

FOR IMMEDIATE RELEASE

Contact: Mingto Yu, CFO & Spokesman

Website: www.mediatek.com**MediaTek Inc. Reported Consolidated Earnings of First Quarter FY08**

- **Consolidated revenue of NT\$19,378 million in the quarter, down 4.8% from previous quarter**
- **Consolidated GAAP net income of NT\$ 4,031 million in the quarter, consolidated EPS of NT\$ 3.9 in the quarter ; down 1.9% from previous quarter considering employee profit sharing expenses for both quarters**

Consolidated Revenue

Revenue was NT\$19,378 million for the first quarter of fiscal year 2008 ended March 31, 2008, down 4.8% from NT\$20,360 in 4Q07, while up 29.8% from NT\$14,927 in 1Q07. The declined revenue from previous quarter was mainly attributed to USD depreciation. Despite of less working days in February, US subprime mortgage crisis, and weaker consumer sentiment resulted by worldwide inflation, shipment of wireless communication handset chipsets and DTV chipsets still grew from previous quarter given worldwide market share expansion. Meanwhile, compared to the same period of last year, shipment of the two product lines grew remarkably by over 60% and 100% respectively.

Consolidated Gross Margin and Profit

Gross margin of the quarter was 52.1%. As a result of USD depreciation and product mix change, the margin declined from 54.8% in 4Q07. Compared with the same period of last year, the margin declined from 57.3% mainly due to the ASP decrease.

Gross profit of the quarter was NT\$10,102 million, down 9.5% from NT\$11,166 million in 4Q07, while 18.1% up from NT\$8,555 million in 1Q07.

Consolidated Operating Expenses and Profit (Non-GAAP/GAAP)**(1) Non-GAAP Consolidated Operating Expenses and Profit**

Non-GAAP operating expenses for the quarter were NT\$4,667 million (24.1% of revenue), down from NT\$4,679 million (23.0% of revenue) in 4Q07 while up from NT\$ 2,392 million (16.0% of revenue) in 1Q07. Major items included:

- R&D expenses of NT\$3,618 million in the quarter represented 18.7% of total revenue, slightly down from NT\$3,674 million in 4Q07 while up from NT\$1,594 million in 1Q07. The increase was due to new product development, amortization of various royalty payments, asset purchase activities, and enlarging overseas operations.

- Selling expenses of NT\$448 million, up from NT\$345 million in 4Q07 and from NT\$264 million in 1Q07.
- Administration expenses of NT\$602 million, decreased from NT\$661 million in 4Q07 but up from NT\$534 million in 1Q07. The increase was owing to increasing miscellaneous expense along with organic growth and global business expansion.

The Non-GAAP operating margin was down to 28.0% in the quarter from 31.9% in 4Q07 and 41.3% in 1Q07.

Non-GAAP operating income of NT\$ 5,435 million dropped 16.2% from NT\$6,486 million in 4Q07 and 11.8% from NT\$6,162 million in 1Q07.

(2) GAAP Consolidated Operating Expenses and Profit

GAAP operating expenses for the quarter were NT\$5,991 million (30.9% of revenue), up from NT\$4,679 million (23.0% of revenue) in 4Q07 and from NT\$2,392 million (16.0% of revenue) in 1Q07.

GAAP operating expenses include accrued employee profit sharing expenses apart from Non-GAAP operating expenses. The employee profit sharing expenses, including cash and stock bonus at market value, were NT\$1,323 million during the quarter. According to our internal calculation (see note 4 on page 6), the expenses were down from NT\$2,206 million in 4Q07 and from NT\$2,736 million in 1Q07.

- R&D expenses of NT\$4,740 million in the quarter represented 24.5% of total revenue, hiking from NT\$3,674 million in 4Q07 and from NT\$1,594 million in 1Q07. The employee profit sharing R&D expenses of the quarter were NT\$1,122 million.
- Selling expenses of NT\$493 million, up from NT\$345 million in 4Q07 and from NT\$264 million in 1Q07. The employee profit sharing selling expenses of the quarter were NT\$45 million.
- Administration expenses of NT\$757 million, increased from NT\$661 million in 4Q07 and from NT\$534 million in 1Q07. The employee profit sharing administration expenses of the quarter were NT\$155 million.

