



聯詠科技股份有限公司  
NOVATEK MICROELECTRONICS CORP.

FOR IMMEDIATE RELEASE

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**Novatek Announces 2010 1H Un-audited Financial Result:**

**2010 1H Revenue & PAT Reached  
NT\$18.11B & NT\$2.46B Respectively  
With EPS of NT\$4.12**

**Hsin-chu, Taiwan, ROC - July 28, 2010 – Novatek**(TSE:3034) a leading global Flat Panel Display IC total solution provider today announced its first half un-audited financial results of 2010.

The first half revenue and profit after tax reached NT\$18.11 billion and NT\$2.46 billion respectively while earnings per share came to NT\$4.12. The first half revenue increased by 61.36% year-over-year.

The second quarter revenue increased by 8.45% quarter-over-quarter to NT\$9.42 billion from NT\$8.69 billion in Q110, and increased by 26.64% year-over-year from NT\$7.44 billion in Q209. The relatively strong second quarter revenue was mainly due to the tight supply of IC components in second quarter. Second quarter gross margin was up quarter-over-quarter to 27.48% from 27.23% in Q110. The quarter-over-quarter gross margin improvement of 0.25%p was mainly resulted from product mix.

Second quarter operating expense increased quarter-over-quarter to NT\$1.18 billion from NT\$1.11 billion in Q110 and increased year-over-year from NT\$1.16 billion in Q209. Second quarter operating income increased to NT\$1.41 billion from NT\$1.26 billion in Q110.

Novatek's Q210 net income was NT\$1.26 billion, which increased quarter-over-quarter by 4.93% from NT\$1.20 billion in Q110 and year-over-year decreased by 8.55% from NT\$1.37 billion in Q209.

Earnings per share for Q210 were NT\$2.11, compared with NT\$2.01 in Q110.



# 聯詠科技股份有限公司 NOVATEK MICROELECTRONICS CORP.

## Sales & Profits

(Units: NTD Million)	Q2'10	QoQ	Q1'10	Q2'09	YoY
<b>Net Sales</b>	<b>9,423</b>	8.45%	<b>8,688</b>	<b>7,440</b>	26.64%
<b>Net Gross Profit</b> (Margin)	<b>2,589</b> (27.48%)	9.46% 0.25%p	<b>2,366</b> (27.23%)	<b>2,293</b> (30.82%)	12.91% -3.34%p
<b>Operating Profit</b>	<b>1,409</b>	12.02%	<b>1,258</b>	<b>1,129</b>	24.79%
<b>Net Income</b>	<b>1,257</b>	4.93%	<b>1,198</b>	<b>1,375</b>	-8.55%
<b>EPS (NT\$)(1)</b>	<b>2.11</b>		<b>2.01</b>	<b>2.31</b>	

(1) EPS were calculated based on total outstanding shares of 596 million shares.

## Sales Breakdown by Product

(Units: NTD Million)	Q2'10	QoQ	Q1'10	Q2'09	YoY
<b>SOC</b>	<b>1,787</b>	-2.83%	<b>1,839</b>	<b>1,962</b>	-8.92%
<b>TFT LCD Driver</b>	<b>7,655</b>	9.99%	<b>6,960</b>	<b>5,576</b>	37.28%
<b>Total</b>	<b>9,441</b>	7.28%	<b>8,800</b>	<b>7,538</b>	25.25%

### About Novatek

Novatek spun-off from UMC and was established in 1997, specializing in Display total solution and Image Processing related products. The company is one of the largest FPD drivers and SoC suppliers in the world. Novatek currently ranked No. 2 among the fabless company in Taiwan, and No. 11 in the world. For more information, please visit the company's web site at [www.novatek.com.tw](http://www.novatek.com.tw).



# Novatek Microelectronics Corp. Financial Report 2010 Q2



Issued in Jul 2010

# Monthly Sales

**MNT\$**

	2010	2009	+ (-) %
January	2,906	904	<b>221%</b>
February	2,658	1,158	<b>130%</b>
March	3,124	1,721	<b>82%</b>
April	3,246	2,159	<b>50%</b>
May	3,253	2,561	<b>27%</b>
June	2,923	2,720	<b>7%</b>
July		2,758	
August		2,909	
September		2,820	
October		2,513	
November		2,360	
December		2,412	
<b>Total:</b>	<b>18,111</b>	<b>26,997</b>	<b>-33%</b>
Jan.~Jun.	18,111	11,224	<b>61%</b>

# Sales Breakdown By Products

**MNT\$**

Product	2010/Q2		2010/Q1		2009/Q4		2009/Q3		2009/Q2	
	AMT	%	AMT	%	AMT	%	AMT	%	AMT	%
SOC	1,787	19	1,839	21	1,516	21	2,144	25	1,962	26
DRIVER	7,655	81	6,960	80	5,867	81	6,436	76	5,576	75
Total:	9,441	100	8,800	101	7,383	101	8,580	101	7,538	101
OTHERS	10	0	6	0	11	0	6	0	5	0
Return & Allowance	(29)	(0)	(117)	(1)	(109)	(1)	(97)	(1)	(103)	(1)
Grand Total:	9,423	100	8,688	100	7,285	100	8,488	100	7,440	100
Growth	8%		19%		-14%		14%		97%	

