



CIPHERLAB CO.,LTD.and Subsidiaries
Consolidated Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

	March 31,2009		December 31,2008		March 31,2008		QoQ		YoY	
Current assets										
Cash and Cash Equivalents	282,533	20%	316,287	22%	565,129	34%	(33,754)	-11%	(282,596)	-50%
Financial Assets at Fair Value through Profit or Loss	231,635	16%	231,325	16%	342,649	21%	310	0%	(111,014)	-32%
Notes Receivable, Net	1,081	0%	7,774	1%	1,161	0%	(6,693)	-86%	(80)	-7%
Accounts Receivable, Net	285,584	20%	227,936	16%	200,082	12%	57,648	25%	85,502	43%
Inventories, Net	347,597	24%	393,477	27%	273,687	17%	(45,880)	-12%	73,910	27%
Other Current Assets	53,377	4%	28,600	2%	66,295	4%	24,777	87%	(12,918)	-19%
Total Current Assets	1,201,807	83%	1,205,399	83%	1,449,003	88%	(3,592)	0%	(247,196)	-17%
Long-term Equity Investments	17,012	1%	15,048	1%	21,726	1%	1,964	13%	(4,714)	-22%
Property, Plant and Equipment										
Property, Plant and Equipment	285,647	20%	278,883	19%	269,253	16%	6,764	2%	16,394	6%
Less : Accumulated depreciation	(134,869)	-9%	(129,724)	-9%	(139,726)	-8%	(5,145)	4%	4,857	-3%
Less : Accumulated impairment loss	(5,170)	0%	(5,170)	0%	(5,170)	0%	0	0%	0	0%
construction in progress and prepayments for equipment	1,789	0%	803	0%	6,392	0%	986	123%	(4,603)	-72%
Property, Plant and Equipment, Net	147,397	10%	144,792	10%	130,749	8%	2,605	2%	16,648	13%
Intangible assets and Other assets	78,534	5%	74,922	5%	44,418	3%	3,612	5%	34,116	77%
TOTAL ASSETS	1,444,750	100%	1,440,161	100%	1,645,896	100%	4,589	0%	(201,146)	-12%
LIABILITIES :										
Current Liabilities										
Financial liabilities at fair value through profit or loss - current	128	0%	-	-	438.00	0%	128	100%	(310)	-71%
Notes Payable	-	-	-	-	1,043	0%	-	-	(1,043)	-100%
Accounts Payable	43,684	3%	80,458	6%	87,410	5%	(36,774)	-46%	(43,726)	-50%
Income Tax Payable	34,254	2%	24,645	2%	62,016	4%	9,609	39%	(27,762)	-45%
Accrued Expenses	110,031	8%	121,441	8%	96,987	6%	(11,410)	-9%	13,044	13%
Other Current Liabilities	94,791	7%	86,049	6%	23,389	1%	8,742	10%	71,402	305%
Total Current Liabilities	282,888	20%	312,593	22%	271,283	16%	(29,705)	-10%	11,605	4%
Other Liabilities	16,530	1%	16,496	1%	16,578	1%	34	0%	(48)	0%
Total Liabilities	299,418	21%	329,089	23%	287,861	17%	(29,671)	-9%	11,557	4%
SHAREHOLDERS' EQUITY :										
Capital Stock	709,811	49%	709,811	49%	709,811	43%	-	-	-	-
Capital Surplus	1,101	0%	1,101	0%	1,101	0%	-	-	-	-
Retained Earnings	539,689	37%	501,636	35%	645,077	39%	38,053	8%	(105,388)	-16%
Others-Cumulative Translation Adjustments	(7,811)	-1%	(4,018)	0%	2,046	0%	(3,793)	94%	(9,857)	-482%
Treasury stock	(97,458)	-7%	(97,458)	-7%	-	-	-	-	(97,458)	100%
Total Shareholders' Equity	1,145,332	79%	1,111,072	77%	1,358,035	83%	34,260	3%	(212,703)	-16%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,444,750	100%	1,440,161	100%	1,645,896	100%	4,589	0%	(201,146)	-12%