The GAAP operating margin was down to 21.2% in the quarter from 31.9% in 4Q07 and 41.3% in 1Q07.

GAAP operating income of NT\$4,112 million dropped 36.6% from NT\$6,486 million in 4Q07, and 33.3% from NT\$6,162 million in 1Q07.

Consolidated Non-Operating Profit and Loss

Net non-operating items generated income of NT\$174 million for 1Q08, compared to income of NT\$272 million in 4Q07 and income of NT\$1,632 million in 1Q07. Major items included:

- Interest income of NT\$316 million, down from NT\$442 million in 4Q07 while the same as NT\$316 million in 1Q07. The decrease was owing to the decline of USD interest rate and declined cash balance for payment of asset purchase.
- Investment income of NT\$167 million, mainly attributed by proceeds from disposing stock shares of Pixart Imaging Inc , compared with loss of NT\$119 million in 4Q07 and income of NT\$1,295 million in 1Q07.

- Foreign exchange loss of NT\$168 million, compared with loss of NT\$63 million in 4Q07 and income of NT\$12 million in 1Q07. The loss was due to USD depreciation.
- Inventory loss provision of NT\$271 million, compared with reversal of inventory loss provision of NT\$10 million in 4Q07, and the loss provision of NT\$9 million in 1Q07.

Consolidated Income before / after Tax(Non-GAAP/GAAP)

(1) Non-GAAP Consolidated Income before/after Tax

Non-GAAP income before tax for the quarter achieved NT\$ 5,609 million, down 17.0% from NT\$6,759 million in 4Q07 and 28.0% from NT\$7,794 million in 1Q07.

After deducting Non-GAAP tax expenses of NT\$317 million for the quarter, Non-GAAP net income ended NT\$5,292 million in the quarter, decreased 16.2% from NT\$6,314 million in 4Q07 and 32.4% from NT\$7,833 million in 1Q07. Non-GAAP net margin was 27.3% for the quarter, declined from 31.0% in 4Q07 and from 52.5% in 1Q07.

After considering our internal calculation of employee profit sharing expenses (see note 4 on page 6), net income ended NT\$4,031 million in the quarter, decreased 1.9% from NT\$4,108 million in 4Q07 and 20.9% from NT\$5,097 million in 1Q07. Due to abovementioned reason, net margin was 20.8% for the quarter, increased from 20.2% in 4Q07 while down from 34.1% in 1Q07

(2) GAAP Consolidated Income before/after Tax

GAAP income before tax for the quarter achieved NT\$4,286 million, down 36.6% from NT\$6,759 million in 4Q07 and 45.0% from NT\$7,794 million in 1Q07.

GAAP tax expenses of NT\$ 255 million for the quarter were lower than Non-GAAP tax expenses due to employee profit sharing expenses tax effect. After deducting the tax expenses, GAAP net income ended NT\$4,031 million in the quarter, decreased 36.2% from NT\$6,314 million in 4Q07 and 48.5% from NT\$7,833 million in 1Q07.

GAAP net margin was 20.8% for the quarter, declined from 31.0 % in 4Q07 and from 52.5% in 1Q07.

Consolidated Earnings per Share (EPS)(Non-GAAP/GAAP)

Non-GAAP earnings per share were NT\$5.12 for the quarter, compared with Non-GAAP NT\$6.11 in 4Q07 and Non-GAAP NT\$7.58 in 1Q07. After considering our internal calculation of employee profit sharing expenses (see note 4 on page 6), earnings per share were NT\$3.90 for the quarter, compared with NT\$3.98 in 4Q07 and NT\$4.93 in 1Q07.

GAAP earnings per share were NT\$3.90 for the quarter, compared with GAAP NT\$6.11 in 4Q07 and GAAP NT\$7.58 in 1Q07.

Consolidated Balance Sheet Items

Cash and short-term investments at the end of quarter amounted to NT\$51,786 million, which accounted for 50.7% of the company's assets, decreased from NT\$60,510 million of 4Q07 and NT\$59,996 million of 1Q07 given cash outflow for

asset purchase activities.