# Income Statement (1H YoY)

(Expressed In New Taiwan Thousand Dollars)

	2010/H1	%	2009/H1	%	Growth %
Net sales	18,110,964	100.00	11,223,859	100.00	<b>61.36</b>
Cost of good sold	(13,141,502)	(72.56)	(7,723,983)	(68.82)	70.14
Gross Profit	4,969,462	27.44	3,499,876	31.18	41.99
Unrealized Profit	(14,310)	(0.08)	(18,493)	(0.16)	(22.62)
Net Gross Profit	4,955,152	27.36	3,481,383	31.02	42.33
Operating Exp.	(2,287,911)	(12.63)	(2,015,480)	(17.96)	13.52
Selling & Adm.	(520,175)	(2.87)	(468,937)	(4.18)	10.93
R & D Exp.	(1,767,736)	(9.76)	(1,546,543)	(13.78)	14.30
Operating Income	2,667,241	14.73	1,465,903	13.06	81.95
Net Non-Operating	(1,553)	(0.01)	404,172	3.60	(100.38)
Income Before Tax	2,665,688	14.72	1,870,075	16.66	42.54
Income Tax Benefit	(210,000)	(1.16)	(60,284)	(0.54)	248.35
Net Income	2,455,688	13.56	1,809,791	16.12	<b>35.69</b>
EPS	4.12		3.04		

EPS were calculated based on total outstanding shares of 596 million shares.

# Income Statement (Q2 YoY)

(Expressed In New Taiwan Thousand Dollars)

	2010/Q2	%	2009/Q2	%	Growth %
Net sales	9,422,537	100.00	7,440,480	100.00	<b>26.64</b>
Cost of good sold	(6,830,574)	(72.49)	(5,130,693)	(68.96)	33.13
Gross Profit	2,591,963	27.51	2,309,787	31.04	12.22
Unrealized Profit	(2,467)	(0.03)	(16,458)	(0.22)	(85.01)
Net Gross Profit	2,589,496	27.48	2,293,329	30.82	12.91
Operating Exp.	(1,180,291)	(12.53)	(1,164,072)	(15.65)	1.39
Selling & Adm.	(258,499)	(2.74)	(234,264)	(3.15)	10.35
R & D Exp.	(921,792)	(9.78)	(929,808)	(12.50)	(0.86)
Operating Income	1,409,205	14.96	1,129,257	15.18	24.79
Net Non-Operating	(11,834)	(0.13)	290,878	3.91	(104.07)
Income Before Tax	1,397,371	14.83	1,420,135	19.09	(1.60)
Income Tax Benefit	(140,000)	(1.49)	(45,270)	(0.61)	209.26
Net Income	1,257,371	13.34	1,374,865	18.48	<b>(8.55)</b>
EPS	<b>2.11</b>		<b>2.31</b>		

EPS were calculated based on total outstanding shares of 596 million shares.

# Income Statement (QoQ)

(Expressed In New Taiwan Thousand Dollars)

	2010/Q2	%	2010/Q1	%	Growth %
Net sales	9,422,537	100.00	8,688,427	100.00	<b>8.45</b>
Cost of good sold	(6,830,574)	(72.49)	(6,310,928)	(72.64)	8.23
Gross Profit	2,591,963	27.51	2,377,499	27.36	9.02
Unrealized Profit	(2,467)	(0.03)	(11,843)	(0.14)	(79.17)
Net Gross Profit	2,589,496	27.48	2,365,656	27.23	9.46
Operating Exp.	(1,180,291)	(12.53)	(1,107,620)	(12.75)	6.56
Selling & Adm.	(258,499)	(2.74)	(261,676)	(3.01)	(1.21)
R & D Exp.	(921,792)	(9.78)	(845,944)	(9.74)	8.97
Operating Income	1,409,205	14.96	1,258,036	14.48	12.02
Net Non-Operating	(11,834)	(0.13)	10,281	0.12	(215.11)
Income Before Tax	1,397,371	14.83	1,268,317	14.60	10.18
Income Tax Benefit	(140,000)	(1.49)	(70,000)	(0.81)	100.00
Net Income	1,257,371	13.34	1,198,317	13.79	<b>4.93</b>
EPS	2.11		2.01		

EPS were calculated based on total outstanding shares of 596 million shares.

# Financial Numbers

(Expressed In New Taiwan Thousand Dollars)

	2010/06/30	2010/03/31	2009/12/31	2009/09/30	2009/06/30
Cash and Cash Equivalents	17,409,004	17,359,697	14,637,810	12,259,018	13,991,636
Short Term Loans	(9,034,150)	(7,568,400)	(6,142,080)	(5,017,740)	(3,674,720)
Net Cash	8,374,854	9,791,297	8,495,730	7,241,278	10,316,916
QoQ Change	(1,416,443)	1,295,567	1,254,452	(3,075,638)	653,215
Notes & Accounts receivable	11,000,810	9,269,406	8,355,359	8,938,817	7,244,197
QoQ Change	1,731,404	914,047	(583,458)	1,694,620	2,616,925
Inventory	3,377,103	3,037,495	2,309,442	2,704,085	2,075,030
QoQ Change	339,608	728,053	(394,643)	629,055	237,967