=e)**Dial-in Number:** +852 3027 5500(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 FY13 Consolidated Income Statement**

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

|                                      | <b>3Q13</b> | <b>2Q13</b> | <b>3Q12</b> | <b>Q-Q</b> | <b>Y-Y</b> |
|--------------------------------------|-------------|-------------|-------------|------------|------------|
| Net Revenue                          | 39,008      | 33,276      | 29,471      | 17.2%      | 32.4%      |
| Cost of Goods Sold                   | (21,867)    | (18,891)    | (17,320)    |            |            |
| Gross Profit                         | 17,140      | 14,385      | 12,151      | 19.2%      | 41.1%      |
| Selling expenses                     | (1,205)     | (1,101)     | (911)       |            |            |
| Administration expenses              | (995)       | (880)       | (684)       |            |            |
| R&D expenses                         | (7,075)     | (6,516)     | (6,324)     |            |            |
| Operating Expenses                   | (9,274)     | (8,497)     | (7,919)     |            |            |
| Operating Income                     | 7,866       | 5,888       | 4,232       | 33.6%      | 85.9%      |
| Net Non-operating Income             | 1,169       | 1,256       | 872         |            |            |
| Income Before Income Tax             | 9,035       | 7,143       | 5,104       |            |            |
| Income tax expense                   | (619)       | (427)       | (187)       |            |            |
| Consolidated Net Income              | 8,416       | 6,716       | 4,917       | 25.3%      | 71.2%      |
| EPS Attributable to the Parent(NT\$) | <b>6.28</b> | <b>5.01</b> | <b>3.97</b> |            |            |

Note: Numbers do not add up due to rounding.

**Q3 FY13 Supplemental Information: Percentage of Revenue**

|                         | <b>3Q13</b>  | <b>2Q13</b>  | <b>3Q12</b>  |
|-------------------------|--------------|--------------|--------------|
| <b>Gross profit</b>     | <b>43.9%</b> | <b>43.2%</b> | <b>41.2%</b> |
| Selling expenses        | (3.1 %)      | (3.3 %)      | (3.1 %)      |
| Administration expenses | (2.6 %)      | (2.6 %)      | (2.3 %)      |
| R&D expenses            | (18.1 %)     | (19.6 %)     | (21.5 %)     |
| <b>Operating profit</b> | <b>20.2%</b> | <b>17.7%</b> | <b>14.4%</b> |
| Non-operating income    | 3.0%         | 3.8%         | 3.0%         |
| Income tax expense      | (1.6 %)      | (1.3 %)      | (0.6 %)      |
| <b>Net profit</b>       | <b>21.6%</b> | <b>20.2%</b> | <b>16.7%</b> |

Note: Numbers do not add up due to rounding.

## MediaTek Inc. Consolidated Balance Sheet

(In NT\$ millions)

|   | 3Q13           | 2Q13           | 3Q12           |
|---|----------------|----------------|----------------|
| Cash & Financial assets-current           | 113,192        | 112,749        | 91,197         |
| Accounts receivable                       | 11,059         | 10,389         | 8,216          |
| Inventories                               | 12,938         | 10,956         | 12,091         |
| Funds and investments                     | 66,540         | 67,469         | 65,873         |
| Intangible assets                         | 15,332         | 15,481         | 16,134         |
| <b>Total assets</b>                       | <b>238,195</b> | <b>237,353</b> | <b>211,344</b> |
| Short-term loans                          | 19,760         | 16,114         | 10,504         |
| Accounts payable                          | 12,520         | 10,873         | 12,054         |
| Other current liabilities                 | 18,690         | 29,871         | 14,378         |
| Long-term liabilities & Other liabilities | 2,125          | 2,143          | 1,796          |
| <b>Stockholders' equity</b>               | <b>185,099</b> | <b>178,353</b> | <b>172,611</b> |

## MediaTek Inc. Consolidated Cash Flow Summary

(In NT\$ millions)

|   | 3Q13           | 2Q13           | 3Q12           |
|---|----------------|----------------|----------------|
| Cash flow from operations                     | 9,971          | 9,921          | 4,221          |
| Cash flow from investing                      | (374)          | (751)          | (1,339)        |
| Cash flow from financing                      | (8,301)        | 3,305          | (11,869)       |
| Effect of exchange rate changes               | (905)          | 659            | (928)          |
| <b>Net increase in cash &amp; equivalents</b> | <b>392</b>     | <b>13,134</b>  | <b>(9,915)</b> |
| <b>Cash &amp; equivalents at quarter end</b>  | <b>107,617</b> | <b>107,225</b> | <b>85,146</b>  |

Note: Numbers do not add up due to rounding.