Net notes & accounts receivable were NT\$9,095 million, which represented turnover of 38 days based on quarterly average net receivables divided by annualized net revenue. The turnover was up from 35 days in 4Q07 and from 24 days in 1Q07. Net receivables were increased from NT\$7,082 million in 4Q07 and from NT\$3,845 million in 1Q07.

Net inventory was NT\$10,188 million, which represented turnover of 102 days based on quarterly average net inventory divided by annualized cost of goods sold. The inventory level was slightly lower than NT\$10,540 million in 4Q07 but higher than NT\$5,462 million in 1Q07. The turnover was lengthened from 100 days in 4Q07 and from 64 days in 1Q07.

Note: Consolidated entities include MediaTek and all directly and indirectly majority owned subsidiaries and those investees in which the Company's ownership percentage is less than 50% but the Company has a controlling power. In addition, MediaTek completed acquisition of NuCORE Technology Inc. (NuCORE) in September 2007; therefore, the abovementioned 2007 financial information only included the effects from NuCORE's operations in 4Q07.

Recent Announcement

- Mar. 20, 2008
1. MediaTek Board of Directors announced to hold shareholders' meeting on June 13, 2008.
 2. MediaTek Board of Directors approved stock dividend of NT\$0.1 and cash dividend of NT\$19 per share.

For more information regarding our recent announcement, please link to Taiwan Stock Exchange Market Observation Post System. The website is as follows:
http://emops.tse.com.tw/emops_all.htm

Investor Conference

- Date** : Wednesday, Apr. 30, 2008
Time : 2:00 p.m. Taipei Time (Mandarin)
: 9:00 p.m. Taipei Time (English)
Teleconference : Dial-in numbers:
1. Taiwan : +886-2-2795-7300
2. Hong-Kong : +852-2258-4000
3. Singapore : +65-6883-9139
4. Japan : +81-3-5539-5124
5. UK : + 44-20-7108-6392
6. US : + 1-210-795-0492
Password : MediaTek
Webcast : www.mediatek.com

About MediaTek Inc.

MediaTek Inc. is a leading fabless semiconductor company for wireless communications and digital media solutions. The company is a market leader and pioneer in cutting-edge SOC system solutions for wireless communications, high-definition digital TV, optical storage, and high definition DVD products. Founded in 1997 and listed on Taiwan Stock Exchange under the code "2454", MediaTek is headquartered in Taiwan and has sales and research subsidiaries in Mainland China, Singapore, India, U.S. , Japan, Korea, Ireland, Denmark and England. For more information, please visit MediaTek's website at www.mediatek.com

Q1 FY08 Consolidated Non-GAAP Income Statement – QoQ

Amount: NT\$Million	Q1 FY08		Q4 FY07		QoQ Chg %
	Amount	%	Amount	%	
Net Sales	19,378	100.0%	20,360	100.0%	(4.8%)
Cost of Goods Sold	(9,276)	(47.9%)	(9,194)	(45.2%)	
Gross Profit	10,102	52.1%	11,166	54.8%	(9.5%)
Selling expenses	(448)	(2.3%)	(345)	(1.7%)	
Administration expenses	(602)	(3.1%)	(661)	(3.2%)	
R&D expenses	(3,618)	(18.7%)	(3,674)	(18.0%)	
Operating Expenses	(4,667)	(24.1%)	(4,679)	(23.0%)	
Operating Income	5,435	28.0%	6,486	31.9%	(16.2%)
Interest income	316	1.6%	442	2.2%	
Investment income (loss)	167	0.9%	(119)	(0.6%)	
Foreign exchange gain (loss)	(168)	(0.9%)	(63)	(0.3%)	
Inventory loss provision	(271)	(1.4%)	0	0.0%	
Reversal of inventory loss provision	0	0.0%	10	0.0%	
Reversal of bad debt provision	69	0.4%	0	0.0%	
Others	61	0.3%	1	0.0%	
Net Non-operating Income (exp.)	174	0.9%	272	1.3%	
Income Before Income Tax	5,609	28.9%	6,759	33.2%	(17.0%)
Income tax expenses	(317)	(1.6%)	(445)	(2.2%)	
Non-GAAP Net Income	5,292	27.3%	6,314	31.0%	(16.2%)
Non-GAAP EPS (NT\$)	5.12		6.11		(16.2%)
Employee profit sharing expenses	(1,323)	(6.8%)	(2,206)	(10.8%)	
Employee profit sharing expenses tax effect	62	0.3%	0	0.0%	
Net Income	4,031	20.8%	4,108	20.2%	(1.9%)
EPS (NT\$)	3.90		3.98		(1.9%)