CIPHERLAB CO.,LTD.and Subsidiaries
Consolidated Condensed Income Statements
FOR THE THREE MONTHS ENDED March 31,2009 ,December 31,2008 and March 31 ,2008
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	Q1 2009		Q4 2008		Q1 2008		QoQ		YoY	
Net Sales	300,723	100%	394,082	100%	332,464	100%	(93,359)	-24%	(31,741)	-10%
Cost of Goods Sold	(161,416)	-54%	(152,120)	-39%	(135,558)	-41%	(9,296)	6%	(25,858)	19%
Gross Profit	139,307	46%	241,962	61%	196,906	59%	(102,655)	-42%	(57,599)	-29%
Operating Expenses	(109,789)	-37%	(132,509)	-34%	(89,178)	-27%	22,720	-17%	(20,611)	23%
Sales and Marketing Expenses	(46,705)	-16%	(38,011)	-10%	(37,081)	-11%	(8,694)	23%	(9,624)	26%
General and Administrative Expenses	(34,561)	-11%	(63,147)	-16%	(35,572)	-11%	28,586	-45%	1,011	-3%
Research and Development Expenses	(28,523)	-9%	(31,351)	-8%	(16,525)	-5%	2,828	-9%	(11,998)	73%
Operating Income	29,518	10%	109,453	28%	107,728	32%	(79,935)	-73%	(78,210)	-73%
Nonoperating Income	16,388	5%	67,931	17%	11,700	4%	(51,543)	-76%	4,688	40%
Interest income	519	0%	1,453	0%	2,360	1%	(934)	-64%	(1,841)	-78%
Dividend income	-	-	319	0%	-	-	(319)	-100%	-	-
Valuation Gain on financial assets and liabilities, net	310	0%	876	0%	-	-	(566)	-65%	310	100%
Reversal of Bad Debt Expenses	-	-	15,790	4%	9,143	3%	(15,790)	-100%	(9,143)	-100%
Reversal of loss on inventories	-	-	38,858	10%	-	-	(38,858)	-100%	-	-
Exchange Gain, net	13,113	4%	10,451	3%	-	-	2,662	25%	13,113	100%
Miscellaneous income and Others	2,446	1%	184	0%	197	0%	2,262	1229%	2,249	1142%
Nonoperating Expenses and Losses	(298)	0%	(77,562)	-20%	(46,152)	-14%	77,264	-100%	45,854	-99%
Valuation loss on financial assets, net	(128)	0%	-	-	(28,900)	-9%	(128)	100%	28,772	-100%
Exchange loss, net	-	-	-	-	(17,204)	-5%	-	-	17,204	-100%
Provision for loss on inventories and loss on disposa	-	-	(65,674)	-17%	-	-	65,674	-100%	-	-
Loss on physical inventory	-	-	(11,249)	-3%	-	-	11,249	-100%	-	-
Miscellaneous expenses	(170)	0%	(639)	0%	(48)	0%	469	-73%	(122)	254%
Income Before Income Tax	45,608	15%	99,822	25%	73,276	22%	(54,214)	-54%	(27,668)	-38%
Income Tax	(7,555)	-3%	(24,552)	-6%	(19,300)	-6%	16,997	-69%	11,745	-61%
Net Income	38,053	13%	75,270	19%	53,976	16%	(37,217)	-49%	(15,923)	-30%
Consolidated Earnings Per Share										
Basic Earnings Per Share Before Income Tax	0.66		1.43		1.03		(0.77)		(0.37)	
Basic Earnings Per Share After Income Tax	0.55		1.09		0.76		(0.54)		(0.21)	



CIPHERLAB CO.,LTD.and Subsidiaries
Consolidated Condensed Statements of Cash Flows
For the Three Months Ended March 31, 2009 and 2008
(In Thousands of New Taiwan Dollars)

	<u>Q1 2009</u>	<u>Q1 2008</u>
Cash Flows from Operating Activities :		
Net Income	38,053	53,976
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities :		
Valuation loss (gain) on financial assets and liability	(182)	28,900
Provision for (recovery of) loss on inventories and loss on disposal of inventories	8,224	(4,701)
Loss (gain) on physical inventory	-	1,606
Reversal Bad Debt Expenses (Reversal)	3,301	(9,143)
Depreciation	6,559	5,011
Amortization	3,453	1,639
Net changes in operating assets and liabilities		
Financial Assets at Fair Value through Profit or Loss	-	25,037
Changes in Others assets and liabilities	(65,580)	69,603
Net Cash (Used by) Provided from Operating Activities	<u>(6,172)</u>	<u>171,928</u>
Cash Flows from Investing Activities :		
Acquisition of Properties, Plant and Equipment	(15,481)	(9,952)
(Increase) Decrease in deferred charges	-	3,026
Increase in Others	(3,974)	(1,727)
Net Cash Used by Investing Activities	<u>(19,455)</u>	<u>(8,653)</u>
Effect of exchange rate changes	<u>(8,127)</u>	<u>-</u>
Net Increase(Decrease) in Cash and Cash Equivalents	(33,754)	163,275
Cash and Cash Equivalents at Beginning of Period	<u>316,287</u>	<u>401,854</u>
Cash and Cash Equivalents at End of Period	<u><u>282,533</u></u>	<u><u>565,129</u></u>