- Note : 1. Foreign exchange gain(loss) includes mark-to-market gain(loss) of derivative products.
2. Non-GAAP net income does not include employee profit sharing expenses and employee profit sharing expenses tax effect.
3. Employee profit sharing expenses are the distribution of current year's profit. It includes cash and stock bonus at market value.
4. 2007 employee profit sharing expenses were calculated by the closing price of Dec. 31, 2007 taken into retrospect of the ex-dividend and ex-right cut-off day, and the number of employees' stock bonus resolved by B.O.D on Mar. 20, 2008. 2008 Employee profit sharing expenses are 25% of 2008 Non-GAAP Net income.

Q1 FY08 Consolidated GAAP Income Statement –QoQ

Amount: NT\$Million	Q1 FY08		Q4 FY07		QoQ Chg %
	Amount	%	Amount	%	
Net Sales	19,378	100.0%	20,360	100.0%	(4.8%)
Cost of Goods Sold	(9,276)	(47.9%)	(9,194)	(45.2%)	
Gross Profit	10,102	52.1%	11,166	54.8%	(9.5%)
Selling expenses	(493)	(2.5%)	(345)	(1.7%)	
Administration expenses	(757)	(3.9%)	(661)	(3.2%)	
R&D expenses	(4,740)	(24.5%)	(3,674)	(18.0%)	
Operating Expenses	(5,991)	(30.9%)	(4,679)	(23.0%)	
Operating Income	4,112	21.2%	6,486	31.9%	(36.6%)
Interest income	316	1.6%	442	2.2%	
Investment income (loss)	167	0.9%	(119)	(0.6%)	
Foreign exchange gain (loss)	(168)	(0.9%)	(63)	(0.3%)	
Inventory loss provision	(271)	(1.4%)	0	0.0%	
Reversal of inventory loss provision	0	0.0%	10	0.0%	
Reversal of bad debt provision	69	0.4%	0	0.0%	
Others	61	0.3%	1	0.0%	
Net Non-operating Income (exp.)	174	0.9%	272	1.3%	
Income Before Income Tax	4,286	22.1%	6,759	33.2%	(36.6%)
Income tax expenses	(255)	(1.3%)	(445)	(2.2%)	
Net Income	4,031	20.8%	6,314	31.0%	(36.2%)
EPS (NT\$)	3.90		6.11		(36.2%)

Note: 2007 and 2008 GAAP followed accounting principles of current year.

Q1 FY08 Consolidated Non-GAAP Income Statement – YoY

Amount: NT\$Million	Q1 FY08		Q1 FY07		YoY Chg %
	Amount	%	Amount	%	
Net Sales	19,378	100.0%	14,927	100.0%	29.8%
Cost of Goods Sold	(9,276)	(47.9%)	(6,372)	(42.7%)	
Gross Profit	10,102	52.1%	8,555	57.3%	18.1%
Selling expenses	(448)	(2.3%)	(264)	(1.8%)	
Administration expenses	(602)	(3.1%)	(534)	(3.6%)	
R&D expenses	(3,618)	(18.7%)	(1,594)	(10.7%)	
Operating Expenses	(4,667)	(24.1%)	(2,392)	(16.0%)	
Operating Income	5,435	28.0%	6,162	41.3%	(11.8%)
Interest income	316	1.6%	316	2.1%	
Investment income (loss)	167	0.9%	1,295	8.7%	
Foreign exchange gain (loss)	(168)	(0.9%)	12	0.1%	
Inventory loss provision	(271)	(1.4%)	(9)	(0.1%)	
Reversal of inventory loss provision	0	0.0%	0	0.0%	
Reversal of bad debt provision	69	0.4%	0	0.0%	
Others	61	0.3%	17	0.1%	
Net Non-operating Income (exp.)	174	0.9%	1,632	10.9%	
Income Before Income Tax	5,609	28.9%	7,794	52.2%	(28.0%)
Income tax expenses	(317)	(1.6%)	39	0.3%	
Non-GAAP Net Income	5,292	27.3%	7,833	52.5%	(32.4%)
Non-GAAP EPS (NT\$)	5.12		7.58		(32.4%)
Employee profit sharing expenses	(1,323)	(6.8%)	(2,736)	(18.3%)	
Employee profit sharing expenses tax effect	62	0.3%	0	0.0%	
Net Income	4,031	20.8%	5,097	34.1%	(20.9%)
EPS (NT\$)	3.90		4.93		(20.9%)

Note : 1. Foreign exchange gain(loss) includes mark-to-market gain(loss) of derivative products.

2. Non-GAAP net income does not include employee profit sharing expenses and employee profit sharing expenses tax effect.

3. Employee profit sharing expenses are the distribution of current year's profit. It includes cash and stock bonus at market value.

4. 2007 employee profit sharing expenses were calculated by the closing price of Dec. 31, 2007 taken into retrospect of the ex-dividend and ex-right cut-off day, and the number of employees' stock bonus resolved by B.O.D on Mar. 20, 2008. 2008 Employee profit sharing expenses are 25% of 2008 Non-GAAP Net income.

Q1 FY08 Consolidated GAAP Income Statement – YoY

Amount: NT\$Million	Q1 FY08		Q1 FY07		YoY Chg %
	Amount	%	Amount	%	
Net Sales	19,378	100.0%	14,927	100.0%	29.8%
Cost of Goods Sold	(9,276)	(47.9%)	(6,372)	(42.7%)	
Gross Profit	10,102	52.1%	8,555	57.3%	18.1%
Selling expenses	(493)	(2.5%)	(264)	(1.8%)	
Administration expenses	(757)	(3.9%)	(534)	(3.6%)	
R&D expenses	(4,740)	(24.5%)	(1,594)	(10.7%)	
Operating Expenses	(5,991)	(30.9%)	(2,392)	(16.0%)	
Operating Income	4,112	21.2%	6,162	41.3%	(33.3%)
Interest income	316	1.6%	316	2.1%	
Investment income (loss)	167	0.9%	1,295	8.7%	
Foreign exchange gain (loss)	(168)	(0.9%)	12	0.1%	
Inventory loss provision	(271)	(1.4%)	(9)	(0.1%)	
Reversal of inventory loss provision	0	0.0%	0	0.0%	
Reversal of bad debt provision	69	0.4%	0	0.0%	
Others	61	0.3%	17	0.1%	
Net Non-operating Income (exp.)	174	0.9%	1,632	10.9%	
Income Before Income Tax	4,286	22.1%	7,794	52.2%	(45.0%)
Income tax expenses	(255)	(1.3%)	39	0.3%	
Net Income	4,031	20.8%	7,833	52.5%	(48.5%)
EPS (NT\$)	3.90		7.58		(48.5%)

Note: 2007 and 2008 GAAP followed accounting principles of current year.

Condensed Consolidated Balance Sheet

Amount: NT\$Million	Mar. 31, FY08	Dec. 31, FY07	Mar. 31, FY07
Cash & Short-term investments	51,786	60,510	59,996
Notes & Accounts receivable (net)	9,095	7,082	3,845
Inventory (net)	10,188	10,540	5,462
Long – term investment	7,019	7,647	7,477
Intangible assets	14,056	4,352	1,980
Total assets	102,194	98,867	85,986
Notes & Account payables	7,351	7,537	5,721
Current liabilities	13,164	12,721	10,960
Long – term liabilities	80	76	63
Stockholders' equity	88,951	86,069	74,963

Consolidated Cash Flow Summary

Amount: NT\$Million	Q1 FY08	Q4 FY07	Q1 FY07
Cash Flow From Operations	2,620	8,108	6,774
Cash Flow From Investing	(10,935)	(1,207)	(88)
Cash Flow From Financing	106	(92)	1
Effect of Exchange Rate Changes	(391)	76	0
Net Increase in Cash & Cash Equivalents	(8,600)	6,885	6,687
Cash & Cash Equivalents at Quarter End	41,988	50,588	53,668